planning, but it also included a version of the Mexico City policy by imposing restrictions on what private organizations can do with their own money in order to receive U.S. Government funds.

Why we would want to do that when there are hundreds of millions of people who want family planning services but cannot get it, and the world is struggling with the enormous pressures of over a billion people living in poverty already, is beyond me.

I understand the herculean efforts that Congressman CALLAHAN and others on the House side have made to try to resolve this matter in a way that does not damage the Agency for International Development's family planning program. I also greatly appreciate the tireless efforts of Senator HATFIELD, who has tried every conceivable approach to reconcile the House and Senate provisions.

However, I urge the administration to stand firmly on the side of women, on unrestricted access to family planning, and on the right of private organizations to use their funds as they see fit—including for abortions, consistent with the laws of the countries where they operate. At a time when the world's population will double in the next 50 years and 90 percent of the new births will occur in countries that cannot even feed and care for their own people today, there is no more pressing issue for American leadership.●

GLENORA G. ROLAND

● Mr. LEVIN. Mr. President, I rise today to honor Glenora G. Roland of Flint, MI, who is celebrating 50 years of community service. Ms. Roland moved to Flint with her family in 1936.

Ms. Roland has always been a leader in the revitalization of the Flint community. In 1977, Glenora joined several other committed members of the community to found the Flint neighborhood improvement and preservation project, and the Flint neighborhood coalition. These two organizations have contributed greatly to the rebuilding and strengthening of the community. Ms. Roland served as the Flint NIPP's first secretary, as well as naming the organization. She has also served as the executive director of the Flint neighborhood coalition. The coalition's mission is ''to reverse neighborhood decay by teaching residents to be self-sufficient.''

I know my Senate colleagues join me in honoring Glenora G. Roland on her 50 years of service to the Flint community and Michigan.●

NOTE

Page S11571 of the RECORD of September 27, 1996, shows an incorrect headline and bill title for H.R. 1014, a bill to authorize extension of time limitation for a FERC-issued hydroelectric license. The permanent RECORD has been corrected accordingly.

ECONOMIC ESPIONAGE ACT OF 1996

Mr. NICKLES. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on (H.R. 3723) the bill to amend title 18, United States Code, to protect proprietary economic information, and for other purposes.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 3723) entitled ''An Act to amend title 18, United States Code, to protect proprietary economic information, and for other purposes'', with the following House amendment to senate amendment:

In lieu of the matter proposed to be inserted by the Senate amendment to the text of the bill, insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Economic Espionage Act of 1996''.

TITLE I—PROTECTION OF TRADE SECRETS

SEC. 101. PROTECTION OF TRADE SECRETS.

(a) IN GENERAL.—Title 18, United States Code, is amended by inserting after chapter 89 the following:

''CHAPTER 90—PROTECTION OF TRADE SECRETS

''§1831. Economic espionage

''(a) IN GENERAL.—Whoever, intending or knowing that the offense will benefit any foreign government, foreign instrumentality, or foreign agent, knowingly—

''(1) steals, or without authorization appropriates, takes, carries away, or conceals, or by fraud, artifice, or deception obtains a trade secret;

''(2) without authorization copies, duplicates, sketches, draws, photographs, downloads, uploads, alters, destroys, photocopies, replicates, transmits, delivers, sends, mails, communicates, or conveys a trade secret;

''(3) receives, buys, or possesses a trade secret, knowing the same to have been stolen or appropriated, obtained, or converted without authorization;

''(4) attempts to commit any offense described in any of paragraphs (1) through (3); or

''(5) conspires with one or more other persons to commit any offense described in any of paragraphs (1) through (4), and one or more of such persons do any act to effect the object of the conspiracy,

shall, except as provided in subsection (b), be fined not more than $500,000 or imprisoned not more than 15 years, or both.

''(b) ORGANIZATIONS.—Any organization that commits any offense described in subsection (a) shall be fined not more than $10,000,000.

''§1832. Theft of trade secrets

''(a) Whoever, with intent to convert a trade secret, that is related to or included in a product that is produced for or placed in interstate or foreign commerce, to the economic benefit of anyone other than the owner thereof, and intending or knowing that the offense will, injure any owner of that trade secret, knowingly—

''(1) steals, or without authorization appropriates, takes, carries away, or conceals, or by fraud, artifice, or deception obtains such information;

''(2) without authorization copies, duplicates, sketches, draws, photographs, downloads, uploads, alters, destroys, photocopies, replicates, transmits, delivers, sends, mails, communicates, or conveys such information;

''(3) receives, buys, or possesses such information, knowing the same to have been stolen or appropriated, obtained, or converted without authorization;

''(4) attempts to commit any offense described in paragraphs (1) through (3); or

''(5) conspires with one or more other persons to commit any offense described in paragraphs (1) through (3), and one or more of such persons do any act to effect the object of the conspiracy,

shall, except as provided in subsection (b), be fined under this title or imprisoned not more than 10 years, or both.

''(b) Any organization that commits any offense described in subsection (a) shall be fined not more than $5,000,000.

''§1833. Exceptions to prohibitions

''This chapter does not prohibit—

''(1) any otherwise lawful activity conducted by a governmental entity of the United States, a State, or a political subdivision of a State; or

''(2) the reporting of a suspected violation of law to any governmental entity of the United States, a State, or a political subdivision of a State, if such entity has lawful authority with respect to that violation.

''§1834. Criminal forfeiture

''(a) The court, in imposing sentence on a person for a violation of this chapter, shall order, in addition to any other sentence imposed, that the person forfeit to the United States—

''(1) any property constituting, or derived from, any proceeds the person obtained, directly or indirectly, as the result of such violation; and

''(2) any of the person's property used, or intended to be used, in any manner or part, to commit or facilitate the commission of such violation, if the court in its discretion so determines, taking into consideration the nature, scope, and proportionality of the use of the property in the offense.

''(b) Property subject to forfeiture under this section, any seizure and disposition thereof, and any administrative or judicial proceeding in relation thereto, shall be governed by section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853), except for subsections (d) and (j) of such section, which shall not apply to forfeitures under this section.

''§1835. Orders to preserve confidentiality

''In any prosecution or other proceeding under this chapter, the court shall enter such orders and take such other action as may be necessary and appropriate to preserve the confidentiality of trade secrets, consistent with the requirements of the Federal Rules of Criminal and Civil Procedure, the Federal Rules of Evidence, and all other applicable laws. An interlocutory appeal by the United States shall lie from a decision or order of a district court authorizing or directing the disclosure of any trade secret.

''§1836. Civil proceedings to enjoin violations

''(a) The Attorney General may, in a civil action, obtain appropriate injunctive relief against any violation of this section.

''(b) The district courts of the United States shall have exclusive original jurisdiction of civil actions under this subsection.

''§1837. Applicability to conduct outside the United States

''This chapter also applies to conduct occurring outside the United States if—

''(1) the offender is a natural person who is a citizen or permanent resident alien of the United States, or an organization organized under the laws of the United States or a State or political subdivision thereof; or

''(2) an act in furtherance of the offense was committed in the United States.

''§ 1838. Construction with other laws

''This chapter shall not be construed to preempt or displace any other remedies, whether civil or criminal, provided by United States Federal, State, commonwealth, possession, or territory law for the misappropriation of a trade secret, or to affect the otherwise lawful disclosure of information by any Government employee under section 552 of title 5 (commonly known as the Freedom of Information Act).

''§ 1839. Definitions

''As used in this chapter—

''(1) the term 'foreign instrumentality' means any agency, bureau, ministry, component, institution, association, or any legal, commercial, or business organization, corporation, firm, or entity that is substantially owned, controlled, sponsored, commanded, managed, or dominated by a foreign government;

''(2) the term 'foreign agent' means any officer, employee, proxy, servant, delegate, or representative of a foreign government;

''(3) the term 'trade secret' means all forms and types of financial, business, scientific, technical, economic, or engineering information, including patterns, plans, compilations, program devices, formulas, designs, prototypes, methods, techniques, processes, procedures, programs, or codes, whether tangible or intangible, and whether or how stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing if—

''(A) the owner thereof has taken reasonable measures to keep such information secret; and

''(B) the information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable through proper means by, the public; and

''(4) the term 'owner', with respect to a trade secret, means the person or entity in whom or in which rightful legal or equitable title to, or license in, the trade secret is reposed.''.

(b) CLERICAL AMENDMENT.—The table of chapters at the beginning part I of title 18, United States Code, is amended by inserting after the item relating to chapter 89 the following:

(c) REPORTS.—Not later than 2 years and 4 years after the date of the enactment of this Act, the Attorney General shall report to Congress on the amounts received and distributed from fines for offenses under this chapter deposited in the Crime Victims Fund established by section 1402 of the Victims of Crime Act of 1984 (42 U.S.C. 10601).

''90. Protection of trade secrets 1831

SEC. 102. WIRE AND ELECTRONIC COMMUNICATIONS INTERCEPTION AND INTERCEPTION OF ORAL COMMUNICATIONS.

Section 2516(1)(c) of title 18, United States Code, is amended by inserting ''chapter 90 (relating to protection of trade secrets),'' after ''chapter 37 (relating to espionage),''.

TITLE II—NATIONAL INFORMATION INFRASTRUCTURE PROTECTION ACT OF 1996.

SEC. 201. COMPUTER CRIME.

Section 1030 of title 18, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking ''knowingly accesses'' and inserting ''having knowingly accessed'';

(ii) by striking ''exceeds'' and inserting ''exceeding'';

(iii) by striking ''obtains information'' and inserting ''having obtained information'';

(iv) by striking ''the intent or'';

(v) by striking ''is to be used'' and inserting ''could be used''; and

(vi) by inserting before the semicolon at the end the following: ''willfully communicates, delivers, transmits, or causes to be communicated, delivered, or transmitted, or attempts to communicate, deliver, transmit or cause to be communicated, delivered, or transmitted the same to any person not entitled to receive it, or willfully retains the same and fails to deliver it to the officer or employee of the United States entitled to receive it'';

(B) in paragraph (2)—

(i) by striking ''obtains information'' and inserting ''obtains—

''(A) information''; and

(ii) by adding at the end the following new subparagraphs:

''(B) information from any department or agency of the United States; or

''(C) information from any protected computer if the conduct involved an interstate or foreign communication;'';

(C) in paragraph (3)—

(i) by inserting ''nonpublic'' before ''computer of a department or agency'';

(ii) by striking ''adversely''; and

(iii) by striking ''the use of the Government's operation of such computer'' and inserting ''that use by or for the Government of the United States'';

(D) in paragraph (4)—

(i) by striking ''Federal interest'' and inserting ''protected''; and

(ii) by inserting before the semicolon the following: ''and the value of such use is not more than $5,000 in any 1-year period'';

(E) by striking paragraph (5) and inserting the following:

''(5)(A) knowingly causes the transmission of a program, information, code, or command, and as a result of such conduct, intentionally causes damage without authorization, to a protected computer;

''(B) intentionally accesses a protected computer without authorization, and as a result of such conduct, recklessly causes damage; or

''(C) intentionally accesses a protected computer without authorization, and as a result of such conduct, causes damage;''; and

(F) by inserting after paragraph (6) the following new paragraph:

''(7) with intent to extort from any person, firm, association, educational institution, financial institution, government entity, or other legal entity, any money or other thing of value, transmits in interstate or foreign commerce any communication containing any threat to cause damage to a protected computer;'';

(2) in subsection (c)—

(A) in paragraph (1), by striking ''such subsection'' each place that term appears and inserting ''this section'';

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) by inserting '', (a)(5)(C),'' after ''(a)(3)''; and

(II) by striking ''such subsection'' and inserting ''this section'';

(ii) by redesignating subparagraph (B) as subparagraph (C);

(iii) by inserting immediately after subparagraph (A) the following:

''(B) a fine under this title or imprisonment for not more than 5 years, or both, in the case of an offense under subsection (a)(2), if—

''(i) the offense was committed for purposes of commercial advantage or private financial gain;

''(ii) the offense was committed in furtherance of any criminal or tortious act in violation of the Constitution or laws of the United States or of any State; or

''(iii) the value of the information obtained exceeds $5,000;''; and

(iv) in subparagraph (C) (as redesignated)—

(I) by striking ''such subsection'' and inserting ''this section''; and

(II) by adding ''and'' at the end;

(C) in paragraph (3)—

(i) in subparagraph (A)—

(I) by striking ''(a)(4) or (a)(5)(A)'' and inserting ''(a)(4), (a)(5)(A), (a)(5)(B), or (a)(7)''; and

(II) by striking ''such subsection'' and inserting ''this section''; and

(ii) in subparagraph (B)—

(I) by striking ''(a)(4) or (a)(5)'' and inserting ''(a)(4), (a)(5)(A), (a)(5)(B), (a)(5)(C), or (a)(7)''; and

(II) by striking ''such subsection'' and inserting ''this section''; and

(D) by striking paragraph (4);

(3) in subsection (d), by inserting ''subsections (a)(2)(A), (a)(2)(B), (a)(3), (a)(4), (a)(5), and (a)(6) of'' before ''this section.'';

(4) in subsection (e)—

(A) in paragraph (2)—

(i) by striking ''Federal interest'' and inserting ''protected'';

(ii) in subparagraph (A), by striking ''the use of the financial institution's operation or the Government's operation of such computer'' and inserting ''that use by or for the financial institution or the Government''; and

(iii) by striking subparagraph (B) and inserting the following:

''(B) which is used in interstate or foreign commerce or communication;'';

(B) in paragraph (6), by striking ''and'' at the end;

(C) in paragraph (7), by striking the period at the end and inserting ''; and''; and

(D) by adding at the end the following new paragraphs:

''(8) the term 'damage' means any impairment to the integrity or availability of data, a program, a system, or information, that—

''(A) causes loss aggregating at least $5,000 in value during any 1-year period to one or more individuals;

''(B) modifies or impairs, or potentially modifies or impairs, the medical examination, diagnosis, treatment, or care of one or more individuals;

''(C) causes physical injury to any person; or

''(D) threatens public health or safety; and

''(9) the term 'government entity' includes the Government of the United States, any State or political subdivision of the United States, any foreign country, and any state, province, municipality, or other political subdivision of a foreign country.''; and

(5) in subsection (g)—

(A) by striking '', other than a violation of subsection (a)(5)(B),''; and

(B) by striking ''of any subsection other than subsection (a)(5)(A)(ii)(II)(bb) or (a)(5)(B)(ii)(II)(bb)'' and inserting ''involving damage as defined in subsection (e)(8)(A)''.

TITLE III—TRANSFER OF PERSONS FOUND NOT GUILTY BY REASON OF INSANITY

SEC. 301. TRANSFER OF PERSONS FOUND NOT GUILTY BY REASON OF INSANITY.

(a) AMENDMENT OF SECTION 4243 OF TITLE 18.—Section 4243 of title 18, United States Code, is amended by adding at the end the following new subsection:

''(i) CERTAIN PERSONS FOUND NOT GUILTY BY REASON OF INSANITY IN THE DISTRICT OF COLUMBIA.—

''(1) TRANSFER TO CUSTODY OF THE ATTORNEY GENERAL.—Notwithstanding section 301(h) of title 24 of the District of Columbia Code, and notwithstanding subsection 4247(j) of this title, all persons who have been committed to a hospital for the mentally ill pursuant to section 301(d)(1) of title 24 of the District of Columbia Code, and for whom the United States has continuing financial responsibility, may be transferred to the custody of the Attorney General, who shall hospitalize the person for treatment in a suitable facility.

''(2) APPLICATION.—

''(A) IN GENERAL.—The Attorney General may establish custody over such persons by filing an application in the United States District Court for the District of Columbia, demonstrating that the person to be transferred is a person described in this subsection.

''(B) NOTICE.—The Attorney General shall, by any means reasonably designed to do so, provide written notice of the proposed transfer of custody to such person or such person's guardian,

legal representative, or other lawful agent. The person to be transferred shall be afforded an opportunity, not to exceed 15 days, to respond to the proposed transfer of custody, and may, at the court's discretion, be afforded a hearing on the proposed transfer of custody. Such hearing, if granted, shall be limited to a determination of whether the constitutional rights of such person would be violated by the proposed transfer of custody.

''(C) ORDER.—Upon application of the Attorney General, the court shall order the person transferred to the custody of the Attorney General, unless, pursuant to a hearing under this paragraph, the court finds that the proposed transfer would violate a right of such person under the United States Constitution.

''(D) EFFECT.—Nothing in this paragraph shall be construed to—

''(i) create in any person a liberty interest in being granted a hearing or notice on any matter;

''(ii) create in favor of any person a cause of action against the United States or any officer or employee of the United States; or

''(iii) limit in any manner or degree the ability of the Attorney General to move, transfer, or otherwise manage any person committed to the custody of the Attorney General.

''(3) CONSTRUCTION WITH OTHER SECTIONS.—Subsections (f) and (g) and section 4247 shall apply to any person transferred to the custody of the Attorney General pursuant to this subsection.''.

(b) TRANSFER OF RECORDS.—Notwithstanding any provision of the District of Columbia Code or any other provision of law, the District of Columbia and St. Elizabeth's Hospital—

(1) not later than 30 days after the date of enactment of this Act, shall provide to the Attorney General copies of all records in the custody or control of the District or the Hospital on such date of enactment pertaining to persons described in section 4243(i) of title 18, United States Code (as added by subsection (a));

(2) not later than 30 days after the creation of any records by employees, agents, or contractors of the District of Columbia or of St. Elizabeth's Hospital pertaining to persons described in section 4243(i) of title 18, United States Code, provide to the Attorney General copies of all such records created after the date of enactment of this Act;

(3) shall not prevent or impede any employee, agent, or contractor of the District of Columbia or of St. Elizabeth's Hospital who has obtained knowledge of the persons described in section 4243(i) of title 18, United States Code, in the employee's professional capacity from providing that knowledge to the Attorney General, nor shall civil or criminal liability attach to such employees, agents, or contractors who provide such knowledge; and

(4) shall not prevent or impede interviews of persons described in section 4243(i) of title 18, United States Code, by representatives of the Attorney General, if such persons voluntarily consent to such interviews.

(c) CLARIFICATION OF EFFECT ON CERTAIN TESTIMONIAL PRIVILEGES.—The amendments made by this section shall not be construed to affect in any manner any doctor-patient or psychotherapist-patient testimonial privilege that may be otherwise applicable to persons found not guilty by reason of insanity and affected by this section.

(d) SEVERABILITY.—If any provision of this section, an amendment made by this section, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this section and the amendments made by this section shall not be affected thereby.

TITLE IV—ESTABLISHMENT OF BOYS AND GIRLS CLUBS.

SEC. 401. ESTABLISHING BOYS AND GIRLS CLUBS.

(a) FINDINGS AND PURPOSE.—

(1) FINDINGS.—The Congress finds that—

(A) the Boys and Girls Clubs of America, chartered by an Act of Congress on December 10, 1991, during its 90-year history as a national organization, has proven itself as a positive force in the communities it serves;

(B) there are 1,810 Boys and Girls Clubs facilities throughout the United States, Puerto Rico, and the United States Virgin Islands, serving 2,420,000 youths nationwide;

(C) 71 percent of the young people who benefit from Boys and Girls Clubs programs live in our inner cities and urban areas;

(D) Boys and Girls Clubs are locally run and have been exceptionally successful in balancing public funds with private sector donations and maximizing community involvement;

(E) Boys and Girls Clubs are located in 289 public housing sites across the Nation;

(F) public housing projects in which there is an active Boys and Girls Club have experienced a 25 percent reduction in the presence of crack cocaine, a 22 percent reduction in overall drug activity, and a 13 percent reduction in juvenile crime;

(G) these results have been achieved in the face of national trends in which overall drug use by youth has increased 105 percent since 1992 and 10.9 percent of the Nation's young people use drugs on a monthly basis; and

(H) many public housing projects and other distressed areas are still underserved by Boys and Girls Clubs.

(2) PURPOSE.—It is the purpose of this section to provide adequate resources in the form of seed money for the Boys and Girls Clubs of America to establish 1,000 additional local Boys and Girls Clubs in public housing projects and other distressed areas by 2001.

(b) DEFINITIONS.—For purposes of this section—

(1) the terms ''public housing'' and ''project'' have the same meanings as in section 3(b) of the United States Housing Act of 1937; and

(2) the term ''distressed area'' means an urban, suburban, or rural area with a high percentage of high risk youth as defined in section 509A of the Public Health Service Act (42 U.S.C. 290aa–8(f)).

(c) ESTABLISHMENT.—

(1) IN GENERAL.—For each of the fiscal years 1997, 1998, 1999, 2000, and 2001, the Director of the Bureau of Justice Assistance of the Department of Justice shall provide a grant to the Boys and Girls Clubs of America for the purpose of establishing Boys and Girls Clubs in public housing projects and other distressed areas.

(2) CONTRACTING AUTHORITY.—Where appropriate, the Secretary of Housing and Urban Development, in consultation with the Attorney General, shall enter into contracts with the Boys and Girls Clubs of America to establish clubs pursuant to the grants under paragraph (1).

(d) REPORT.—Not later than May 1 of each fiscal year for which amounts are made available to carry out this Act, the Attorney General shall submit to the Committees on the Judiciary of the Senate and the House of Representatives a report that details the progress made under this Act in establishing Boys and Girls Clubs in public housing projects and other distressed areas, and the effectiveness of the programs in reducing drug abuse and juvenile crime.

(e) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to carry out this section—

(A) $20,000,000 for fiscal year 1997;

(B) $20,000,000 for fiscal year 1998;

(C) $20,000,000 for fiscal year 1999;

(D) $20,000,000 for fiscal year 2000; and

(E) $20,000,000 for fiscal year 2001.

(2) VIOLENT CRIME REDUCTION TRUST FUND.—The sums authorized to be appropriated by this subsection may be made from the Violent Crime Reduction Trust Fund.

TITLE V—USE OF CERTAIN TECHNOLOGY TO FACILITATE CRIMINAL CONDUCT

SEC. 501. USE OF CERTAIN TECHNOLOGY TO FACILITATE CRIMINAL CONDUCT.

(a) INFORMATION.—The Administrative Office of the United States courts shall establish policies and procedures for the inclusion in all presentence reports of information that specifically identifies and describes any use of encryption or scrambling technology that would be relevant to an enhancement under section 3C1.1 (dealing with Obstructing or Impeding the Administration of Justice) of the Sentencing Guidelines or to offense conduct under the Sentencing Guidelines.

(b) COMPILING AND REPORT.—The United States Sentencing Commission shall—

(1) compile and analyze any information contained in documentation described in subsection (a) relating to the use of encryption or scrambling technology to facilitate or conceal criminal conduct; and

(2) based on the information compiled and analyzed under paragraph (1), annually report to the Congress on the nature and extent of the use of encryption or scrambling technology to facilitate or conceal criminal conduct.

TITLE VI—TECHNICAL AND MINOR AMENDMENTS

SEC. 601. GENERAL TECHNICAL AMENDMENTS.

(a) FURTHER CORRECTIONS TO MISLEADING FINE AMOUNTS AND RELATED TYPOGRAPHICAL ERRORS.—

(1) Sections 152, 153, 154, and 610 of title 18, United States Code, are each amended by striking ''fined not more than $5,000'' and inserting ''fined under this title''.

(2) Section 970(b) of title 18, United States Code, is amended by striking ''fined not more than $500'' and inserting ''fined under this title''.

(3) Sections 661, 1028(b), 1361, and 2701(b) of title 18, United States Code, are each amended by striking ''fine of under'' each place it appears and inserting ''fine under''.

(4) Section 3146(b)(1)(A)(iv) of title 18, United States Code, is amended by striking ''a fined under this title'' and inserting ''a fine under this title''.

(5) The section 1118 of title 18, United States Code, that was enacted by Public Law 103–333—

(A) is redesignated as section 1122; and

(B) is amended in subsection (c) by—

(i) inserting ''under this title'' after ''fine''; and

(ii) striking ''nor more than $20,000''.

(6) The table of sections at the beginning of chapter 51 of title 18, United States Code, is amended by adding at the end the following new item:

''1122. Protection against the human immunodeficiency virus.''.

(7) Sections 1761(a) and 1762(b) of title 18, United States Code, are each amended by striking ''fined not more than $50,000'' and inserting ''fined under this title''.

(8) Sections 1821, 1851, 1852, 1853, 1854, 1905, 1916, 1918, 1991, 2115, 2116, 2191, 2192, 2194, 2199, 2234, 2235, and 2236 of title 18, United States Code, are each amended by striking ''fined not more than $1,000'' each place it appears and inserting ''fined under this title''.

(9) Section 1917 of title 18, United States Code, is amended by striking ''fined not less than $100 nor more than $1,000'' and inserting ''fined under this title not less than $100''.

(10) Section 1920 of title 18, United States Code, is amended—

(A) by striking ''of not more than $250,000'' and inserting ''under this title''; and

(B) by striking ''of not more than $100,000'' and inserting ''under this title''.

(11) Section 2076 of title 18, United States Code, is amended by striking ''fined not more than $1,000 or imprisoned not more than one year'' and inserting ''fined under this title or imprisoned not more than one year, or both''.

(12) Section 597 of title 18, United States Code, is amended by striking ''fined not more than $10,000'' and inserting ''fined under this title''.

(b) CROSS REFERENCE CORRECTIONS AND CORRECTIONS OF TYPOGRAPHICAL ERRORS.—

(1) Section 3286 of title 18, United States Code, is amended—

(A) by striking ''2331'' and inserting ''2332'';

(B) by striking ''2339'' and inserting ''2332a''; and

(C) by striking ''36'' and inserting ''37''.

(2) Section 2339A(b) of title 18, United States Code, is amended—

(A) by striking ''2331'' and inserting ''2332'';

(B) by striking ''2339'' and inserting ''2332a'';

(C) by striking ''36'' and inserting ''37''; and

(D) by striking ''of an escape'' and inserting ''or an escape''.

(3) Section 1961(1)(D) of title 18, United States Code, is amended by striking ''that title'' and inserting ''this title''.

(4) Section 2423(b) of title 18, United States Code, is amended by striking ''2245'' and inserting ''2246''.

(5) Section 3553(f) of title 18, United States Code, is amended by striking ''section 1010 or 1013 of the Controlled Substances Import and Export Act (21 U.S.C. 961, 963)'' and inserting ''section 1010 or 1013 of the Controlled Substances Import and Export Act (21 U.S.C. 960, 963)''.

(6) Section 3553(f)(4) of title 18, United States Code, is amended by striking ''21 U.S.C. 848'' and inserting ''section 408 of the Controlled Substances Act''.

(7) Section 3592(c)(1) of title 18, United States Code, is amended by striking ''2339'' and inserting ''2332a''.

(c) SIMPLIFICATION AND CLARIFICATION OF WORDING.—

(1) The third undesignated paragraph of section 5032 of title 18, United States Code, is amended by inserting ''or as authorized under section 3401(g) of this title'' after ''shall proceed by information''.

(2) Section 1120 of title 18, United States Code, is amended by striking ''Federal prison'' each place it appears and inserting ''Federal correctional institution''.

(3) Section 247(d) of title 18, United States Code, is amended by striking ''notification'' and inserting ''certification''.

(d) CORRECTION OF PARAGRAPH CONNECTORS.—Section 2516(1) of title 18, United States Code, is amended—

(1) in paragraph (l), by striking ''or'' after the semicolon; and

(2) in paragraph (n), by striking ''and'' where it appears after the semicolon and inserting ''or''.

(e) CORRECTION CAPITALIZATION OF ITEMS IN LIST.—Section 504 of title 18, United States Code, is amended—

(1) in paragraph (1), by striking ''the'' the first place it appears and inserting ''The''; and

(2) in paragraph (3), by striking ''the'' the first place it appears and inserting ''The''.

(f) CORRECTIONS OF PUNCTUATION AND OTHER ERRONEOUS FORM.—

(1) Section 656 of title 18, United States Code, is amended in the first paragraph by striking ''Act,,'' and inserting ''Act,''.

(2) Section 1114 of title 18, United States Code, is amended by striking ''1112.'' and inserting ''1112,''.

(3) Section 504(3) of title 18, United States Code, is amended by striking ''importation, of'' and inserting ''importation of''.

(4) Section 3059A(a)(1) of title 18, United States Code, is amended by striking ''section 215 225,,'' and inserting ''section 215, 225,''.

(5) Section 3125(a) of title 18, United States Code, is amended by striking the close quotation mark at the end.

(6) Section 1956(c)(7)(B)(iii) of title 18, United States Code, is amended by striking ''1978)'' and inserting ''1978''.

(7) The item relating to section 656 in the table of sections at the beginning of chapter 31 of title 18, United States Code, is amended by inserting a comma after ''embezzlement''.

(8) The item relating to section 1024 in the table of sections at the beginning of chapter 47 of title 18, United States Code, is amended by striking ''veterans''' and inserting ''veteran's''.

(9) Section 3182 (including the heading of such section) and the item relating to such section in the table of sections at the beginning of chapter 209, of title 18, United States Code, are each amended by inserting a comma after ''District'' each place it appears.

(10) The item relating to section 3183 in the table of sections at the beginning of chapter 209 of title 18, United States Code, is amended by inserting a comma after ''Territory''.

(11) The items relating to section 2155 and 2156 in the table of sections at the beginning of chapter 105 of title 18, United States Code, are each amended by striking ''or'' and inserting '', or''.

*(12) The headings for sections 2155 and 2156 of title 18, United States Code, are each amended by striking ''**or**'' and inserting ''**, or**''.*

(13) Section 1508 of title 18, United States Code, is amended by realigning the matter beginning ''shall be fined'' and ending ''one year, or both.'' so that it is flush to the left margin.

(14) The item relating to section 4082 in the table of sections at the beginning of chapter 305 of title 18, United States Code, is amended by striking ''centers,'' and inserting ''centers;''.

(15) Section 2101(a) of title 18, United States Code, is amended by striking ''(1)'' and by redesignating subparagraphs (A) through (D) as paragraphs (1) through (4), respectively.

(16) Section 5038 of title 18, United States Code, is amended by striking ''section 841, 952(a), 955, or 959 of title 21'' each place it appears and inserting ''section 401 of the Controlled Substances Act or section 1001(a), 1005, or 1009 of the Controlled Substances Import and Export Act''.

(g) CORRECTIONS OF PROBLEMS ARISING FROM UNCOORDINATED AMENDMENTS.—

(1) SECTION 5032.—The first undesignated paragraph of section 5032 of title 18, United States Code, is amended—

(A) by inserting ''section 922(x)'' before ''or section 924(b)''; and

(B) by striking ''or (x)''.

(2) STRIKING MATERIAL UNSUCCESSFULLY ATTEMPTED TO BE STRICKEN FROM SECTION 1116 BY PUBLIC LAW 103–322.—Subsection (a) of section 1116 of title 18, United States Code, is amended by striking '', except'' and all that follows through the end of such subsection and inserting a period.

(3) ELIMINATION OF DUPLICATE AMENDMENT IN SECTION 1958.—Section 1958(a) of title 18, United States Code, is amended by striking ''or who conspires to do so'' where it appears following ''or who conspires to do so'' and inserting a comma.

(h) INSERTION OF MISSING END QUOTE.—Section 80001(a) of the Violent Crime Control and Law Enforcement Act of 1994 is amended by inserting a close quotation mark followed by a period at the end.

(i) REDESIGNATION OF DUPLICATE SECTION NUMBERS AND CONFORMING CLERICAL AMENDMENTS.—

(1) REDESIGNATION.—That section 2258 added to title 18, United States Code, by section 160001(a) of the Violent Crime Control and Law Enforcement Act of 1994 is redesignated as section 2260.

(2) CONFORMING CLERICAL AMENDMENT.—The item in the table of sections at the beginning of chapter 110 of title 18, United States Code, relating to the section redesignated by paragraph (1) is amended by striking ''2258'' and inserting ''2260''.

(3) CONFORMING AMENDMENT TO CROSS-REFERENCE.—Section 1961(1)(B) of title 18, United States Code, is amended by striking ''2258'' and inserting ''2260''.

(j) REDESIGNATION OF DUPLICATE CHAPTER NUMBER AND CONFORMING CLERICAL AMENDMENT.—

(1) REDESIGNATION.—The chapter 113B added to title 18, United States Code, by Public Law 103–236 is redesignated chapter 113C.

(2) CONFORMING CLERICAL AMENDMENT.—The table of chapters at the beginning of part I of title 18, United States Code is amended in the item relating to the chapter redesignated by paragraph (1)—

*(A) by striking ''**113B**'' and inserting ''**113C**''; and*

*(B) by striking ''**2340.**'' and inserting ''**2340**''.*

(k) REDESIGNATION OF DUPLICATE PARAGRAPH NUMBERS AND CORRECTION OF PLACEMENT OF PARAGRAPHS IN SECTION 3563.—

(1) REDESIGNATION.—Section 3563(a) of title 18, United States Code, is amended by redesignating the second paragraph (4) as paragraph (5).

(2) CONFORMING CONNECTOR CHANGE.—Section 3563(a) of title 18, United States Code, is amended—

(A) by striking ''and'' at the end of paragraph (3); and

(B) by striking the period at the end of paragraph (4) and inserting ''; and''.

(3) PLACEMENT CORRECTION.—Section 3563(a) of title 18, United States Code, is amended so that paragraph (4) and the paragraph redesignated as paragraph (5) by this subsection are transferred to appear in numerical order immediately following paragraph (3) of such section 3563(a).

(l) REDESIGNATION OF DUPLICATE PARAGRAPH NUMBERS IN SECTION 1029 AND CONFORMING AMENDMENTS RELATED THERETO.—Section 1029 of title 18, United States Code, is amended—

(1) in subsection (a)—

(A) by redesignating those paragraphs (5) and (6) which were added by Public Law 103–414 as paragraphs (7) and (8), respectively;

(B) by redesignating paragraph (7) as paragraph (9);

(C) by striking ''or'' at the end of paragraph (6) and at the end of paragraph (7) as so redesignated by this subsection; and

(D) by inserting ''or'' at the end of paragraph (8) as so redesignated by this subsection;

(2) in subsection (e), by redesignating the second paragraph (7) as paragraph (8); and

(3) in subsection (c)—

(A) in paragraph (1), by striking ''or (7)'' and inserting ''(7), (8), or (9)''; and

(B) in paragraph (2), by striking ''or (6)'' and inserting ''(6), (7), or (8)''.

(m) INSERTION OF MISSING SUBSECTION HEADING.—Section 1791(c) of title 18, United States Code, is amended by inserting after ''(c)'' the following subsection heading: ''CONSECUTIVE PUNISHMENT REQUIRED IN CERTAIN CASES.—''.

(n) CORRECTION OF MISSPELLING.—Section 2327(c) of title 18, United States Code, is amended by striking ''delegee'' each place it appears and inserting ''designee''.

(o) CORRECTION OF SPELLING AND AGENCY REFERENCE.—Section 5038(f) of title 18, United States Code, is amended—

(1) by striking ''juvenille'' and inserting ''juvenile'', and

(2) by striking ''the Federal Bureau of Investigation, Identification Division,'' and inserting ''the Federal Bureau of Investigation''.

(p) CORRECTING MISPLACED WORD.—Section 1028(a) of title 18, United States Code, is amended by striking ''or'' at the end of paragraph (4) and inserting ''or'' at the end of paragraph (5).

(q) STYLISTIC CORRECTION.—Section 37(c) of title 18, United States Code, is amended by inserting after ''(c)'' the following subsection heading: ''BAR TO PROSECUTION.—''.

(r) MANDATORY VICTIM RESTITUTION ACT AMENDMENTS.—

(1) ORDER OF RESTITUTION.—Section 3663 (a)(1)(A) of title 18, United States Code, is amended by adding at the end the following: ''The court may also order, if agreed to by the parties in a plea agreement, restitution to persons other than the victim of the offense.''.

(2) FORFEITURE.—Section 3663(c)(4) of title 18, United States Code, is amended by inserting ''or chapter 96'' after ''under chapter 46''.

(3) ANIMAL ENTERPRISE TERRORISM.—Section 43(c) of title 18, United States Code, is amended by inserting after ''3663'' the following: ''or 3663A''.

(4) SPECIAL ASSESSMENT.—Section 3013(a)(2) of title 18, United States Code, is amended by striking ''not less than'' each place that term appears.

(s) CLARIFICATIONS TO ANTITERRORISM AND EFFECTIVE DEATH PENALTY ACT OF 1996.—

(1) JURISDICTION.—Section 2332b(b)(1)(A) of title 18, United States Code, is amended by—

(A) striking ''any of the offenders uses''; and

(B) inserting ''is used'' after ''foreign commerce''.

(2) PROVIDING MATERIAL SUPPORT.—Section 2339A(a) of title 18, United States Code, is amended by inserting ''or an escape'' after ''concealment''.

(3) TECHNICAL AMENDMENTS.—Sections 2339A(a) and 2332b(g)(5)(B) of title 18, United States Code, are each amended by inserting at the appropriate place in each section's enumeration of title 18 sections the following: ''930(c),'', ''1992,'', and ''2332c,''.

SEC. 602. REPEAL OF OBSOLETE PROVISIONS IN TITLE 18

(a) SECTION 709 AMENDMENT.—Section 709 of title 18, United States Code, is amended by striking ''Whoever uses as a firm or business name the words 'Reconstruction Finance Corporation' or any combination or variation of these words—''.

(b) SECTION 1014 AMENDMENT.—Section 1014 of title 18, United States Code, is amended—

(1) by striking ''Reconstruction Finance Corporation,'';

(2) by striking ''Farmers' Home Corporation,''; and

(3) by striking ''of the National Agricultural Credit Corporation,''.

(c) SECTION 798 AMENDMENT.—Section 798(d)(5) of title 18, United States Code, is amended by striking ''the Trust Territory of the Pacific Islands,''.

(d) SECTION 281 REPEAL.—Section 281 of title 18, United States Code, is repealed and the table of sections at the beginning of chapter 15 of such title is amended by striking the item relating to such section.

(e) SECTION 510 AMENDMENT.—Section 510(b) of title 18, United States Code, is amended by striking ''that in fact'' and all that follows through ''signature''.

SEC. 603. TECHNICAL AMENDMENTS RELATING TO CHAPTERS 40 AND 44 OF TITLE 18.

(a) ELIMINATION OF DOUBLE COMMAS IN SECTION 844.—Section 844 of title 18, United States Code, is amended in subsection (i) by striking '',,'' each place it appears and inserting a comma.

(b) REPLACEMENT OF COMMA WITH SEMICOLON IN SECTION 922.—Section 922(g)(8)(C)(ii) of title 18, United States Code, is amended by striking the comma at the end and inserting a semicolon.

(c) CLARIFICATION OF AMENDMENT TO SECTION 922.—

(1) AMENDMENT.—Section 320927 of the Violent Crime Control and Law Enforcement Act of 1994 (P.L. 103–322) is amended by inserting ''the first place it appears'' before the period.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if the amendment had been included in section 320927 of the Act referred to in paragraph (1) on the date of the enactment of such Act.

(d) STYLISTIC CORRECTION TO SECTION 922.—Section 922(t)(2) of title 18, United States Code, is amended by striking ''section 922(g)'' and inserting ''subsection (g)''.

(e) ELIMINATION OF UNNECESSARY WORDS.—Section 922(w)(4) of title 18, United States Code, is amended by striking ''title 18, United States Code,'' and inserting ''this title''.

(f) CLARIFICATION OF PLACEMENT OF PROVISION.—

(1) AMENDMENT.—Section 110201(a) of the Violent Crime Control and Law Enforcement Act of 1994 (P.L. 103–322) is amended by striking ''adding at the end'' and inserting ''inserting after subsection (w)''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if the amendment had been included in section 110201 of the Act referred to in paragraph (1) on the date of the enactment of such Act.

(g) CORRECTION OF TYPOGRAPHICAL ERRORS IN LIST OF CERTAIN WEAPONS.—Appendix A to section 922 of title 18, United States Code, is amended—

(1) in the category designated

"Centerfire Rifles—Lever & Slide",

by striking

''Uberti 1866 Sporting Rilfe''

and inserting the following:

''Uberti 1866 Sporting Rifle'';

(2) in the category designated

"Centerfire Rifles—Bolt Action",

by striking

''Sako Fiberclass Sporter''

and inserting the following:

''Sako FiberClass Sporter'';

(3) in the category designated

"Shotguns—Slide Actions",

by striking

''Remington 879 SPS Special Purpose Magnum''

and inserting the following:

''Remington 870 SPS Special Purpose Magnum''; and

(4) in the category designated

"Shotguns—Over/Unders",

by striking

''E.A.A/Sabatti Falcon-Mon Over/Under''

and inserting the following:

''E.A.A./Sabatti Falcon-Mon Over/Under''.

(h) INSERTION OF MISSING COMMAS.—Section 103 of the Brady Handgun Violence Prevention Act (18 U.S.C. 922 note; Public Law 103–159) is amended in each of subsections (e)(1), (g), and (i)(2) by inserting a comma after ''United States Code''.

(i) CORRECTION OF UNEXECUTABLE AMENDMENTS RELATING TO THE VIOLENT CRIME REDUCTION TRUST FUND.—

(1) CORRECTION.—Section 210603(b) of the Violent Crime Control and Law Enforcement Act of 1994 is amended by striking ''Fund,'' and inserting ''Fund established by section 1115 of title 31, United States Code,''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if the amendment had been included in section 210603(b) of the Act referred to in paragraph (1) on the date of the enactment of such Act.

(j) CORRECTION OF UNEXECUTABLE AMENDMENT TO SECTION 923.—

(1) CORRECTION.—Section 201(1) of the Act, entitled ''An Act to provide for a waiting period before the purchase of a handgun, and for the establishment of a national instant criminal background check system to be contacted by firearms dealers before the transfer of any firearm.'' (Public Law 103–159), is amended by striking ''thereon,'' and inserting ''thereon''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if the amendment had been included in the Act referred to in paragraph (1) on the date of the enactment of such Act.

(k) CORRECTION OF PUNCTUATION AND INDENTATION IN SECTION 923.—Section 923(g)(1)(B)(ii) of title 18, United States Code, is amended—

(1) by striking the period and inserting ''; or''; and

(2) by moving such clause 4 ems to the left.

(l) REDESIGNATION OF SUBSECTION AND CORRECTION OF INDENTATION IN SECTION 923.—Section 923 of title 18, United States Code, is amended—

(1) by redesignating the last subsection as subsection (l); and

(2) by moving such subsection 2 ems to the left.

(m) CORRECTION OF TYPOGRAPHICAL ERROR IN AMENDATORY PROVISION.—

(1) CORRECTION.—Section 110507 of the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–322) is amended—

(A) by striking ''924(a)'' and inserting ''924''; and

(B) in paragraph (2), by striking ''subsections'' and inserting ''subsection''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect as if the amendments had been included in section 110507 of the Act referred to in paragraph (1) on the date of the enactment of such Act.

(n) ELIMINATION OF DUPLICATE AMENDMENT.—Subsection (h) of section 330002 of the Violent Crime Control and Law Enforcement Act of 1994 is repealed and shall be considered never to have been enacted.

(o) REDESIGNATION OF PARAGRAPH IN SECTION 924.—Section 924(a) of title 18, United States Code, is amended by redesignating the 2nd paragraph (5) as paragraph (6).

(p) ELIMINATION OF COMMA ERRONEOUSLY INCLUDED IN AMENDMENT TO SECTION 924.—

(1) AMENDMENT.—Section 110102(c)(2) of the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–322) is amended by striking ''shotgun,'' and inserting ''shotgun''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if the amendment had been included in section 110102(c)(2) of the Act referred to in paragraph (1) on the date of the enactment of such Act.

(q) INSERTION OF CLOSE PARENTHESIS IN SECTION 924.—Section 924(j)(3) of title 18, United States Code, is amended by inserting a close parenthesis before the comma.

(r) REDESIGNATION OF SUBSECTIONS IN SECTION 924.—Section 924 of title 18, United States Code, is amended by redesignating the 2nd subsection (i), and subsections (j), (k), (l), (m), and (n) as subsections (j), (k), (l), (m), (n), and (o), respectively.

(s) CORRECTION OF ERRONEOUS CROSS REFERENCE IN AMENDATORY PROVISION.—Section 110504(a) of the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–322) is amended by striking ''110203(a)'' and inserting ''110503''.

(t) CORRECTION OF CROSS REFERENCE IN SECTION 930.—Section 930(e)(2) of title 18, United States Code, is amended by striking ''(c)'' and inserting ''(d)''.

(u) CORRECTION OF CROSS REFERENCES IN SECTION 930.—The last subsection of section 930 of title 18, United States Code, is amended—

(1) by striking ''(g)'' and inserting ''(h)''; and

(2) by striking ''(d)'' each place such term appears and inserting ''(e)''.

SEC. 604. ADDITIONAL AMENDMENTS ARISING FROM ERRORS IN PUBLIC LAW 103–322.

(a) STYLISTIC CORRECTIONS RELATING TO TABLES OF SECTIONS.—

(1) The table of sections at the beginning of chapter 110A of title 18, United States Code, is amended to read as follows:

''Sec.
''2261. Interstate domestic violence.
''2262. Interstate violation of protection order.
''2263. Pretrial release of defendant.
''2264. Restitution.
''2265. Full faith and credit given to protection orders.
''2266. Definitions.''.

(2) Chapter 26 of title 18, United States Code, is amended by inserting after the heading for such chapter the following table of sections:

''Sec.
''521. Criminal street gangs.''.

(3) Chapter 123 of title 18, United States Code, is amended by inserting after the heading for such chapter the following table of sections:

''Sec.

''2721. Prohibition on release and use of certain personal information from State motor vehicle records.
''2722. Additional unlawful acts.
''2723. Penalties.
''2724. Civil action.
''2725. Definitions.''.

(4) The item relating to section 3509 in the table of sections at the beginning of chapter 223 of title 18, United States Code, is amended by striking ''Victims''' and inserting ''victims'''.

(b) UNIT REFERENCE CORRECTIONS, REMOVAL OF DUPLICATE AMENDMENTS, AND OTHER SIMILAR CORRECTIONS.—

(1) Section 40503(b)(3) of Public Law 103–322 is amended by striking ''paragraph (b)(1)'' and inserting ''paragraph (1)''.

(2) Section 60003(a)(2) of Public Law 103–322 is amended by striking ''at the end of the section'' and inserting ''at the end of the subsection''.

(3) Section 3582(c)(1)(A)(i) of title 18, United States Code, is amended by adding ''or'' at the end.

(4) Section 102 of the Controlled Substances Act (21 U.S.C. 802) is amended by redesignating the second paragraph (43) as paragraph (44).

(5) Subsections (a) and (b) of section 120005 of Public Law 103–322 are each amended by inserting ''at the end'' after ''adding''.

(6) Section 160001(f) of Public Law 103–322 is amended by striking ''1961(l)'' and inserting ''1961(1)''.

(7) Section 170201(c) of Public Law 103–322 is amended by striking paragraphs (1), (2), and (3).

(8) Subparagraph (D) of section 511(b)(2) of title 18, United States Code, is amended by adjusting its margin to be the same as the margin of subparagraph (C) and adjusting the margins of its clauses so they are indented 2-ems further than the margin of the subparagraph.

(9) Section 230207 of Public Law 103–322 is amended by striking ''two'' and inserting ''2'' the first place it appears.

(10) The first of the two undesignated paragraphs of section 240002(c) of Public Law 103–322 is designated as paragraph (1) and the second as paragraph (2).

(11) Section 280005(a) of Public Law 103–322 is amended by striking ''Section 991 (a)'' and inserting ''Section 991(a)''.

(12) Section 320101 of Public Law 103–322 is amended—

(A) in subsection (b), by striking paragraph (1);

(B) in subsection (c), by striking paragraphs (1)(A) and (2)(A);

(C) in subsection (d), by striking paragraph (3); and

(D) in subsection (e), by striking paragraphs (1) and (2).

(13) Section 320102 of Public Law 103–322 is amended by striking paragraph (2).

(14) Section 320103 of Public Law 103–322 is amended—

(A) in subsection (a), by striking paragraph (1);

(B) in subsection (b), by striking paragraph (1); and

(C) in subsection (c), by striking paragraphs (1) and (3).

(15) Section 320103(e) of Public Law 103–322 is amended—

(A) in the subsection catchline, by striking ''FAIR HOUSING'' and inserting ''1968 CIVIL RIGHTS''; and

(B) by striking ''of the Fair Housing Act'' and inserting ''of the Civil Rights Act of 1968''.

(16) Section 320109(1) of Public Law 103–322 is amended by inserting an open quotation mark before ''(a) IN GENERAL''.

(17) Section 320602(1) of Public Law 103–322 is amended by striking ''whoever'' and inserting ''Whoever''.

(18) Section 668(a) of title 18, United States Code, is amended—

(A) by designating the first undesignated paragraph that begins with a quotation mark as paragraph (1);

(B) by designating the second undesignated paragraph that begins with a quotation mark as paragraph (2); and

(C) by striking the close quotation mark and the period at the end of the subsection.

(19) Section 320911(a) of Public Law 103–322 is amended in each of paragraphs (1) and (2), by striking ''thirteenth'' and inserting ''14th''.

(20) Section 2311 of title 18, United States Code, is amended by striking ''livestock'' where it appears in quotation marks and inserting ''Livestock''.

(21) Section 540A(c) of title 28, United States Code, is amended—

(A) by designating the first undesignated paragraph as paragraph (1);

(B) by designating the second undesignated paragraph as paragraph (2); and

(C) by designating the third undesignated paragraph as paragraph (3).

(22) Section 330002(d) of Public Law 103–322 is amended by striking ''the comma'' and inserting ''each comma''.

(23) Section 330004(18) of Public Law 103–322 is amended by striking ''the Philippine'' and inserting ''Philippine''.

(24) Section 330010(17) of Public Law 103–322 is amended by striking ''(2)(iii)'' and inserting ''(2)(A)(iii)''.

(25) Section 330011(d) of Public Law 103–322 is amended—

(A) by striking ''each place'' and inserting ''the first place''; and

(B) by striking ''1169'' and inserting ''1168''.

(26) The item in the table of sections at the beginning of chapter 53 of title 18, United States Code, that relates to section 1169 is transferred to appear after the item relating to section 1168.

(27) Section 901 of the Civil Rights Act of 1968 is amended by striking ''under this title'' each place it appears and inserting ''under title 18, United States Code,''.

(28) Section 223(a)(12)(A) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5633(a)(12)(A)) is amended by striking ''law).'' and inserting ''law)''.

(29) Section 250008(a)(2) of Public Law 103–322 is amended by striking ''this Act'' and inserting ''provisions of law amended by this title''.

(30) Section 36(a) of title 18, United States Code, is amended—

(A) in paragraph (1), by striking ''403(c)'' and inserting ''408(c)''; and

(B) in paragraph (2), by striking ''Export Control'' and inserting ''Export''.

(31) Section 1512(a)(2)(A) of title 18, United States Code, is amended by adding ''and'' at the end.

(32) Section 13(b)(2)(A) of title 18, United States Code, is amended by striking ''of not more than $1,000'' and inserting ''under this title''.

(33) Section 160001(g)(1) of Public Law 103–322 is amended by striking ''(a) Whoever'' and inserting ''Whoever''.

(34) Section 290001(a) of Public Law 103–322 is amended by striking ''subtitle'' and inserting ''section''.

(35) Section 3592(c)(12) of title 18, United States Code, is amended by striking ''Controlled Substances Act'' and inserting ''Comprehensive Drug Abuse Prevention and Control Act of 1970''.

(36) Section 1030 of title 18, United States Code, is amended—

(A) by inserting ''or'' at the end of subsection (a)(5)(B)(ii)(II)(bb);

(B) by striking ''and'' after the semicolon in subsection (c)(1)(B);

(C) in subsection (g), by striking ''the section'' and inserting ''this section''; and

(D) in subsection (h), by striking ''section 1030(a)(5) of title 18, United States Code'' and inserting ''subsection (a)(5)''.

(37) Section 320103(c) of Public Law 103–322 is amended by striking the semicolon at the end of paragraph (2) and inserting a close quotation mark followed by a semicolon.

(38) Section 320104(b) of Public Law 103–322 is amended by striking the comma that follows ''2319 (relating to copyright infringement)'' the first place it appears.

(39) Section 1515(a)(1)(D) of title 18, United States Code, is amended by striking ''; or'' and inserting a semicolon.

(40) Section 5037(b) of title 18, United States Code, is amended in each of paragraphs (1)(B) and (2)(B), by striking ''3561(b)'' and inserting ''3561(c)''.

(41) Section 330004(3) of Public Law 103–322 is amended by striking ''thirteenth'' and inserting ''14th''.

(42) Section 2511(1)(e)(i) of title 18, United States Code, is amended—

(A) by striking ''sections 2511(2)(A)(ii), 2511(b)–(c), 2511(e)'' and inserting ''sections 2511(2)(a)(ii), 2511(2)(b)–(c), 2511(2)(e)''; and

(B) by striking ''subchapter'' and inserting ''chapter''.

(43) Section 1516(b) of title 18, United States Code, is amended by inserting ''and'' at the end of paragraph (1).

(44) The item relating to section 1920 in the table of sections at the beginning of chapter 93 of title 18, United States Code, is amended by striking ''employee's'' and inserting ''employees'''.

(45) Section 330022 of Public Law 103–322 is amended by inserting a period after ''communications'' and before the close quotation mark.

(46) Section 2721(c) of title 18, United States Code, is amended by striking ''covered by this title'' and inserting ''covered by this chapter''.

(c) ELIMINATION OF EXTRA WORDS.—

(1) Section 3561(b) of title 18, United States Code, is amended by striking ''or any relative defendant, child, or former child of the defendant,''.

(2) Section 351(e) of title 18, United States Code, is amended by striking ''involved in the use of a'' and inserting ''involved the use of a''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of Public Law 103–322.

SEC. 605. ADDITIONAL TYPOGRAPHICAL AND SIMILAR ERRORS FROM VARIOUS SOURCES.

(a) MISUSED CONNECTOR.—Section 1958(a) of title 18, United States Code, is amended by striking ''this title and imprisoned'' and inserting ''this title or imprisoned''.

(b) SPELLING ERROR.—Effective on the date of its enactment, section 961(h)(1) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 is amended by striking ''Saving and Loan'' and inserting ''Savings and Loan''.

(c) WRONG SECTION DESIGNATION.—The table of chapters for part I of title 18, United States Code, is amended in the item relating to chapter 71 by striking ''1461'' and inserting ''1460''.

(d) INTERNAL CROSS REFERENCE.—Section 2262(a)(1)(A)(ii) of title 18, United States Code, is amended by striking ''subparagraph (A)'' and inserting ''this subparagraph''.

(e) MISSING COMMA.—Section 1361 of title 18, United States Code, is amended by inserting a comma after ''attempts to commit any of the foregoing offenses''.

(f) CROSS REFERENCE ERROR FROM PUBLIC LAW 103–414.—The first sentence of section 2703(d) of title 18, United States Code, by striking ''3126(2)(A)'' and inserting ''3127(2)(A)''.

(g) INTERNAL REFERENCE ERROR IN PUBLIC LAW 103–359.—Section 3077(8)(A) of title 18, United States Code, is amended by striking ''title 18, United States Code'' and inserting ''this title''.

(h) SPELLING AND INTERNAL REFERENCE ERROR IN SECTION 3509.—Section 3509 of title 18, United States Code, is amended—

(1) in subsection (e), by striking ''government's'' and inserting ''Government's''; and

(2) in subsection (h)(3), by striking ''subpart'' and inserting ''paragraph''.

(i) ERROR IN SUBDIVISION FROM PUBLIC LAW 103–329.—Section 3056(a)(3) of title 18, United

States Code, is amended by redesignating subparagraphs (1) and (2) as subparagraphs (A) and (B), respectively and moving the margins of such subparagraphs 2 ems to the right.

*(j) TABLE OF CONTENTS CORRECTION.—The table of contents at the beginning of the Antiterrorism and Effective Death Penalty Act of 1996 is amended by inserting ''**TITLE I—HABEAS CORPUS REFORM**'' before the item relating to section 101.*

(k) CORRECTING ERROR IN AMENDATORY INSTRUCTIONS.—Section 107(b) of the Antiterrorism and Effective Death Penalty Act of 1996 is amended by striking ''IV'' and inserting ''VI''.

(l) CORRECTING ERROR IN DESCRIPTION OF PROVISION AMENDED.—With respect to subparagraph (F) only of paragraph (1) of section 205(a) of the Antiterrorism and Effective Death Penalty Act of 1996, the reference at the beginning of such paragraph to ''subsection (a)(1)'' shall be deemed a reference to ''subsection (a)''.

(m) ADDITION OF MISSING REFERENCE.—Section 725(2) of the Antiterrorism and Effective Death Penalty Act of 1996 is amended by inserting ''(2)'' after ''subsection (b)''.

(n) CONFORMING AMENDMENT TO TABLE OF SECTIONS.—The table of sections at the beginning of chapter 203 of title 18, United States Code, is amended by inserting after the item relating to section 3059A the following new item:

''3059B. General reward authority.''.

(o) INSERTION OF MISSING PUNCTUATION.—Section 6005(b)(3) of title 18, United States Code, is amended by adding a period at the end.

(p) CORRECTION OF ERRONEOUS SECTION NUMBER.—

(1) Section 2401 of title 18, United States Code, is redesignated as section 2441.

(2) The item relating to section 2401 in the table of sections at the beginning of chapter 118 of title 18, United States Code, is amended by striking ''2401'' and inserting ''2441''.

*(3) The table of chapters for part I of title 18, United States Code, is amended in the item relating to chapter 118, by striking ''**2401**'' and inserting ''**2441**''.*

(q) DUPLICATE SECTION NUMBER.—That section 2332d of title 18, United States Code, that relates to requests for military assistance to enforce prohibition in certain emergencies is redesignated as section 2332e and moved to follow the section 2332d that relates to financial transactions, and the item relating to the section redesignated by this subsection is amended by striking ''2332d' and inserting ''2332e'' and moved to follow the item relating to the section 2332d that relates to financial transactions.

(r) CORRECTION OF WORD USAGE.—Section 247(d) of title 18, United States Code, is amended by striking ''notification'' and inserting ''certification''.

SEC. 606. ADJUSTING AND MAKING UNIFORM THE DOLLAR AMOUNTS USED IN TITLE 18 TO DISTINGUISH BETWEEN GRADES OF OFFENSES.

(a) Sections 215, 288, 641, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 661, 662, 665, 872, 1003, 1025, 1163, 1361, 1707, 1711, and 2113 of title 18, United States Code, are amended by striking ''$100'' each place it appears and inserting ''$1,000''.

(b) Section 510 of title 18, United States Code, is amended by striking ''$500'' and inserting ''$1,000''.

SEC. 607. APPLICATION OF VARIOUS OFFENSES TO POSSESSIONS AND TERRITORIES.

(a) Sections 241 and 242 of title 18, United States Code, are each amended by striking ''any State, Territory, or District'' and inserting ''any State, Territory, Commonwealth, Possession, or District''.

(b) Sections 793(h)(1) and 794(d)(1) of title 18, United States Code, are each amended by adding at the end the following: ''For the purposes of this subsection, the term 'State' includes a State of the United States, the District of Columbia, and any commonwealth, territory, or possession of the United States.''.

(c) Section 925(a)(5) of title 18, United States Code, is amended by striking ''For the purpose of paragraphs (3) and (4)'' and inserting ''For the purpose of paragraph (3)''.

(d) Sections 1014 and 2113(g) of title 18, United States Code, are each amended by adding at the end the following: ''The term 'State-chartered credit union' includes a credit union chartered under the laws of a State of the United States, the District of Columbia, or any commonwealth, territory, or possession of the United States.''.

(e) Section 1073 of title 18, United States Code, is amended by adding at the end of the first paragraph the following: ''For the purposes of clause (3) of this paragraph, the term 'State' includes a State of the United States, the District of Columbia, and any commonwealth, territory, or possession of the United States.''.

(f) Section 1715 of title 18, United States Code, is amended by striking ''State, Territory, or District'' each place those words appear and inserting ''State, Territory, Commonwealth, Possession, or District''.

(g) Section 1716 of title 18, United States Code, is amended—

(1) in subsection (g)(2) by striking ''State, Territory, or the District of Columbia'' and inserting ''State'';

(2) in subsection (g)(3) by striking ''the municipal government of the District of Columbia or of the government of any State or territory, or any county, city, or other political subdivision of a State'' and inserting ''any State, or any political subdivision of a State''; and

(3) by adding at the end the following:

''(j) For purposes of this section, the term 'State' includes a State of the United States, the District of Columbia, and any commonwealth, territory, or possession of the United States.''.

(h) Section 1761 of title 18, United States Code, is amended by adding at the end the following new subsection:

''(d) For the purposes of this section, the term 'State' means a State of the United States and any commonwealth, territory, or possession of the United States.''.

(i) Section 3156(a) of title 18, United States Code, is amended—

(1) by striking ''and'' at the end of paragraph (3);

(2) by striking the period and inserting ''; and'' at the end of paragraph (4); and

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

''(5) the term 'State' includes a State of the United States, the District of Columbia, and any commonwealth, territory, or possession of the United States.''.

(j) Section 102 of the Controlled Substances Act (21 U.S.C. 802) is amended—

(1) by amending paragraph (26) to read as follows:

''(26) The term 'State' means a State of the United States, the District of Columbia, and any commonwealth, territory, or possession of the United States.''; and

(2) by redesignating paragraph (43), as added by section 90105(d) of the Violent Crime Control and Law Enforcement Act of 1994, as paragraph (44).

(k) Section 1121 of title 18, United States Code, is amended by adding at the end the following new subsection:

''(c) For the purposes of this section, the term 'State' means a State of the United States, the District of Columbia, and any commonwealth, territory, or possession of the United States.''.

(l) Section 228(d)(2) of title 18, United States Code, is amended by inserting ''commonwealth,'' before ''possession or territory of the United States''.

(m) Section 1546(c) of title 18, United States Code, is amended by adding at the end the following: ''For purposes of this section, the term 'State' means a State of the United States, the District of Columbia, and any commonwealth, territory, or possession of the United States.''.

(n) Section 1541 of title 18, United States Code, is amended—

(1) in the first undesignated paragraph, by striking ''or possession''; and

(2) by adding at the end the following new paragraph:

''For purposes of this section, the term 'State' means a State of the United States, the District of Columbia, and any commonwealth, territory, or possession of the United States.''.

(o) Section 37(c) of title 18, United States Code, is amended in the final sentence by inserting before the period the following: '', and the term 'State' means a State of the United States, the District of Columbia, and any commonwealth, territory, or possession of the United States''.

(p) Section 2281(c) of title 18, United States Code, is amended in the final sentence by inserting before the period the following: '', and the term 'State' means a State of the United States, the District of Columbia, and any commonwealth, territory, or possession of the United States''.

(q) Section 521(a) of title 18, United States Code, is amended by adding at the end the following: '''State' means a State of the United States, the District of Columbia, and any commonwealth, territory, or possession of the United States.''.

Mr. SPECTER. Mr. President, I am pleased that the Senate is acting today to pass the Economic Espionage Act of 1996, legislation Senator KOHL and I introduced earlier this year to combat economic espionage. This bill addresses an issue of critical importance to our Nation's economic well-being. It is a testament to the importance of the issue that we are able to act in a bipartisan fashion on the eve of national elections.

As chairman of both the Select Committee on Intelligence and the Judiciary Committee's Subcommittee on Terrorism, Technology and Government Information, with jurisdiction over legal matters involving technology, I have been concerned with the threat posed to American economic competitiveness in a global economy by the theft of intellectual property and trade secrets.

In an increasingly complex and competitive economic world, intellectual property forms a critical component of our economy. As traditional industries shift to low-wage producers in developing countries, our economic edge depends to an ever-increasing degree on the ability of our businesses and inventors to stay one step ahead of those in other countries. And American business and inventors have been extremely successful and creative in developing intellectual property and trade secrets. America leads the nation's of the world in developing new products and new technologies. Millions of jobs depend on the continuation of the productive minds of Americans, both native born and immigrants who find the freedom here to try new ideas and add to our economic strength.

Inventing new and better technologies, production methods, and the like, can be expensive. American companies and the U.S. Government spend billions on research and development. The benefits reaped from these expenditures can easily come to nothing, however, if a competitor can simply steal

the trade secret without expending the development costs. While prices may be reduced, ultimately the incentives for new invention disappear, along with jobs, capital investment, and everything else that keeps our economy strong.

For years now, there has been mounting evidence that many foreign nations and their corporations have been seeking to gain competitive advantage by stealing the trade secrets, the intangible intellectual property of inventors in this country. The Intelligence Committee has been aware that since the end of the cold war, foreign nations have increasingly put their espionage resources to work trying to steal American economic secrets. Estimates of the loss to U.S. business from the theft of intangible intellectual property exceed $100 billion. The loss in U.S. jobs is incalculable.

For the benefit of my colleagues who wish more detail about the nature and scope of the problem of economic espionage, I ask unanimous consent that a copy of the article ''The Lure of the Steal'' from the March 4, 1996, U.S. News & World Report, and an article by Peter Schweizer, ''The Growth of Economic Espionage—America if Target Number One'' from the January–February 1996 edition of Foreign Affairs be printed at the end of my remarks.

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

(See exhibit 1.)

Mr. SPECTER. Mr. President, a major problem for law enforcement in responding to the increase in such thefts has been a glaring gap in Federal law. For many years, the United States has had a variety of theft statutes in the United States Code. These laws are derived primarily from the common law of theft. For example, it violates Federal law to move stolen property across State lines. In order to violate such laws, however, the courts have held that the property stolen cannot be intangible property, such as trade secrets or intellectual property. In addition, theft usually requires that the thief take the property with the intention of depriving the lawful owner of its use. But such a test if useless when a person copies software and leaves the original software with the lawful owner, taking only the secrets on the software but leaving the physical property. The lawful owner still has full use of the property, but its value is significantly reduced.

In order to update Federal law to address the technological and economic realities of the end of the 20th century, I began working earlier this year with Senator KOHL and officials from the Department of Justice and the Federal Bureau of Investigation on developing legislation. We developed two separate bills, that were introduced as S. 1556 and S. 1557. The former bill broadly prohibited the theft of proprietary economic information by any person. The latter bill was more narrowly drawn to proscribe such thefts by foreign nations and those working on behalf of foreign nations.

At the end of February, I chaired a joint hearing of the Intelligence Committee and the Judiciary Subcommittee on Terrorism, Technology, and Government Information on the issue of economic espionage. Continuing to work closely with members of the Judiciary and Intelligence Committees, the administration, and various industry groups, Senator KOHL and I were able to produce the bill the Senate is today considering.

The Senate adopted S. 1556 with an amendment I offered, based on S. 1557, to bring together into a single vehicle the prohibition on the theft of trade secrets and proprietary information by both private individuals and corporations and by foreign governments and those acting on their behalf, and passed them using H.R. 3723, the House companion bill, as the vehicle. The language of my amendment dealing with foreign-government-sponsored economic espionage was, with minor changes, unanimously reported to the Senate by the Intelligence Committee earlier this year as part of the Intelligence Authorization Act. We have now reconciled the Senate- and House-passed bills in this agreement, which also incorporates several unrelated provisions. Senator KOHL and I are inserting into the RECORD a managers' statement which reflects the understanding of the bill's sponsors on the intent behind and meaning of the economic espionage bill.

Adoption of this bill will not be a panacea, but it is a start. Congress has started moving to protect U.S. economic interests. For example, earlier this year we enacted strong anticounterfeiting legislation, S. 1136, to protect American business from counterfeit goods. This bill addresses cognate problems. Both are only a start. Corporations must exercise vigilance over their trade secrets and proprietary information. Contract law may provide civil remedies. In addition, some States have adopted legislation to allow the owners of trade secrets to use civil process to protect their ownership rights. We have been made aware that available civil remedies may not be adequate to the task and that a Federal civil cause of action is needed. This is an issue we need to study carefully, and will do so next year.

For helping to make sure that this legislation was passed this year, I want to thank Senator KOHL for his leadership, and acknowledge the work of his excellent staff, Jon Leibowitz and Victoria Bassetti. I also want to thank the chairman of the Judiciary Committee, Senator HATCH, and his staff, especially Paul Larkin and Pat Murphy, for their valuable contributions to this legislation. I would also be remiss if I did not also thank Chairman MCCOLLUM of the House Crime Subcommittee, and Representative SCHUMER, ranking member of that Subcommittee, and their staff, Glenn Schmitt and Bill McGeveran, for their hard work. Finally, we worked closely with the Justice Department and the Federal Bureau of Investigation in developing this legislation, and I want to thank Alan Hoffman of the Justice Department and Pat Kelly of the FBI for their hard work on this bill.

EXHIBIT 1

[From U.S. News & World Report, Mar. 4, 1996]

THE LURE OF THE STEAL

(By Douglas Pasternak with Gordon Witkin)

Not long ago, Subrahmanyam M. Kota went into hamsters—or, to be more precise, their ovary cells. That was a big switch for Kota. In the 1980s, he allegedly sold military secrets on infrared detectors to the KGB. With the cold war over, however, hamster ovaries were the coming thing. A Boston biotech company had genetically engineered the cells to produce a protein that boosted the manufacture of red blood cells, making them a valuable commodity. Kota and a former company scientist are charged with stealing a batch of the hamster cells and offering them to an FBI undercover agent in exchange for $300,000. Law enforcement officials suspect the pair of selling another batch to a biomedical research outfit in India. It was dramatic evidence of how the world of espionage has changed—from selling secrets to the KGB one year to moving hamster ovaries to a research firm in India another. Kota has been charged with three counts of espionage. He pleaded not guilty and is out on bail awaiting trial.

Today the field of economic espionage is wide open. Instead of missile launch codes, the new targets of choice are technological and scientific data concerning flat-panel televisions, electric cars and new computers. ''During the cold war, we thought of the threat as KGB agents crawling into the facility,'' says Gregory Gwash, the deputy director for industrial security matters at the Defense Investigative Service. ''The game is no longer espionage in the classic sense.''

GROWING THREAT

Economic espionage is as old as greed itself. But with huge sums to be made stealing designs for computer chips and patents for hormones, the threat is growing. Rapid changes in technology are tempting many countries to try to acquire intellectual properties in underhanded ways, thus bypassing the enormous costs of research and development. New global communications—cellular phones, faxes, voice transmissions and data on the Internet—make this type of spying easier than ever.

And it's not just hostile governments snooping. ''Countries don't have friends. They have interests!'' declares a poster from the Department of Energy's counterintelligence program. ''Guess which countries are interested in what you do?'' A senior U.S. intelligence official answers the question. ''The ones who do it most,'' he says, ''are our greatest friends.''

Indeed, countries such as France, Israel and China have made economic espionage a top priority of their foreign intelligence services. A congressional report released last week confirmed that close U.S. allies are after critical U.S. technology, saying they posed ''a significant threat to national security.''

INTENSIFIED EFFORTS

Friend or enemy, Washington is taking the trend seriously. The nation's intelligence agencies are increasing their overseas collection of information on foreign bribery

schemes that put U.S. corporations at a disadvantage. The agencies are also providing classified information to U.S. policy makers engaged in trade negotiations with foreign governments. Domestically, the FBI has also taken more-aggressive steps recently. This month, the Justice Department sent new draft legislation that would bolster the FBI's ability to investigate economic espionage to the Office of Management and Budget. The new bill—named the Economic Espionage and Protection of Proprietary Economic Information Act of 1996—is badly needed, says the FBI, because there are no statutes that deal with the theft of intellectual property, making it difficult to prosecute such cases.

In the past year, FBI agents have recorded more than a 100 percent increase in economic spying and now have more than 800 cases under investigation—espionage attempts from the supersophisticated to the downright crude. ''We're seeing all of the above,'' says Robert ''Bear'' Bryant, who oversees all FBI counterintelligence investigations nationwide, ''from the cyberattack to the shoplifter.''

Economic-espionage investigations require the FBI to gather intelligence through electronic surveillance and physical searches, a source of concern to many civil libertarians. But the FBI is empowered under existing law to gather intelligence for such purposes, and the new legislation would define more precisely how and when FBI agents could investigate the theft of corporate secrets. The key, legal specialists and FBI supervisors say, is defining precisely what constitutes conducting intelligence investigations, looking for spies and theft prevention, and what is a primarily criminal investigation whose objective is to put a spy behind bars. Both objectives can be accomplished, but the law requires intelligence and law enforcement interests be defined very carefully.

The quest for corporate advantage has put many of the old players from the cold war back on the chessboard. Just this month. Russian President Boris Yeltsin ordered his senior intelligence officials to increase their efforts to obtain high-technology secrets from the West.

Besides gathering intelligence and conducting criminal investigations, federal law enforcement officials have been trying to help corporations protect themselves. A law enacted in 1994 authorizes Attorney General Janet Reno to make payments of up to $500,000 for information leading to the arrest and conviction of anyone involved in economic espionage. The National Counterintelligence Center, headed by an FBI agent but based at CIA headquarters in suburban Virginia, was established in August 1994, in part to help coordinate a governmentwide response to economic espionage incidents. The center began providing regional security briefings for industry last May. The FBI recently opened its own Economic Counterintelligence Unit, and its Development of Espionage, Counterintelligence and Counterterrorism Awareness (DECA) program inaugurated an instant fax alert service to U.S. corporations regarding specific economic-intelligence-collection activities. It is supplemented by the State Department's Overseas Security Advisory Council, which, like DECA, has begun posting economic threat information on an on-line bulletin board for its members.

Some security experts say the FBI should employ more active measures to counter the threat. Mike Sekora tracked the global technology trade for the Defense Department in the 1980s, identifying foreign interest in U.S. technology to pre-empt thefts. Now a technology consultant, he believes the FBI should do the same.

Profit motives aside, economic espionage is booming because there are few penalties for those who get caught. Rarely do economic spies serve time in jail. Nor do countries that encourage such activities have much to lose; since most are U.S. allies, Washington prefers to scold them in private rather than risk political backlash in public.

Companies and industries targeted by foreign spies often contribute to the problem. Few report known acts of espionage, fearing it will affect stock prices and customer confidence. In a survey published in July by the National Counterintelligence Center, 42 percent of the responding corporations said they never reported suspected incidents of economic espionage to the government. At the same time, 74 of 173 companies that responded to the survey reported a total of 446 incidents of suspected economic espionage.

CULTUREBOUND

The methods used to acquire economic-related data are often culturebound. ''The Chinese and Japanese flood you with people collecting all sorts of things in different areas,'' says a former FBI official. ''For the most part, it is absolutely legal,'' he said. ''The Japanese don't invest a lot of money in trade craft. They just send lots of people out talking and pick up trade secrets in the process,'' says the retired official. The Russians and French, on the other hand, use both legal and illegal means to target specific intelligence, experts say.

Targeting economic data can take many forms. In two separate incidents in the early 1990s, French nationals working at Renaissance Software Inc. in Palo Alto, Calif., were arrested at San Francisco International Airport for attempting to steal the company's proprietary computer source codes. Marc Goldberg, a French computer engineer, had worked at the company under a program sponsored by the French Ministry of Foreign Affairs that allows French citizens to opt out of military service if they are willing to work at high-tech U.S. firms. He was fined $1,000 and ordered to perform 1,000 hours of community service. The other individual, Jean Safar, was released soon after his arrest by the FBI. ''They said they did not have the power to do anything,'' recalls Renaissance's former president, Patrick Barkhordarian. The company, in fact, had received start-up funds from two French brothers, Daniel and Andrew Harari. In return for their investment, they received positions on the company's five-member board of directors. When an internal dispute erupted in 1992, the Harari brothers were able to place a third French citizen on the board. ''They converted the company to a French company,'' said Barkhordarian. Safar was told by the company, claims Barkhordarian, to take the source codes to France. There was nothing illegal about it. Renaissance was acquired by a publicly held U.S. company last fall.

Even when the collection methods are legal, the results can hurt. In the summer of 1994, a film crew from Japanese public television visited dozens of U.S. biotech corporations, including California biotech giant Amgen, while filming a documentary on the industry. William Boni, Amgen's security director, was warned by a DECA agent that the FBI suspected the film was a cover for intelligence collection. Still, Boni allowed the visit, partly because the director of the film said this would help Amgen break into the Japanese biotech market. Once at Amgen, film crew members photographed every document they possibly could, including company production numbers. ''This was a very clear-cut case of benchmarking America's best practices for their industry,'' says Boni. ''They ran their vacuum cleaner over the U.S. biotech industry.''

Some efforts are not so subtle. In one case, an Amgen employee attempted to steal vials of Epogen, a genetically engineered hormone that controls the production of red blood cells and is one of two patented items in the company's product line. Security chief Boni was tipped to the threat by an anonymous letter, which said that the employee was planning to open up a black market in Epogen in his home country in Asia. The employee confessed. He was fired, but no charges were filed. Had the theft attempt succeeded, the rogue employee and an accomplice could have made a fortune. In 1995, Epogen sales amounted to nearly $1 billion.

Neither of the two prongs of the U.S. attempt to combat such threats is simple. Like his predecessors, Directories of Central Intelligence John Deutch has provided clear marching orders to the CIA and other agencies that gather intelligence overseas. The agencies are to inform U.S. policy makers if foreign competitors are winning business abroad through bribery or other illegal means. In 1994, Boeing Aerospace, McDonnel Douglas and Raytheon Corp, won two multibillion-dollar contracts from Saudi Arabia and Brazil after President Clinton complained to those governments about bribes that rival French companies had paid to win the contracts, the information on the bribes came from U.S. intelligence agencies, President Clinton strongly endorses such action. ''You uncovered bribes that would have cheated American companies out of billions of dollars,'' he told a gathering of CIA employees last July. Over the past three years, the CIA has reportedly saved U.S. corporations $30 billion as a result of those efforts.

THREAT INFORMATION

Deutch has made it clear that, unlike the foreign intelligence services of at least 50 other nations, America's spy services are forbidden to engage in economic espionage for the benefit of corporate America. That's clear enough, but in today's global, multinational economy, it is often difficult to distinguish American from foreign corporations. The FBI, in fact, makes no such distinctions and provides all corporations operating in the United States with threat information regarding economic expionage.

The other mission of the CIA and its sister agencies that operate abroad is to provide economic intelligence to U.S. policy makers. Last spring, the intelligence community helped U.S. trade officials learn of Japanese negotiating positions during automobile trade talks. This was perfectly legal under U.S. law, but the press disclosure prompted a firestorm of criticism from Capitol Hill, prompting some intelligence officials to grumble that such activities were more trouble then they were worth. Last year, several CIA officers were expelled from France for engaging in an intelligence operation to obtain information on France's position on global telecommunications talks. The CIA's inspector general investigated the matter, and a report is expected shortly.

Given the ratio of risk to potential reward, many intelligence officials argue that America's espionage agencies should not be used to acquire economic information secretly when so much can be obtained from open sources. ''What you try to gain covertly,'' says Charles Emmling, a former CIA case officer who recruited Soviet agents from 1968 to 1991 and now teaches businesses how to protect their corporate trade secrets at Aegis Research Corp., ''becomes less and less important.'' Robert Steele, a 20-year veteran of the CIA's clandestine service, says the agency relies on cloak-and-dagger techniques out of habit. ''Don't send a spy,''

Steele says, ''where a schoolboy can go.'' That was precisely the mistake the CIA made last year in France, critics say.

The second prong of the U.S. effort, playing defense, is also more complicated than ever. Kenneth Geide, the head of the FBI's new economic counterintelligence unit, says that there are a host of ways to go after a target and that often ''foreign governments are hiding their collection [activities] within legitimate activities.''

But some former law enforcement and intelligence officials fear that legal collection of information may be investigated simply to determine if illegal methods are being used. They argue that the onus of protecting proprietary information should remain on the shoulders of industry, not government. ''It is our responsibility to protect this [information], and it is our liability if we don't,'' contends a former intelligence official now in the private sector. There is still debate on the proper balanced role of law enforcement in countering this new threat within government as well. ''We don't want the FBI in our bedrooms *or* our boardrooms,'' quips a senior administration official.

The FBI defends its approach and has vowed not to overstep its bounds. How to meet such a varied threat? ''We don't intend to, want to and can't investigate all foreigners,'' Geide says. The threat to America's national security from spies seeking economic secrets has increased significantly, but Geide says: ''We don't want to be alarmist about it. It deserves a measured approach.''

THE GROWTH OF ECONOMIC ESPIONAGE

(By Peter Schweizer)

Shortly after CIA officer Aldrich ''Rick'' Ames began selling secrets to the Soviet KGB in 1985, a scientist named Ronald Hoffman also began peddling classified information. Ames, the last known mole of the Cold War, received $4.6 million for names of CIA informants before he was apprehended in early 1994. But Hoffman, a project manager for a company called Science Applications, Inc., made $750,000 selling complex software programs developed under secret contract for the Strategic Defense Initiative (SDI). Hoffman, who was caught in 1992, sold his wares to Japanese multinationals—Nissan Motor Company, Mitsubishi Electric, Mitsubishi Heavy Industries, and Ishikawajima-Harima Heavy Industries—that wanted the information for civilian aerospace programs.

Ames received the more dramatic and sensational coverage, as he should have, given that his betrayal led to the loss of life. But the Hoffman case represents the future of intelligence. While one spied for America's chief military rival, the other sold information to a major economic competitor. Perhaps it should induce an epiphany of sorts that these two cases occurred in near congruence.

As economic competition supplants military confrontation in global affairs, spying for high-tech secrets with commercial applications will continue to grow, and military spying will recede into the background. How the United States elects to deal with this troubling issue will not only determine the direction of the American intelligence community, but also set the tone for commercial relations in the global marketplace.

THE NEW CURRENCY OF POWER

Most economic agents systematically collect economic intelligence using legal means. Major corporations collect business intelligence to read industry trends and scout the competition. Many nations track global and regional economic trends and even technological breakthroughs to aid policymakers. But a growing number of states have become very active in gathering intelligence on specific industries or even companies and sharing it with domestic producers. Indeed, economic espionage, the outright theft of private information, has become a popular tool as states try to supplement their companies' competitive advantage. This is sheer folly, threatening to restore mercantilism through the back door.

The United States has devoted increasing attention to intelligence on economic issues, sometimes with diplomatic consequences. French Interior Minister Charles Pasqua summoned U.S. Ambassador Pamela Harriman to his office on January 26 of this year to protest U.S. spying on French commercial and technological developments. According to *Le Monde*, CIA agents flush with 500-franc notes tried to bribe a member of the French parliament to reveal France's negotiating position on the nascent World Trade Organization. A senior official in the Ministry of Communications was offered cash for intelligence on telecommunications and audiovisual policy. A technician for France Telecom, the national telephone network, was also approached. All three immediately notified the French Directorate of Territorial Surveillance, which ordered them to play along with the Americans and lay a trap.

More recently, an October 15 story in The New York Times disclosed that American intelligence agents assisted U.S. trade negotiators by eavesdropping on Japanese officials in the cantankerous dispute over car imports. U.S. Trade Representative Mickey Kantor and his aides were the reported beneficiaries of daily briefings by the CIA, including information gathered by the CIA's Tokyo station and the National Security Agency's vast electronic network. How useful this information was remains open to debate. After all, the agreement the United States and Japan ultimately reached was hardly an unambiguous victory for Washington.

These reports, which appear to be accurate, indicate that the United States is following the model for economic intelligence several recent CIA directors have proposed. In 1991, believing that the CIA could make a ''unique contribution'' by uncovering foreign economic espionage in the United States and gathering information about the attempts of other governments to violate international trade agreements and ''other basic rules of fair play,'' Robert Gates called for a deeper look at applying the tools of intelligence to economic matters. By 1993, James Woolsey had declared no more Mr. Nice Guy and promised that the CIA would sniff out unfair trade practices and industrial espionage directed against American firms.

Even with all this heightened activity and interest, the United States is far less involved in economic espionage than most of its major allies and trading partners. Spying on trade negotiators and attempting to obtain commercial information to assist government policymakers is economic espionage at its most benign level and should be expected. The United States has yet to surmount the critical firewall of passing purloined information to domestic companies competing in the global marketplace. It is in this area that the most damage is done to the international trading system and where most major industrialized countries have operated.

Over the past 15 years, the FBI has chronicled numerous cases involving France, Germany, Japan, Israel, and South Korea. An FBI analysis of 173 nations found that 57 were covertly trying to obtain advanced technologies from U.S. corporations. Altogether, 100 countries spent some public funds to acquire U.S. technology. Former French Intelligence Director Pierre Marion put it succinctly when he told me, ''In economics, we are competitors, not allies. America has the most technical information of relevance. It is easily accessible. So naturally your country will receive the most attention from the intelligence services.''

Recent data indicate that American industry has felt the effects of such unwanted attention. A 1993 survey commissioned by the American Society for Industrial Security found a dramatic upswing in the theft of proprietary information from corporate America. The number of cases increased 260 percent since 1985; those with foreign involvement shot up fourfold. A 1993 study by R. J. Heffeman and Associates noted that an average of about three incidents every month involve the theft of proprietary information from American companies by foreign entities. These estimates are probably conservative. Companies prefer not to admit they have been victims. An admission can depress the price of their stock, ruin joint ventures, or scuttle U.S. government contracts.

The sort of espionage that threatens U.S. corporations varies with the national characteristics and culture of the perpetrators. France possesses a well-developed intelligence service, one of the most aggressive collectors of economic intelligence in the world. Using techniques often reminiscent of the KGB or spy novels, the French in recent years have planted moles in U.S. companies such as IBM, Texas Instruments, and Corning. Japan lacks a large formal intelligence service such as the CIA or Direction Générale de la Sécurité Extérieure (DGSE) but remains an active acquirer of business information. A public-private partnership has evolved between the Ministry for International Trade and Industry and the Japan External Trade Organization, supplementing and nurturing the already well-developed commercial intelligence networks created by Japanese corporations. These commercial networks rival the intelligence services of medium-sized nations. Matsushita's intelligence operations in the United States, for example, occupy two full floors of a Manhattan skyscraper, according to Herb Meyer, special assistant to CIA Director William Casey during the Reagan administration.

THE GAINS FROM THEFT

That so many states practice economic espionage is a testament to how profitable it is believed to be. Marion boasts that during his tenure, France won a $2 billion airplane deal with India thanks to the work of the DGSE. The late French spy chief Count De Marenches typified the French view when he wrote in his memoirs that economic espionage is ''very profitable. . . . In any intelligence service worthy of the name you would easily come across cases where the whole year's budget has been paid for in full by a single operation.''

Economic espionage threatens to unhinge certain post-Cold War goals such as arms control. On-site inspections, a necessity for some agreements, create institutional opportunities to engage in espionage. The Chemical Manufacturers Association, for example, fears that a chemical weapons treaty with a rigid on-site verification regime could subject 50,000 industrial sites in the United States to systematic international inspection and monitoring. Officials from any number of countries would have access to sensitive information about the American chemical industry, including plant layouts, production levels, perhaps even formulas.

Intelligence collection is a proper function of the state—protecting the national interest and informing statecraft. But collecting proprietary information and sharing it with domestic producers in an entirely different

matter. That kind of economic espionage ought to be called what it is: at best a subsidy to well-connected domestic companies, at worst theft on a par with piracy. Economic espionage can grossly disrupt trade and corrode a nation's science and technology base. It is a parasitic act, relying on others to make costly investments of time and money. And to destroy the rewards of investment is to destroy the incentive to innovate.

THE QUAINT UNITED STATES

This is a decidedly minority point of view in the world marketplace. The rest of the world does not share the American capitalist ethos of vigorous but open competition. In both Europe and Asia, the American law that bars U.S. corporations from bribing foreign officials is viewed as quaint. Antitrust laws are likewise dismissed as an American idiosyncrasy. The semi-corporatist cultures of continental Europe and Asia view the state-business relationship very differently than does the United States. There is a popular old joke in American business circles: ''What are the nine scariest words in the English language?'' ''I'm from the government and here to help you.'' This quip would hardly garner a smile in Tokyo, Paris, or Berlin.

Early indications are that Russia is more likely to embrace the semi-corporatist view than the American laissez-faire model. The transition from communism to capitalism means only that Russian intelligence will have a greater business orientation. Russian intelligence officials speak of nonbudgetary resources for defense and security policy. And as James Sherr of Oxford University pointed out in the winter 1994–95 *National Interest,* Russian intelligence officials are blurring the distinction between, if not merging, state policy and private pursuits. The newly created Federal Agency for Government Communications and Information indicates this trend. Encompassing the former KGB's communication's assets, it is both a ''strictly classified organization'' and a business, with the right to contract with foreign investors, invest in foreign commercial entities, and set up companies abroad.

As economic strength in part replaces military might as the currency of national power, one can only expect this trend to continue. Trade talks have supplanted arms control as the most acrimonious, demanding, and headline—grabbing form of diplomacy, a certain sign of changing priorities. Consequently, most intelligence organizations around the globe are all too willing to serve as a competitive tool to protect budgets in lean times.

The current interregnum between the Cold War and the new era of economic conflict provides an opportunity finally to address this issue. Fissures or disagreements within the Western alliance no longer have the dangerous consequences they might have had at the height of the Cold War. The United States needs to treat economic espionage no only as an intelligence issue, but as the competitiveness and economic issue it has become. Until it does, the American response will be spotty, and the results minimal.

In 1991 the FBI began a quiet shift from the traditional focus of its counterintelligence policy. The country criteria list, which identified nations whose intelligence services needed watching, has been replaced by the national security threat list, which identifies key American technologies and industries that should be protected. This is an important first step. But even a successful counterintelligence operation will accomplish little unless there are consequences for those who are caught. In the past, ensnared thieves usually receive a slap on the wrist. When prosecuted in a court of law, it has usually been under statutes that make it illegal to transfer stolen goods across state lines. This is a difficult legal standard, particularly since some judges believe that information is not a good.

Changes in U.S. law and greater diplomatic fortitude offer the best hope for grappling with this problem. When Hitachi admitted in court that its employees tried to purchase stolen ''Adirondack'' computer design workbooks from IBM, the judge in 1983 fined the company a whopping $10,000. The U.S. government did not blink an eye. Several months after the trial, Hitachi reportedly won a major contract to equip the Social Security Administration with computers. (Ironically, the losing bid was submitted by IBM.) When it was disclosed that between the early 1970s and late 1980s the French DGSE had planted agents in Texas Instruments, IBM, and Corning and shared the purloined information with Compagnie des Machines Bull, the U.S. government merely sent a letter of diplomatic protest. Likewise, when Israeli intelligence officers stole valuable technological data from Illinois defense contractor Recon Optical, no penalties were imposed. Selling SDI computer software programs did get Ronald Hoffman a six-year prison term, but the Japanese companies that purchased the data faced no sanctions. This state of affairs should be unsatisfactory.

The United States should consider changing its privacy laws. The data protection laws of countries such as Austria, France, Switzerland, Belgium, Germany, New Zealand, Denmark, Norway, and Luxembourg define ''persons'' to include corporations for protection of privacy purposes. Their laws provide a much higher level of protection for corporate information, treating business secrets as equivalent to the private data of individual citizens. Under much more firmly defined privacy statutes, thieves could be prosecuted.

When diplomats are involved, the United States should be as aggressive and vigorous as it was when dealing with Soviet spying, or at least as firm as France was last January. Instead, diplomatic personnel have simply been asked to leave quietly, a gesture with little punitive effect. Foreign corporations involved in the theft of American technology or corporate information should face real monetary costs for their crimes. Until there is a price to be paid, companies will not think twice about purchasing and using stolen information, and foreign governments will not blink at stealing American proprietary business information.

How the United States chooses to deal with this problem will set the tone internationally. Some, such as former CIA Director Stansfield Turner, have proposed an American economic espionage program, in effect imitating foreign competitors. But this path is fraught with peril. There is no groundswell of support for such a course in either corporate America or the intelligence community. Ask intelligence professionals what they think about the idea and they are likely to tell you, ''I will risk my life for America, but not General Motors.'' An economic espionage program could also have a corrupting influence on the U.S. intelligence community, as officials might be enticed by bribes from companies seeking particularly useful information. Likewise, American companies are nervous about getting entangled with the intelligence world and the strings that are likely to be attached to any such program. Rather than wanting to imitate its competitors, corporate America seeks a level playing field and protection from industrial thieves.

The goal of the United States should be a world in which governments do not try to outspend one another on stealing each other's corporate secrets. But that goal cannot be reached until the United States decides to grow up and face down the threat. Ignoring economic espionage will not make it go away.

Mr. KOHL. Mr. President, today, we pass the Economic Espionage Act, which is based upon legislation drafted by Senator SPECTER and me and, on the House side, by Representatives MCCOLLUM and SCHUMER. In a Congress marked by so much partisanship, this legislation marks a significant bipartisan accomplishment. With this new law, we penalize the theft of vital economic information.

Since the end of the cold war, our old enemies and our traditional allies have been shifting the focus of their spy apparatus. Alarmingly, the new target of foreign espionage is our industrial base. But for too many years, we were complacent and did not heed these warnings. And we left ourselves vulnerable to the ruthless plundering of our country's vital information. We did not address this new form of espionage—a version of spying as dangerous to our national well-being as any form of classic espionage. Today, that complacency ends.

Mr. President, this legislation is crucial. Most Americans probably do not realize that anyone with the wherewithal to do it can walk out of a company with a computer disk full of its most important manufacturing information and sell that information to the highest bidder with virtual impunity—and no criminal penalties.

This problem is even worse when foreign governments have specifically focussed on American companies in order to steal information from them. American companies are not prepared or equipped to fight off this kind of systematic targeting.

The executive vice president of Corning, James Riesbeck, has said that:

It is important to understand that State-sponsored industrial espionage is occurring in the international business community. It is very difficult for an individual corporation to counteract this activity. The resources of any corporation are no match for industrial espionage that is sanctioned and supported by foreign governments.

A report of the National Counterintelligence Center [NCIC] in 1995 indicated that biotechnology, aerospace, telecommunications, computer software, transportation, advanced materials, energy research, defense, and semiconductor companies are all top targets for foreign economic espionage. These sectors are aggressively targeted according to the report. That report identified 20 different methods used to conduct industrial espionage. The traditional methods include recruiting an agent and then inserting the agent into the target company, or breaking into an office to take equipment and information. According to the report, computer intrusions, telecommunications targeting and intercept, and private-sector encryption weaknesses account for the largest portion of economic and

industrial information lost by U.S. corporations.

But even as American companies are attempting to respond to foreign espionage, they also have to address theft by insiders. A survey by the American Society for Industrial Security [ASIS] of 325 companies in 1995 found that almost half of them had experienced trade secret theft of some sort during the previous 2 years. They also reported a 323-percent increase in the number of incidents of intellectual property loss. A 1988 National Institute of Justice study of trade secret theft in high-technology industries found that 48 percent of 150 research and development companies surveyed had been the victims of trade secrets theft. Almost half of the time the target was research and development data while 38 percent of the time the target was new technology. Forty percent of the victims found out about the theft from their competitors.

Norman Augustine, the president of Lockheed Martin Corp., told us at our February hearings that a recent survey of aerospace companies revealed that 100 percent of them believe that a competitor, either domestic or international, has used intelligence techniques against them.

And, Mr. President, make no mistake about it, economic espionage costs our country dearly. In 1992, when a representative of IBM testified at a House hearing on this issue, he told us that economic espionage had cost his company billions of dollars. The NCIC report concluded that industry victims have reported the loss of hundreds of millions of dollars, lost jobs, and lost market share. The ASIS survey concluded that the potential losses could total $63 billion a year.

Because of the gap in our laws, Senator SPECTER and I introduced two companion measures that became the Economic Espionage Act earlier this year. This legislation will be used to go after the foreign intelligence services that take aim at American companies and at the people who walk out of businesses with millions of dollars worth of information.

I will only briefly explain what we have done here because the managers' statement and the House and Senate committee reports fully and completely describe this act. This legislation makes it illegal to steal trade secrets from companies. It enhances the penalties when the theft is at the behest of a foreign government. With the help of Senator HATCH and Representatives MCCOLLUM and SCHUMER, we have carefully drafted these measures to ensure that they can only be used in flagrant and egregious cases of information theft. Moreover, trade secrets are carefully defined so that the general knowledge and experience that a person gains from working at a job is not covered.

Mr. President, we do not want this law used to stifle the free flow of information or of people from job to job. But we built in a number of safeguards to prevent exactly these problems. They are elaborated on in the managers' statement and our committee reports.

Mr. President, I ask unanimous consent that a copy of the managers' statement be printed in the RECORD. It reflects our understanding on this measure.

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

MANAGERS' STATEMENT FOR H.R. 3723, THE ECONOMIC ESPIONAGE BILL

This legislation is based upon two bills, S. 1556, ''The Industrial Espionage Act of 1996,'' and S. 1557, ''The Economic Security Act of 1996,'' which were introduced by Senators SPECTER and KOHL. This Managers' Statement is intended to clarify portions of the legislation and to supplement the Committee reports already issued on these two measures. It also explains how the House and Senate version of the legislation were reconciled.

DIFFERENCE BETWEEN SECTIONS 1831 AND 1832

This legislation includes a provision penalizing the theft trade secrets (Sec. 1832) and a second provision penalizing that theft when it is done to benefit a foreign government, instrumentality, or agent (Sec. 1831). The principle purpose of this second (foreign government) provision is not to punish conventional commercial theft and misappropriation of trade secrets (which is covered by the first provision). Thus, to make out an offense under the economic espionage section, the prosecution must show in each instance that the perpetrator intended to or knew that his or her actions would aid a foreign government, instrumentality, or agent. Enforcement agencies should administer this section with its principle purpose in mind and therefore should not apply section 1831 to foreign corporations when there is no evidence of foreign government sponsored or coordinated intelligence activity.

This particular concern is borne out in our understanding of the definition of ''foreign instrumentality'' which indicates that a foreign organization must be ''substantially owned, controlled, sponsored, commanded, managed, or dominated by a foreign government or subdivision thereof.'' Although the term ''substantially'' is not specifically defined, it is a relative term that connotes less than total or complete ownership, control, sponsorship, command, management, or domination. Substantial in this context, means material or significant, not technical or tenuous. We do not mean for the test of substantial control to be mechanistic or mathematical. The simple fact that the majority of the stock of a company is owned by a foreign government will not suffice under this definition, nor for that matter will the fact that a foreign government only owns 10 percent of a company exempt it from scrutiny. Rather the pertinent inquiry is whether the activities of the company are, from a practical and substantive standpoint, foreign government directed.

To make out a case under these two provisions (sections 1831 and 1832), the prosecution would have to show that the accused knew or had reason to know that a trade secret had been stolen or appropriated without authorization. This threshold separates conduct that is criminal from that which is innocent. Thus, for example, these sections would not give rise to a prosecution for legitimate economic collection or reporting by personnel of foreign governments or international financial institutions, such as the World Bank, because such legitimate collection or reporting would not include the collection or reporting of trade secrets that had been stolen, misappropriated or converted without authorization.

WITHOUT AUTHORIZATION

Several federal statutes already include the requirement that information be taken ''without authorization.'' The most notable is 18 U.S.C. §1030, which is amended in this measure by the National Information Infrastructure Protection Act introduced by Senators Leahy, Kyl and Grassley. That provision essentially deals with authorization in relation to computer systems. However, in this legislation the nature of authorization may be slightly different since this measure involves information ''whether or how stored.'' But the principle remains the same: authorization is the permission, approval, consent, or sanction of the owner.

PARALLEL DEVELOPMENT NOT COVERED

It is important to note that a person who develops a trade secret is not given an absolute monopoly on the information or data that comprises a trade secret. For example, if a company discovers that a particular manufacturing process must be conducted at a certain ambient temperature and that a more than 10 percent deviation from that temperature will compromise the process, that company does not have the exclusive right to manufacture the product at the key temperature (assuming that this is not otherwise patented or protected by law). Other companies can and must have the ability to determine the elements of a trade secret through their own inventiveness, creativity and hard work. As the Supreme Court noted in *Kewanee Oil Co.* v. *Bicron Corp.*, 416 U.S. 470 (1974): ''If something is to be discovered at all very likely it will be discovered by more than one person. . . . Even were an inventor to keep his discovery completely to himself, something that neither the patent nor trade secret laws forbid, there is a high probability that it will be soon independently developed. If the invention, though still a trade secret, is put into public use, the competition is alerted to the existence of the inventor's solution to the problem and may be encouraged to make an extra effort to independently find the solution this known to be possible.'' Id. at 490–91.

This legislation does not in any way prohibit companies, manufacturers, or inventors from using their skills, knowledge and experience to solve a problem or invent a product that they know someone else is also working on. Thus, parallel development of a trade secret cannot and should not constitute a violation of this statute. This includes the situation in which an individual inventor, unsolicited, sends his or her material to a manufacturer even as the company itself is in the midst of its own parallel development. In the first place, this wholesale disclosure of material likely breaches the requirement that a trade secret owner take reasonable measures to protect the information's confidentiality. But more importantly, many companies regularly receive such ideas and inventions and do not use them. Some of these unsolicited ideas and inventions may overlap with work being done within the company already. Both the individual inventor and the company are conducting parallel work, pursuing the same line of inquiry. Neither can be subject to penalty under this law.

REVERSE ENGINEERING

Some people have asked how this legislation might affect reverse engineering. Reverse engineering is a broad term that encompasses a variety of actions. The important thing is to focus on whether the accused has committed one of the prohibited acts of

this statute rather than whether he or she has ''reverse engineered.'' If someone has lawfully gained access to a trade secret and can replicate it without violating copyright, patent or this law, then that form of ''reverse engineering'' should be fine. For example, if a person can drink Coca-Cola and, because he happens to have highly refined taste buds, can figure out what the formula is, then this legislation cannot be used against him. Likewise, if a person can look at a product and, by using their own general skills and expertise, dissect the necessary attributes of the product, then that person should be free from any threat of prosecution.

DEFINITION OF TRADE SECRETS

Unlike patented material, something does not have to be novel or inventive, in the patent law sense, in order to be a trade secret. Of course, often it will be because an owner will have a patented invention that he or she has chosen to maintain the material as a trade secret rather than reveal it through the patent process. Even if the material is not novel in the patent law sense, some form of novelty is probably inevitable since ''that which does not possess novelty is usually known; secrecy, in the context of trade secrets implies at least minimal novelty.'' *Kewanee Oil Co.*, 416 U.S. at 476. While we do not strictly impose a novelty or inventiveness requirement in order for material to be considered a trade secret, looking at the novelty or uniqueness of a piece of information or knowledge should inform courts in determining whether something is a matter of general knowledge, skill or experience.

Although we do not require novelty or inventiveness, the definition of a trade secret includes the provision that an owner have taken reasonable measures under the circumstances to keep the information confidential. We do not with this definition impose any requirements on companies or owners. Each owner must assess the value of the material it seeks to protect, the extent of a threat of theft, and the ease of theft in determining how extensive their protective measures should be. We anticipate that what constitutes reasonable measures in one particular field of knowledge or industry may vary significantly from what is reasonable in another field or industry. However, some common sense measures are likely to be common across the board. For example, it is only natural that an owner would restrict access to a trade secret to the people who actually need to use the information. It is only natural also that an owner clearly indicate in some form or another that the information is proprietary. However, owners need not take heroic or extreme measures in order for their efforts to be reasonable.

GENERAL KNOWLEDGE NOT COVERED BY DEFINITION OF TRADE SECRETS

In the course of reconciling the Senate and House versions of this legislation, we eliminated the portion of the definition of trade secret that indicated that general knowledge, skills and experience were not included in the meaning of that term. Its elimination from the statutory language does not mean that general knowledge can be a trade secret. Rather, we believed that the definition of trade secrets in itself cannot include general knowledge. Thus, it was unnecessary and redundant to both define what does and what does not constitute a trade secret.

Our reason initially for putting the exception in was to state are clearly as possible that this legislation does not apply to innocent innovators or to individuals who seek to capitalize on their lawfully developed knowledge skill or abilities. Employees, for example, who change employers or start their own companies should be able to apply their talents without fear of prosecution because two safeguards against overreaching are built into the law.

First, protection is provided by the definition of ''trade secret'' itself. The definition requires that an owner take objectively reasonable, proactive measures, under the circumstances, to protect the information. If, consequently, an owner fails to safeguard his or her trade secret, then no one could be rightfully accused of misappropriating it. Most owners do take reasonable measures to protect their trade secrets, thereby placing employees and others on clear notice of the discreet, proprietary nature of the information.

In addition, a prosecution under this statute must establish a particular piece of information that a person has stolen or misappropriated. It is not enough to say that a person has accumulated experience and knowledge during the course of his or her employ. Nor can a person be prosecuted on the basis of an assertion that he or she was merely exposed to a trade secret while employed. A prosecution that attempts to tie skill and experience to a particular trade secret should not succeed unless it can show that the particular material was stolen or misappropriated. Thus, the government cannot prosecute an individual for taking advantage of the general knowledge and skills or experience that he or she obtains or comes by during his tenure with a company.

tions to go forward and allowing the risk of such charges to be brought would unduly endanger legitimate and desirable economic behavior.

As the Pennsylvania Supreme Court noted in *Spring Steels* v. *Molloy*, 400 Pa. 354, 363 (1960):

''It is not a phenomenal thing in American business life to see an employee, after a long period of service, leave his employment and start a business of his own or in association with others. And it is inevitable in such a situation, where the former employee has dealt with customers on a personal basis that some of those customers will want to continue to deal with him in [that] new association. This is . . . natural, logical and part of human fellowship . . .''

This legislation does not criminalize or in any way hamper these natural incidents of employment. The free and unfettered flow of individuals from one job to another, the ability of a person to start a new business based upon his or her experience and expertise, should not be injured or chilled in any way by this legislation. Individuals must have the opportunity to take advantage of their talents and seeks and accepts other employments that enables them to profit from their abilities and experience. And companies must have the opportunity to employ these people. This measure attempts to safeguard an individual's career mobility and at the same time to preserve the trade secrets that underpin the economic viability of the very company that would offer a person a new job.

The second safeguard is provided by the bill's use of the term ''knowingly.'' For a person to be prosecuted, the person must know or have a firm belief that the information he or she is taking is in fact proprietary. Under theft statutes dealing with tangible property, normally, the thief knows that the object he has stolen is indeed a piece of property that he has no lawful right to convert for his personal use. The same principle applies to this measure—for someone to be convicted under this statute he must be aware or substantially certain that he is misappropriating a trade secret (although a defense should succeed if it is proven that he actually believed that the information was not proprietary after taking reasonable steps to warrant such belief). A person who takes a trade secret because of ignorance, mistake or accident cannot be prosecuted under the Act.

This requirement should not prove a great barrier to legitimate and warranted prosecutions. Most companies go to considerable pains to protect their trade secrets. Documents are marked proprietary; security measures put in place; and employees often sign confidentiality agreements.

MAINTAINING CONFIDENTIALITY

We have been deeply concerned about the efforts taken by courts to protect the confidentiality of a trade secret. It is important that in the early stages of a prosecution the issue whether material is a trade secret not be litigated. Rather, courts should, when entering these orders, always assume that the material at issue is in fact a trade secret.

VICTIM COMPENSATION

We are also concerned that victims of economic espionage receive compensation for their losses. This legislation incorporates through reference existing law to provide procedures to be used in the detention, seizure, forfeiture, and ultimate disposition of property forfeited under the section. Under these procedures, the Attorney General is authorized to grant petitions for mitigation or remission of forfeiture and for the restoration of forfeited property to the victims of an offense. The Attorney General may also take any other necessary or proper action to protect the rights of innocent people in the interest of justice. In practice, under the forfeiture laws, victims are afforded priority in the disposition of forfeited property since it is the policy of the Department of Justice to provide restitution to the victims of criminal acts whenever permitted to do so by the law. Procedures for victims to obtain restitution may be found at Section 9 of Title 28, Code of Federal Regulations.

In addition to requesting redress from the Attorney General, any person—including a victim—asserting an interest in property ordered forfeited may petition for a judicial hearings to adjudicate the validity of the alleged interest and to revise the order of forfeiture. Additionally, forfeitures are subject to a requirement of proportionality under the Eighth Amendment; that is, the value of the property forfeited must not be excessively disproportionate to the crimes in question.

Finally, we have required that the Attorney General report back to us on victim restitution two and four years after the enactment of this legislation. We have heard from some companies that they only rarely obtain restitution awards despite their eligibility. We wish to carefully monitor restitution to ensure that the current system is working well and make any changes that may be necessary.

FINES PROVISION

In the original Senate version of this measure, we included a provision allowing courts to impose fines of up to twice the value of the trade secret that was stolen. This specific provision was eliminated because it was unnecessary in light of 18 U.S.C. §3571(d). We have not used the specific exemption available under 18 U.S.C. §3571(e). We, therefore, fully expect that courts will take full advantage of the provision in 18 U.S.C. §3571(d) allowing for fines of up to twice the gain or loss resulting from the theft of trade secrets and that courts will opt for the larger of the fines available under 18 U.S.C. §3571(d) or the fines provisions of this statute.

DEPARTMENT OF JUSTICE OVERSIGHT

The Senate version of this measure included a requirement that all prosecutions brought under the statute receive the prior approval of the Attorney General, the Deputy Attorney General or the head of the Department of Justice's Criminal Division. That provision was eliminated in the measure that the House returned to us. We have not reinserted it based on the assurances of the Department of Justice. The Department of Justice will insert a requirement in the U.S. Attorney's Manual that prosecutions continue to be approved and strictly supervised by the Executive Office of the United States Attorney. The Attorney General has written a letter to us to that effect which we will insert into the record. We expect to review all cases brought under this Act in several years to ensure that the requirement is being enforced and to determine if it needs to remain in place.

Mr. HATCH. Mr. President, I rise in support of H.R. 3723, the Economic Espionage Act of 1996. This bill makes the theft or unlawful appropriation and conversion of ''proprietary economic information'' a Federal felony. It is an important bill to all of Federal law enforcement, and I encourage my colleagues to support it.

In today's technology revolution, the Congress has recognized the need to develop meaningful legislation that has real teeth to stop a burgeoning criminal enterprise. Such enterprise targets the cutting edge research and development of our Nation's industries, often on behalf of a competitor or foreign state. Until now, there has been no meaningful deterrent to such activity. Victims were often forced to resort to State civil remedies as their only redress. I am confident that all of my colleagues will agree that H.R. 3723, a bill which we have crafted and has undergone minor House modification, is a strong and meaningful deterrent to criminals considering engaging in economic espionage.

There is one provision in the bill originally passed by the Senate but deleted from the House which requires clarification. The original bill passed by the Senate contained a provision that required Attorney General approval prior to the initiation of a prosecution under this legislation. The bill returned to the Senate by the House deleted this requirement. It was my intent to attach an amendment to this bill, reinserting the prior authorization requirement. After numerous discussions with administration and industry officials, a compromise has been reached which will allow this bill to be passed by the full Senate as approved by the House.

We have a letter from the Attorney General which memorializes an agreement we have made concerning this prior authorization requirement.

This agreement provides that the Department of Justice shall implement regulations that require that an indictment can be pursued under this legislation only upon the express prior approval of the Attorney General, Deputy Attorney General, or Assistant Attorney General-Criminal Division. This agreement shall remain in effect for a period of 5 years from enactment. During that timeframe, the Attorney General will be required to report to the Senate or House Judiciary Committees, any prosecutions carried out under this bill which did not receive such prior authorization. It shall also subject the U.S. Attorney or Justice Department official authorizing such prosecution, to appropriate disciplinary sanctions.

I am confident that the Department of Justice will act in good faith and carry out its terms.

I would like to mention three other provisions included in this bill. The first, included as a floor amendment by myself and Senator KOHL, authorizes $100 million in grants to the Boys and Girls Clubs of America to establish clubs in public housing and other distressed areas across the country. The Boys and Girls Clubs have an outstanding track record of reducing crime and drug use in the communities they serve, and this legislation will help them extend their reach into the communities that need them most.

Second, I am pleased that this bill included another amendment I offered during Senate consideration, transferring to the Attorney General custody of certain Federal inmates hospitalized at St. Elizabeth's hospital. This provision will ensure that these persons, hospitalized because of not guilty by reason on insanity verdicts in Federal courts, receive appropriate care in safe, secure facilities.

Finally, I would like to note that this legislation includes an amended version of technical corrections legislation to fix errors that have, over time, crept into the Federal criminal code. The continued integrity of the criminal laws depends on making these corrections from time to time, and I am pleased that we have addressed this matter here.

For these reasons, I strongly urge all of my colleagues to fully support H.R. 3723.

I ask unanimous consent that the letter I referenced earlier from the Attorney General be printed in the RECORD.

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

DEPARTMENT OF JUSTICE,
OFFICE OF THE ATTORNEY GENERAL,
Washington, DC, October 1, 1996.

Hon. ORRIN G. HATCH,
Chairman, Committee on the Judiciary,
U.S. Senate, Washington, DC.

DEAR CHAIRMAN HATCH: Thank you for your support of the Economic Espionage Act of 1996 (''Act''). The need for this law cannot be understated as it will close significant gaps in federal law, thereby protecting proprietary economic information and the health and competitiveness of the American economy.

The Department shares your concerns that the legislation be implemented in accordance with the intent of Congress and therefore will require, for a period of five years after implementation of the Act, that the United States may not file a charge under Chapter 90, or use a violation of Chapter 90 as a predicate offense under any other law, without the personal approval of the Attorney General, the Deputy attorney General, or the Assistant Attorney General for the Criminal Division (or the acting official in each of these positions if a position is filled by the Acting official). This requirement will be implemented by published regulation.

Violations of such regulations will be appropriately sanctionable. Any such violations will be reported by the Attorney General to the Senate and House Judiciary Committees.

Once again, thank you for your leadership in this critical area.

Sincerely,

JANET RENO.

Mr. LEAHY. Mr. President, I am delighted that the Senate is today taking the important step of passing the Economic Espionage Act and the National Information Infrastructure Protection Act of 1996 [NII Protection Act].

The NII Protection Act, which I have sponsored with Senators KYL and GRASSLEY, was sent to the House as S. 982, after passing the Senate unanimously on September 18, 1996. The NII Protection Act has come back to the Senate for final passage as part of a package of bills including H.R. 3723, the Economic Espionage bill. These bills are complimentary. The economic espionage bill will impose criminal penalties on those who steal valuable trade secrets from the U.S. Government and those doing business in our country, without regard to the means used to effect the crime.

Spying on American companies in order to obtain their trade secrets and confidential proprietary information is—to put it bluntly—stealing. Although the estimates of how much this stealing costs our Nation's business and our economy are rough, the range is in the billions of dollars per year.

Unfortunately, the problem appears to be growing. The increasing dependence of American industry on computers to store information and to facilitate communications with customers, suppliers and farflung subsidiaries, presents special vulnerabilities for the theft of sensitive proprietary information.

I have long been concerned about this vulnerability. That is why I worked with the Department of Justice, and my colleagues, Senators KYL and GRASSLEY, on introduction of the National Information Infrastructure Protection Act. This bill will increase protection for computers, both government and private, and the information on those computers, from the growing threat of computer crime. Our dependency on computers and the growth of the Internet are both integrally linked to people's confidence in the privacy, security, and reliability of computer networks. I have worked over the past decade to make sure the laws we have in place foster both privacy and security, and provide a sound foundation for new communications technologies to flourish.

Both the NII Protection Act and the Economic Espionage Act reflect significant efforts to better protect our

industrial lifeblood—the imaginative ideas and the special know-how that give American companies the edge in global competition.

The NII Protection Act will help safeguard the privacy, security and reliability of our national computer systems and networks and the information stored in, and carried on, those networks. Those systems and networks are vulnerable to the threat of attack by hackers, high-technology criminals and spies.

Every technological advance provides new opportunities for legitimate uses and the potential for criminal exploitation. Existing criminal statutes provide a good framework for prosecuting most types of computer-related criminal conduct. But as technology changes and high-technology criminals devise new ways to use technology to commit offenses we have yet to anticipate, we must be ready to readjust and update our Criminal Code.

The facts speak for themselves—computer crime is on the rise. The week before Senate passage of the NII Protection Act, on September 12, a computer hacker attack, which shut down a New York Internet access provider with thousands of business and individual customers, made front page news, and revealed the vulnerability of every network service provider to such an attack. The morning after Senate passage of this legislation, on September 19, computer hackers forced the CIA to take down an agency Web site because obscenities and unauthorized text and photograph changes had been made to the site and unauthorized links had been established between the CIA Web site and other sites. The Computer Emergency and Response Team [CERT] at Carnegie-Mellon University reports that over 12,000 Internet computers were attacked in 2,412 incidents in 1995 alone. A 1996 survey conducted jointly by the Computer Security Institute and the FBI showed that 42 percent of the respondents sustained an unauthorized use or intrusion into their computer systems in the past 12 months.

While the NII Protection Act may not address every form of computer crime or mischief, it closes a number of significant gaps in the computer fraud and abuse statute. This legislation would strengthen law enforcement's hands in fighting crimes targeted at computers, networks, and computerized information by, among other things, designating new computer crimes, and by extending protection to computer systems used in foreign or interstate commerce or communications.

For example, while our current statute, in section 1030(a)(2), prohibits misuse of a computer to obtain information from a financial institution, it falls short of protecting the privacy and confidentiality of information on computers used in interstate or foreign commerce and communications. This gap in the law has become only more glaring as more Americans have connected their home and business computers to the global Internet.

This is not just a law enforcement issue, but an economic one. Breaches of computer security result in direct financial losses to American companies from the theft of trade secrets and proprietary information. A December 1995 report by the Computer Systems Policy Project, comprised of the CEO's from 13 major computer companies, estimates that financial losses in 1995 from breaches of computer security systems ranged from $2 billion to $4 billion. The report predicts that these numbers could rise in the year 2000 to $40 to $80 billion worldwide. The estimated amount of these losses is staggering.

The NII Protection Act would extend the protection already given to the computerized information of financial institutions and consumer reporting agencies, to computerized information held on computers used in interstate or foreign commerce on communications, if the conduct involved interstate or foreign communications. The provision is designed to protect against the interstate or foreign theft of information by computer.

Computer hackers have accessed sensitive Government data regarding Operation Desert Storm, penetrated NASA computers, and broken into Federal courthouse computer systems containing confidential records. These outside hackers are subject to criminal prosecution under section 1030(a)(3) of the computer fraud and abuse statute. Yet, this statute contains no prohibition against malicious insiders: Those government employees who abuse their computer access privileges by snooping through confidential tax returns, or selling confidential criminal history information from the National Crime Information Center [NCIC]. The NCIC is currently the Nation's most extensive computerized criminal justice information system, containing criminal history information, files on wanted persons, and information on stolen vehicles and missing persons.

I am very concerned about continuing reports of unauthorized access to highly personal and sensitive Government information about individual Americans, such as NCIC data. For example, a ''Dear Abby'' column that appeared on June 20, 1996 in newspapers across the country carried a letter by a woman who claimed her in-laws ''ran her name through the FBI computer'' and, apparently, used access to the NCIC for personal purposes.

This published complaint comes on the heels of a General Accounting Office [GAO] report presented on July 28, 1993, before the House Government Operations Committee, Subcommittee on Information, Justice, Agriculture, and Transportation, on the abuse of NCIC information. Following an investigation, GAO determined that NCIC information had been misused by ''insiders''—individuals with authorized access—some of whom had sold NCIC information to outsiders and determined whether friends and relatives had criminal records. The GAO found that some of the misuse jeopardized the safety of citizens and potentially jeopardized law enforcement personnel. Yet, no federal or state laws are specifically directed at NCIC misuse and most abusers of NCIC were not criminally prosecuted. GAO concluded that Congress should enact legislation with strong criminal sanctions for the misuse of NCIC data.

This bill would criminalize these activities by amending the privacy protection provision in section 1030(a)(2) and extending its coverage to Federal Government computers. If the information obtained is of minimal value, the penalty is only a misdemeanor. If, on the other hand, the offense is committed for purposes of commercial advantage or private financial gain, for the purpose of committing any criminal or tortious act in violation of the Constitution or laws of the United States or of any State, or if the value of the information obtained exceeds $5,000, the penalty is a felony.

The current statute, in section 1030(a)(5), protects computers and computer systems from damage caused by either outside hackers or malicious insiders ''through means of a computer used in interstate commerce or communications.'' It does not, however, expressly prohibit the transmission of harmful computer viruses or programs from abroad, even though, a criminal armed with a modem and a computer can wreak havoc on computers located in the United States from virtually anywhere in the world. This is a significant challenge in fighting cybercrime: there are no borders or passport checkpoints in cyberspace. Communications flow seamlessly through cyberspace across datelines and the reach of local law enforcement.

Indeed, we have seen a number of examples of computer crimes directed from abroad, including the 1994 intrusion into the Rome Laboratory at Griffess Air Force Base in New York from the United Kingdom and the 1996 intrusion into Harvard University's computers from Buenos Aires, Argentina.

Additionally, the statute falls short of protecting our Government and financial institution computers from intrusive codes, such as computer ''viruses'' or ''worms.'' Generally, hacker intrusions that inject ''worms'' or ''viruses'' into a Government or financial institution computer system, which is not used in interstate communications, are not Federal offenses. The legislation would change that limitation and extend Federal protection from intentionally damaging viruses to Government and financial institution computers, even if they are not used in interstate communications.

The NII Protection Act would close these loopholes. Under the legislation, outside hackers—including those using foreign communications—and malicious insiders face criminal liability

for intentionally damaging a computer. Outside hackers who break into a computer could also be punished for any reckless or other damage they cause by their trespass.

The current statute protects against computer abuses that cause computer ''damage,'' a term that is defined to require either significant financial losses or potential impact on medical treatment. Yet, the NII and other computer systems are used for access to critical services such as emergency response systems, air traffic control, and the electrical power systems. These infrastructures are heavily dependent on computers. A computer attack that damages those computers could have significant repercussions for our public safety and our national security. The definition of ''damage'' in the Computer Fraud and Abuse statute should be sufficiently broad to encompass these types of harm against which people should be protected. The NII Protection Act addresses this concern and broadens the definition of ''damage'' to include causing physical injury to any person and threatening the public health or safety.

Finally, this legislation address a new and emerging problem of computer-age blackmail. This is a high-technology variation on old fashioned extortion. One case has been brought to my attention in which a person threatened to crash a computer system unless he was given free access to the system and an account. One can imagine situations in which hackers penetrate a system, encrypt a database and then demand money for the decoding key. This new provision would ensure law enforcement's ability to prosecute modern-day blackmailers, who threaten to harm or shut down computer networks unless their extortion demands are met.

Confronting cybercrime with up-to-date criminal laws, coupled with tough law enforcement, are critical for safeguarding the privacy, confidentiality, and reliability of our critical computer systems and networks. I commend the Attorney General and the prosecutors within the Department of Justice who have worked diligently on this legislation and for their continuing efforts to address this critical area of our criminal law.

In sum, the NII Protection Act will provide much needed protection for our Nation's critical information infrastructure by penalizing those who abuse computers to damage computer networks, steal classified and valuable computer information, and commit other crimes on-line.

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate concur in the amendment of the House.

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

ORDERS FOR THURSDAY, OCTOBER 3, 1996

Mr. NICKLES. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9:00 a.m. on Thursday, October 3rd; further, that immediately following the prayer the Journal of proceedings be deemed approved to date, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and that the Senate then resume consideration of the conference report to accompany H.R. 3539, the FAA authorization bill.

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

PROGRAM

Mr. NICKLES. Mr. President, under the previous order, there will be 1 hour of debate time starting at 9 a.m. tomorrow morning with the cloture vote to occur on the FAA conference report at 10 a.m. Obviously, that rollcall vote is very important. And I urge the attendance of all my colleagues tomorrow.

I also hope that, if cloture is invoked, the Senate could then proceed to adoption of the FAA conference report in a timely fashion.

Rollcall votes are, therefore, expected throughout the day on Thursday on the FAA conference report, or any other items cleared for action. If action is completed on the FAA conference report and various other important matters are cleared, I would fully expect the Senate would adjourn sine die tomorrow. I urge the cooperation of all Members in order to achieve that goal tomorrow.

I also urge my colleagues to cooperate, and hopefully we will be successful in passing the parks bill that so many people have spoken on behalf of that I think in large part we have pretty well come to an agreement on. And it is very important, in this Senator's opinion, that we pass that bill tomorrow.

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

Mr. NICKLES. I am happy to yield.

OMNIBUS PARKS LEGISLATION

Mr. WARNER. May I say that I very much appreciate the leadership by the Senator from Oklahoma and Senator LOTT with respect to the parks bill. It is a matter of tremendous interest to my State. I am heartened by the news that this in all likelihood will become law.

It is interesting to think, when is the last time the Senate passed such a major piece of legislation relating to the parks? It is heartening to this Senator.

I thank our distinguished acting leader, and I thank the Chair.

Mr. NICKLES. Mr. President, I thank my colleague from Virginia. And I appreciate the emphasis. He is one of many Senators that has been urging us to complete action on the parks bill. I know that there are several items that are important to the State of Virginia.

We have had contacts from our colleagues in Colorado, including Senator CAMPBELL, who has a broken arm, but, yet, he feels that this is very, very important to his State; Senators from California; and others.

I believe that there are 41 States that have projects in this bill. We are very close. I know Senator MURKOWSKI has been working with the administration. They don't have everything resolved. I will admit that up front. But hopefully we will be successful in wrapping that bill up tomorrow. Hopefully the House will concur, and we can be successful in passing a very important parks bill.

Mr. WARNER. Mr. President, I am sure the distinguished leader would acknowledge the work that Chairman MURKOWSKI has performed in reconciling the interests of this bill.

Mr. NICKLES. Mr. President, the Senator from Virginia is exactly correct. I worked for hours today alone with the Senator from Alaska. But, as the Senator from Virginia knows, the Senator from Alaska has been working on this bill for years—for years. And there are countless hours that have gone into putting this package together. It is not something that has been hurried up and put together in the last days. This is a culmination. It has a lot of bills together.

Some may ask, ''Why is that?'' Senators objected to having any bill go through. So all of the bills ended up combined. That is unfortunate. We should not legislate that way. But the objection, frankly, was on the Democrat side of the aisle. It should not have happened. Hopefully in the future we will be able to pass land bills individually as they are reported out of the authorizing committees. It didn't happen in this case. We will have to work hard to see that it does not happen in the future.

But most all of these projects that are in this bill have been hashed out for months, most of which have unanimous support in the Senate. And my guess is that when we get to a vote on the bill—we may well vote on it tomorrow. We may pass it by voice vote. If we have a recorded vote, I would venture to say that we would have 90-some percent of the Senators voting in favor of that package.

So, hopefully we will get it through both Houses and have it for the President's signature.

ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. NICKLES. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment as under the previous order.

There being no objection, the Senate, at 6:22 p.m., adjourned until Thursday, October 3, 1996, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate October 2, 1996:

POSTAL RATE COMMISSION

DANIEL R. STANLEY, OF KANSAS, TO BE A COMMISSIONER OF THE POSTAL RATE COMMISSION FOR THE TERM EXPIRING OCTOBER 14, 2000, VICE WAYNE ARTHUR SCHLEY, TERM EXPIRED.