

great significance to the public and in particular, the people in the State of New Mexico, including the residents of the Counties of Bernalillo and Sandoval and the City of Albuquerque, who use the claim area for recreational and other purposes and who desire that the public use and natural character of the area be preserved.

Because of the complexity of the situation, including the significant and overlapping interests just mentioned, Congress has not yet acted in this matter. In particular, concerns about the settlement were expressed by parties who did not participate in the final stages of the negotiations. I have worked with those parties to address their concerns while still trying to maintain the benefits secured by the parties in the Settlement Agreement. I believe the legislation that I have introduced today is a fair compromise. It provides the Pueblo specific rights and interests in the area that help to resolve its claim with finality but also, as noted earlier, maintains full public ownership and access to the National Forest system lands. In that sense, using the term "Trust" in the title recognizes those specific interests but does not confer the same status that exists when the Secretary of the Interior accepts title to land in trust on behalf of an Indian tribe.

Most importantly, the bill I am introducing today relies on a settlement as the basis for resolving this claim. Although other approaches have been circulated, this bill is the only one with the potential to secure a consensus of the interested parties. Not only is a negotiated settlement the appropriate manner by which to resolve the Pueblo's claim, it also allows for a solution that fits the unique circumstances of this situation. To my knowledge, Sandia Pueblo's claim is the only Indian land claim that exists where the tribe may effectively recover ownership of federal land without an Act of Congress. Nonetheless, the parties have negotiated a creative arrangement to address the Pueblo's interest, protect private property, and still maintain public ownership of the land. That is to be commended and I am proud to introduce this legislation to preserve the substance of that arrangement.

the Medal of Honor; to the Committee on Veterans' Affairs.

Mr. HUTCHINSON. Mr. President, I rise today to introduce the Living American Hero Appreciation Act. This legislation honors those Americans that have exhibited the highest levels of courage. It ensures that the recipients of the Medal of Honor receive the recognition and support that they earned through their acts of bravery. As the war on terrorism progresses, I believe that it is important that we remember those that have already fought for our Nation, and placed themselves in peril in order to defend our freedom.

As the senior Senator from Arkansas, I'm very proud that my State has produced over 20 Medal of Honor recipients. Three of these courageous individuals still live in Arkansas. Clarence Craft of Fayetteville and Nathan Gordon of Morrilton received their medals as a result of heroism in World War II. Nick Bacon of Little Rock was cited for his courage in Vietnam. Nick has continued his service to our Nation as the Director of the Arkansas Department of Veterans Affairs.

This legislation will ensure that our Nation's Medal of Honor recipients receive the recognition that they've earned. It will raise their special pension to \$1,000 a month. More significantly, though, it will ensure that recipients receive pension payment for the period between the act of heroism for which the individual was given the medal, and the actual issuance of the medal. These courageous individuals should not be penalized for administrative delays in issuing the decoration. Finally, this bill includes increased criminal penalties for the unauthorized purchase, possession of a Medal of Honor, and for false impersonation of a Medal of Honor recipient.

I want to thank Congressman CURT WELDON for his hard work in getting this bill passed by the House of Representatives. It is my privilege to introduce the Senate version of this bill, and I look forward to working with my colleagues for its swift passage.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2025

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Living American Hero Appreciation Act".

SEC. 2. INCREASE IN RATE OF SPECIAL PENSION FOR MEDAL OF HONOR RECIPIENTS AND RETROACTIVITY OF PAYMENTS TO DATE OF ACTION.

(a) INCREASE IN SPECIAL PENSION.—Section 1562(a) of title 38, United States Code, is amended by striking "a special pension at the rate of" and all that follows through the period at the end and inserting "a special pension, beginning as of the first day of the first month that begins after the date of the act for which that person was awarded the Medal of Honor. The special pension shall be

at the rate of \$1000, as increased from time to time under section 5312(a) of this title."

(b) COST OF LIVING ADJUSTMENT.—Section 5312(a) of such title is amended by inserting after "children," the following: "the rate of special pension paid under section 1562 of this title,".

(c) LUMP SUM PAYMENT FOR EXISTING MEDAL OF HONOR RECIPIENTS.—The Secretary of Veterans Affairs shall, within 60 days after the date of the enactment of this Act, make a lump sum payment to each person who is, immediately before the date of the enactment of this Act, in receipt of the pension payable under section 1562 of title 38, United States Code (as amended by subsection (a)). Such payment shall be in the amount equal to the total amount of special pension that the person would have received had the person received special pension during the period beginning as of the first day of the first month that began after the date of the act for which that person was awarded the Medal of Honor and ending with the last day of the month preceding the month that such person's special pension in fact commenced. For each month of such period, the amount of special pension shall be determined using the rate of special pension that was in effect for that month.

SEC. 3. CRIMINAL PENALTY FOR UNAUTHORIZED PURCHASE OR POSSESSION OF MEDAL OF HONOR OR FOR FALSE PERSONATION AS A RECIPIENT OF MEDAL OF HONOR.

(a) UNAUTHORIZED PURCHASE OR POSSESSION.—Section 704 of title 18, United States Code, is amended—

(1) in subsection (a) by striking "IN GENERAL.—Whoever" and inserting "IN GENERAL.—Except as provided in subsection (b), whoever"; and

(2) by amending subsection (b) to read as follows:

"(b) MEDAL OF HONOR.—

"(1) IN GENERAL.—Whoever knowingly wears, possesses, manufactures, purchases, or sells a Medal of Honor, or the ribbon, button, or rosette of a Medal of Honor, or any colorable imitation thereof, except when authorized under regulations made pursuant to law, shall be fined under this title or imprisoned not more than one year, or both.

"(2) DEFINITIONS.—As used in this subsection:

"(A) The term 'Medal of Honor' means—

"(i) a medal of honor awarded under section 3741, 6241, or 8741 of title 10 or under section 491 of title 14;

"(ii) a duplicate medal of honor issued under section 3754, 6256, or 8753 of title 10 or under section 504 of title 14; or

"(iii) a replacement of a medal of honor provided under section 3747, 6253, or 8751 of title 10 or under section 501 of title 14.

"(B) The term 'sells' includes trades, barter, or exchanges for anything of value."

(b) FALSE PERSONATION.—(1) Chapter 43 of such title is amended by adding at the end the following new section:

"§ 918. Medal of honor recipient

"(a) Whoever falsely or fraudulently holds himself out as having been, or represents or pretends himself to have been, awarded a medal of honor shall be fined under this title or imprisoned not more than one year, or both.

"(b) As used in this section, the term 'medal of honor' means a medal awarded under section 3741, 6241, or 8741 of title 10 or under section 491 of title 14."

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"918. Medal of honor recipient."

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS—MARCH 18, 2002

By Mr. HUTCHINSON (for himself and Mr. LOTT):

S. 2025. A bill to amend title 38, United States Code, to increase the rate of special pension for recipients of the Medal of Honor and to make that special pension effective from the date of the act for which the recipient is awarded the Medal of Honor and to amend title 18, United States Code, to increase the criminal penalties associated with misuse of fraud relating to

By Mr. LUGAR:

S. 2036. A bill to authorize the use of Cooperative Threat Reduction funds for projects and activities to address proliferation threats outside the states of the former Soviet Union, and for other purposes; to the Committee on Armed Services.

Mr. LUGAR. Mr. President, I rise today to introduce the Nunn-Lugar/CTR Expansion Act. My bill would authorize the Secretary of Defense to use up to \$50 million of unobligated Nunn-Lugar/Cooperative Threat Reduction funds for non-proliferation projects and emergencies outside the states of the former Soviet Union.

In 1991, I introduced the Nunn-Lugar/Cooperative Threat Reduction legislation with former Senator Sam Nunn of Georgia. The program was designed to assist the states of the former Soviet Union in dismantling weapons of mass destruction and establishing verifiable safeguards against the proliferation of those weapons. For more than 20 years the Cooperative Threat Reduction Program has been our country's principal response to the proliferation threat that resulted from the disintegration of the custodial system guarding the Soviet nuclear, chemical, and biological legacy.

The Nunn-Lugar program has destroyed a vast array of former Soviet weaponry, including 443 ballistic missiles, 427 ballistic missile launchers, 92 bombers, 483 long-range nuclear air-launched cruise missiles, 368 submarine ballistic missile launchers, 286 submarine launched ballistic missiles, 21 strategic missile submarines, 194 nuclear test tunnels, and 5,809 nuclear warheads that were mounted on strategic systems aimed at us. All this has been accomplished at a cost of less than one-third of 1 percent of the Department of Defense's annual budget. In addition, Nunn-Lugar facilitated the removal of all nuclear weapons from Ukraine, Kazakhstan, and Belarus.

Nunn-Lugar also has launched aggressive efforts to safeguard and eliminate the former Soviet chemical and biological weapons arsenals. The Nunn-Lugar Program has been used to upgrade the security surrounding these dangerous substances and to provide civilian employment to tens of thousands of Russian weapons scientists. We are now beginning efforts to construct facilities that will destroy the Russian arsenal of chemical warheads.

The continuing experience of Nunn-Lugar has created a tremendous non-proliferation asset for the United States. We have an impressive cadre of talented scientists, technicians, negotiators, and managers working for the Defense Department and for associated defense contractors. These individuals understand how to implement non-proliferation programs and how to respond to proliferation emergencies. The bill I am introducing today would permit and facilitate the use of Nunn-Lugar expertise and resources when non-proliferation threats around the world are identified.

The Nunn-Lugar/CTR Expansion Act would be a vital component of our national security strategy in the wake of the September 11 attacks. The problem we face today is not just terrorism. It is the nexus between terrorists and weapons of mass destruction. There is little doubt that Osama bin Laden and al-Qaeda would have used weapons of mass destruction if they had possessed them. It is equally clear that they have made an effort to obtain them.

The al-Qaeda terrorist attacks on the United States were planned to kill thousands of people indiscriminately. The goal was massive destruction of institutions, wealth, national morale, and innocent people. We can safely assume that those objectives have not changed. As horrible as the tragedy of September 11th was, the death, destruction, and disruption to American society was minimal compared to what could have been inflicted by a weapon of mass destruction.

Victory in this war must be defined not only in terms of finding and killing Osama bin Laden or destroying terrorist cells in this or that country. We must also undertake the ambitious goal of comprehensively preventing the proliferation of weapons of mass destruction.

Let me propose a fairly simple and clear definition of victory. Imagine two lists. The first list is of those nation-states that house terrorist cells, voluntarily or involuntarily. Those states can be highlighted on a map illustrating who and where they are. Our stated goal will be to shrink that list nation by nation. Through intelligence sharing, termination of illicit financial channels, support of local police work, diplomacy, and public information, a coalition of nations led by the United States should seek to root out each cell in a comprehensive manner for years to come and maintain a public record of success that the world can observe and measure. If we are diligent and determined, we can terminate or cripple most of these cells.

But there should also be a second list. It would contain all of the states that possess materials, programs, or weapons of mass destruction. We should demand that each of these nation-states account for all of the materials, programs, and weapons in a manner that is internationally verifiable. We should demand that all such weapons and materials be made secure from theft or threat of proliferation, using the funds of that country and supplemented by international funds if required. We should work with each nation to formulate programs of continuing accountability and destruction.

Victory, then, can be succinctly stated: we must keep the world's most dangerous technologies out of the hands of the world's most dangerous people. This requires diligent work that shrinks both lists. Both lists should be clear and finite. The war against terrorism will not be over until all nations on the lists have complied with these standards.

Despite the tremendous progress realized by the Nunn-Lugar program in the former Soviet Union, the United States continues to lack even minimal international confidence about many foreign weapons programs. In most cases, there is little or no information regarding the number of weapons or amounts of materials a country may have produced, the storage procedures they employ to safeguard their weapons, or plans regarding further production or destruction programs. We must pay much more attention to making certain that all weapons and materials of mass destruction are identified, continuously guarded, and systematically destroyed.

As the United States and our allies have sought to address the threats posed by terrorism and weapons of mass destruction in the aftermath of September 11, we have come to the realization that, in many cases, we lack the appropriate tools to address these threats. Traditional avenues of approach such as arms control treaties and various multilateral sanction regimes have met with some success, but there is still much work to do. In some cases, it is unlikely that the existing multilateral frameworks and non-proliferation tools retain much utility. In fact, several nations have announced their intention to continue to flout international norms such as the Non-Proliferation Treaty.

Beyond Russia and other states of the former Soviet Union, Nunn-Lugar-style cooperative threat reduction programs aimed at weapons dismantlement and counter-proliferation do not exist. The ability to apply the Nunn-Lugar model to states outside the former Soviet Union would provide the United States with another tool to confront the threats associated with weapons of mass destruction.

The precise replication of the Nunn-Lugar program will not be possible everywhere. Clearly, many states will continue to avoid accountability for programs related to weapons of mass destruction. When nations resist such accountability, other options must be explored. When governments continue to contribute to the WMD threat facing the United States, we must be prepared to apply diplomatic and economic power, as well as military force.

Yet we should not assume that we cannot forge cooperative non-proliferation programs with some critical nations. The experience of the Nunn-Lugar program in Russia has demonstrated that the threat of weapons of mass destruction can lead to extraordinary outcomes based on mutual interest. No one would have predicted in the 1980s that American contractors and DOD officials would be on the ground in Russia destroying thousands of strategic systems. If we are to protect ourselves during this incredibly dangerous period, we must create new non-proliferation partners and aggressively pursue any non-proliferation opportunities that appear. The Nunn-

Lugar/CTR Expansion Act would be a first step down that road. Ultimately, a satisfactory level of accountability, transparency, and safety must be established in every nation with a WMD program.

My legislation is designed to empower the Administration to respond to both emergency proliferation risks and less-urgent cooperative opportunities to further non-proliferation goals. When the Defense Department identifies a non-proliferation opportunity that is not time sensitive, when the near-term threat of diversion or theft is low, it should consult with Congress. In such a scenario my bill would require the Secretary of Defense to notify the appropriate congressional entities of his intent to utilize unobligated Nunn-Lugar funds and to describe the legal and diplomatic framework for the application of non-proliferation assistance. Congress would have time to review the proposal and consult with the Department of Defense. This process would closely parallel the existing notification and obligation procedures that are in place for Nunn-Lugar activities in the former Soviet Union.

However, proliferation threats sometimes require an instantaneous response. If the Secretary of Defense determines that we must move more quickly than traditional consultation procedures allow, my legislation provides the Pentagon with the authority to launch emergency operations. We must not allow a proliferation or WMD threat to "go critical" because we lacked the foresight to empower DOD to respond. In the former Soviet Union the value of being able to respond to proliferation emergencies has been clearly demonstrated. Under Nunn-Lugar the United States has undertaken time-sensitive missions like Project Sapphire in Kazakhstan and Operation Auburn Endeavor in Georgia that have kept highly vulnerable weapons and materials of mass destruction from being proliferated.

This type of scenario does not mean Congress will abandon its oversight responsibilities; the Secretary of Defense will be required to report to the appropriate congressional entities within 72 hours of launching of a mission describing the emergency and the conditions under which the assistance was provided. The review process permits Congress to investigate the incident and decide if the authority needs to be restricted or amended.

In consulting with the administration on this legislation, we explored how to create the flexibility necessary to respond to WMD threats while protecting congressional prerogatives and maintaining the necessary checks and balances. Accordingly, I have included several conditions beyond the strenuous reporting requirements.

First, my bill permits the Secretary of Defense to provide equipment, goods, and services but does not include authority to provide cash directly to the project or activity. This preserves one

of the basic tenets of the program: Nunn-Lugar is not foreign aid. In fact, more than 80 percent of Nunn-Lugar funds have been awarded to American firms to carry out dismantlement and non-proliferation assistance programs in the former Soviet Union.

The bill also requires the Secretary of Defense to avoid singling out any particular existing Nunn-Lugar project as an exclusive or predominate source of funds for emergency projects outside the former Soviet Union. In other words, it is my intent that the Pentagon utilize resources from a number of different Nunn-Lugar projects so as to reduce any impact on the original, on-going Nunn-Lugar program in the former Soviet Union. The Secretary also is required to the maximum extent practicable, to replace any program funds taken on emergency operations in the next annual budget submission or supplemental appropriations request.

Lastly, if the Pentagon employs the emergency authority to carry out non-proliferation or dismantlement activities in two consecutive years in the same country, the Secretary of Defense must submit another report to Congress. This report would analyze whether a new Nunn-Lugar-style program should be established with the country in question. If the Pentagon has successfully carried out cooperative threat reduction activities 2 years in a row with a country, we should explore how to expand this cooperation. We should also recognize that where sustained cooperation has been developed it is likely to be more efficient to provide assistance through an established Nunn-Lugar-style program.

The Nunn-Lugar/CTR Expansion Act can make valuable contributions to the implementation of the war on terrorism and our non-proliferation policy. It is not a silver bullet, and it cannot be used in every circumstance, but it is our best option in carrying out cooperative non-proliferation activities outside the former Soviet Union.

There are always risks when expanding a successful venture into new areas, but we must give the Administration every opportunity to interdict and neutralize the proliferation of weapons of mass destruction. This new venture, like its predecessor, will take time to organize and to establish operating procedures. But I am hopeful that a decade from now, we will look back on this effort and rejoice in our persistent and successful efforts to provide great security for our country and the world at critical moments of decision.

I ask my colleagues to join with me in passing this important legislation.

By Mr. DURBIN (for himself, Mr. DEWINE and Mr. FEINGOLD):

S. 2027. A bill to implement effective measures to stop trade in conflict diamonds, and for other purposes; to the Committee on Finance.

Mr. DURBIN. Madam President, today I have introduced a new bill

along with Senator MIKE DEWINE, a Republican from Ohio, and Senator RUSS FEINGOLD, a Democrat from Wisconsin, which intends to address the U.S. response to the scourge of conflict diamonds.

In war-torn areas in Africa, rebels and human rights abusers, with the complicity of some governments, have exploited the diamond trade, particularly alluvial diamond fields, to fund their guerrilla wars, to murder, rape, and mutilate innocent civilians, and kidnap children to be part of their guerrilla forces.

Since November, the press has reported a connection between al-Qaida operatives and conflict diamonds. Those connections were noted in advance of the September 11 attack. It stands to reason that when we have a terrorist organization and a country such as the United States in concert with its allies trying to trace the financial transactions that fund this terrorism, the terrorists will look for some other coin of the realm, some other way to fund their operations. Conflict diamonds turned out to be one of the most easy, portable, and least detected way to do it.

It is quite clear that Hezbollah, another terrorist organization in the Middle East, has had a long history of dealing in conflict diamonds.

While the conflict diamond trade comprises anywhere from an estimated 3 to 15 percent of the legitimate diamond trade, it threatens to damage an entire industry worldwide, an industry that is important to the economies of many countries and critical to a number of developing countries in Africa.

How does it work?

The terrorists go into the diamond fields where the natives of West Africa are trying to find these alluvial diamonds in the streams and the mud as they used to pan for gold in California and Alaska. They terrorize the local natives. They line them up in a row and walk through and hack off their feet and their hands until the natives and the miners in the circumstance are absolutely terrified. They threaten them with mutilation, with rape, and torture, destroying their villages and their lives. They literally become slaves to these terrorists, who then grab the diamonds and sell them into the terrorist networks.

Governments, the international diamond industry, and nongovernmental religious organizations have worked hard to address this complicated issue. They have set an impressive example of public and private cooperation. For the last 18 months, many countries involved in the Kimberly Process have been working to design a new regimen to govern the trade in rough diamonds. About 70 percent, by some estimates, of all the diamonds that are mined and found in the world are sold in the United States. The United States needs to show a leadership role in dealing with conflict diamonds so the terrorists know it is not going to be easy. We

are going to make it more difficult. We are going to try to establish controls so we know if diamonds were brought into the trade by illegal or legal means.

Last year, I introduced a bill called the Clean Diamonds Act, S. 1084, along with Senators DEWINE and FEINGOLD, to reflect the consensus that had developed between the religious and human rights communities and the diamond industry on the U.S. response to this issue. Senator JUDD GREGG, who had introduced his own amendments and legislation dealing with this issue in the past, joined in cosponsoring our bill, as did a bipartisan group of 11 additional Senators.

In the House of Representatives, Congressmen TONY HALL and FRANK WOLF have been leaders on this issue. They introduced several bills to address it. They worked with the Ways and Means Committee and the administration to pass the bill last November, H.R. 2722, the Clean Diamonds Trade Act, which, while a step forward, I am afraid, did not do enough to meet the original intent of our congressional effort. I had hoped Senator DEWINE, Senator FEINGOLD, and I might be able to work out an agreement with the administration to make some changes to strengthen the House-passed bill, but unfortunately that has not happened.

In the meantime, the international effort is continuing. Talks that we hope will one day lead to a final session of the Kimberly Process are underway today, tomorrow, and Wednesday in Ottawa. I am concerned key issues remain unresolved or have been addressed in ways that could undermine the whole initiative, leading to the failure to produce an effective Kimberly agreement.

Specifically, the negotiators need to address the issues of independent monitoring, the collection of reliable statistics, and the need for a coordinating body to implement the agreed-upon system of controls on rough diamond exports. In addition, the U.S. General Accounting Office, in its February 13 testimony entitled "Significant Challenges Remain in Deterring Trade in Conflict Diamonds," outlined other potential witnesses in transparency, accountability, and risk assessment, particularly relating to controls from the mine to export.

We have decided we need to introduce a new, stronger Senate version of the Clean Diamonds Trade Act to move this issue forward and to address developments such as the revelations about terrorist exploitation of diamonds and the potential weaknesses in the international agreement.

Think about these diamonds moving across the world. You can put a fortune in your hand, put it into your pocket, and walk through any metal detector undetected. You can carry them on an airplane around the world, use them as people would use gold ingots or checking accounts. They are fungible wherever you go.

Our bill includes a broad definition of conflict diamonds, so it covers the conflicts in the Democratic Republic of the Congo, not simply areas that have been singled out by the United Nations Security Council resolutions. Our definition also covers the terrorists named by President George Bush in his Executive Order 13224.

The House bill does not give the authority to the President that he has already under the International Emergency Economic Powers Act and has already in fact exercised to implement existing U.N. Security Council resolutions, nor does the House bill require the President to do anything to respond to this problem.

Our bill requires the President to prohibit the importation of rough diamonds from countries not taking effective measures to stop the trade in conflict diamonds if that prohibition is in the foreign policy interest of the United States.

It is clear to me those responsible for the conflict diamond trade will stop at nothing in their efforts to circumvent the international efforts being negotiated. To transform a rough diamond into a polished diamond for purposes of import classification, all someone needs to do is make one cut. That distinction in the House-passed bill is a terrible loophole. The importation of polished diamonds or jewelry containing diamonds is a potentially huge loophole as well through which conflict diamonds could have been imported into the United States. The House-passed bill did not protect against that loophole.

The House bill also does not require but only permits the President to prohibit the importation of specific shipments of polished diamonds or jewelry containing diamonds into our country, if he has credible evidence they were produced from conflict diamonds. Our bill requires it.

Our bill also permits the President to prohibit the importation of polished diamonds and jewelry containing diamonds from countries that do not take effective measures to stop the trade in conflict diamonds.

With these two provisions, we hope to send a strong message that the United States will close the polished diamond and diamond jewelry loopholes so that American consumers can have confidence that the diamond they buy for an engagement, an anniversary, or another milestone in their lives is from a legitimate and responsible source.

Finally, our bill eliminates the safe harbor provision contained in the House bill which would allow circumvention of the Kimberly Process before an agreement were even finalized. While these negotiations are proceeding and while we are trying to secure the cooperation of all parties concerned, this is not the time to undercut it.

The world was shocked and horrified by the murder, mutilation, and terror

imposed on the people of Sierra Leone by rebels funded with conflict diamonds. The moral outcry by religious and human rights groups galvanized governments and the diamond industry to address the problem. Now is the time to close the deal and to secure an effective agreement, not an exercise in public relations. Now is also the time to have strong U.S. legislation to say to the world the United States will do as much as it can to stop this scourge.

I ask unanimous consent that the text of the bill be printed in the RECORD.

S. 2027

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Clean Diamond Trade Act".

SEC. 2. FINDINGS.

Congress finds the following:

(1) Funds derived from the sale of rough diamonds are being used by rebels, state actors, and terrorists to finance military activities, overthrow legitimate governments, subvert international efforts to promote peace and stability, and commit horrifying atrocities against unarmed civilians. During the past decade, more than 6,500,000 people from Sierra Leone, Angola, and the Democratic Republic of the Congo have been driven from their homes by wars waged in large part for control of diamond mining areas. A million of these are refugees eking out a miserable existence in neighboring countries, and tens of thousands have fled to the United States. Approximately 3,700,000 people have died during these wars.

(2) The countries caught in this fighting are home to nearly 70,000,000 people whose societies have been torn apart not only by fighting but also by terrible human rights violations.

(3) Human rights advocates, the diamond trade as represented by the World Diamond Council, and the United States Government recently began working to block the trade in conflict diamonds. Their efforts have helped to build a consensus that action is urgently needed to end the trade in conflict diamonds.

(4) The United Nations Security Council has acted at various times under chapter VII of the Charter of the United Nations to address threats to international peace and security posed by conflicts linked to diamonds. Through these actions, it has prohibited all states from exporting weapons to certain countries affected by such conflicts. It has further required all states to prohibit the direct and indirect import of rough diamonds from Angola and Sierra Leone unless the diamonds are controlled under specified certificate of origin regimes and to prohibit absolutely for a period of 12 months the direct and indirect import of rough diamonds from Liberia.

(5) In response, the United States implemented sanctions restricting the importation of rough diamonds from Angola and Sierra Leone to those diamonds accompanied by specified certificates of origin and fully prohibiting the importation of rough diamonds from Liberia. In order to put an end to the emergency situation in international relations, to maintain international peace and security, and to protect its essential security interests, and pursuant to its obligations under the United Nations Charter, the United States is now taking further action against trade in conflict diamonds.

(6) Without effective action to eliminate trade in conflict diamonds, the trade in legitimate diamonds faces the threat of a consumer backlash that could damage the economies of countries not involved in the trade in conflict diamonds and penalize members of the legitimate trade and the people they employ. To prevent that, South Africa and more than 30 other countries are involved in working, through the “Kimberley Process”, toward devising a solution to this problem. As the consumer of a majority of the world’s supply of diamonds, the United States has an obligation to help sever the link between diamonds and conflict and press for implementation of an effective solution.

(7) Articles XX and XXI of the General Agreement on Tariffs and Trade 1994 allow members of the World Trade Organization to take measures to deal with situations such as that presented by the current trade in conflict diamonds without violating their World Trade Organization obligations.

(8) Failure to curtail the trade in conflict diamonds or to differentiate between the trade in conflict diamonds and the trade in legitimate diamonds could have a severe negative impact on the legitimate diamond trade in countries such as Botswana, Namibia, South Africa, and Tanzania.

(9) Initiatives of the United States seek to resolve the regional conflicts in sub-Saharan Africa which facilitate the trade in conflict diamonds.

SEC. 3. DEFINITIONS.

In this Act:

(1) **CONFLICT DIAMONDS.**—The term “conflict diamonds” means—

(A) rough diamonds the importation of which is prohibited by United Nations Security Council Resolutions because that trade is fueling conflict;

(B) in the case of rough diamonds not covered by subparagraph (A), rough diamonds used by any armed movement or an ally of an armed movement to finance or sustain operations to carry out systematic human rights abuses or attacks against unarmed civilians; or

(C) diamonds that evidence shows fund the al-Qaeda international terrorist network and related groups designated under Executive Order No. 13224 of September 23, 2001 (66 Federal Register 49079).

(2) **DIAMONDS.**—The term “diamonds” means diamonds classifiable under subheading 7102.31.00 or subheading 7102.39.00 of the Harmonized Tariff Schedule of the United States.

(3) **POLISHED DIAMONDS.**—The term “polished diamonds” means diamonds classifiable under subheading 7102.39.00 of the Harmonized Tariff Schedule of the United States.

(4) **ROUGH DIAMONDS.**—The term “rough diamonds” means diamonds that are unworked, or simply sawn, cleaved, or bruted, classifiable under subheading 7102.31.00 of the Harmonized Tariff Schedule of the United States.

(5) **UNITED STATES.**—The term “United States”, when used in the geographic sense, means the several States, the District of Columbia, and any commonwealth, territory, or possession of the United States.

SEC. 4. MEASURES TO PREVENT IMPORTS OF CONFLICT DIAMONDS.

(a) **AUTHORITY OF THE PRESIDENT.**—Notwithstanding any other provision of law, the President shall prohibit, in whole or in part, the importation into the United States of rough diamonds, and may prohibit the importation into the United States of polished diamonds and jewelry containing diamonds, from any country that does not take effective measures to stop trade in conflict dia-

monds as long as the prohibition is consistent with the foreign policy interests of the United States, including the international obligations of the United States, or is pursuant to United Nations Security Council Resolutions on conflict diamonds.

(b) **EFFECTIVE MEASURES.**—For purposes of this Act, effective measures are measures that—

(1) meet the requirements of United Nations Security Council Resolutions on trade in conflict diamonds;

(2) meet the requirements of an international arrangement on conflict diamonds, including the recommendations of the Kimberley Process, as long as the measures also meet the requirements of United Nations Security Council Resolutions on trade in conflict diamonds; or

(3) contain the following elements, or their functional equivalent, if such elements are sufficient to meet the requirements of United Nations Security Council Resolutions on trade in conflict diamonds:

(A) With respect to exports from countries where rough diamonds are extracted, secure packaging, accompanied by officially validated documentation certifying the country of origin, total carat weight, and value.

(B) With respect to exports from countries where rough diamonds are extracted, a system of verifiable controls on rough diamonds from mine to export.

(C) With respect to countries that reexport rough diamonds, a system of controls designed to ensure that no conflict diamonds have entered the legitimate trade in rough diamonds.

(D) Verifiable recordkeeping by all companies and individuals engaged in mining, import, and export of rough diamonds within the territory of the exporting country, subject to inspection and verification by authorized government authorities in accordance with national regulations.

(E) Government publication on a periodic basis of official rough diamond export and import statistics.

(F) Implementation of proportionate and dissuasive penalties against any persons who violate laws and regulations designed to combat trade in conflict diamonds.

(G) Full cooperation with the United Nations or other official international bodies examining the trade in conflict diamonds, especially with respect to any inspection and monitoring of the trade in rough diamonds.

(c) **EXCLUSIONS.**—The provisions of this section do not apply to—

(1) rough diamonds imported by or on behalf of a person for personal use and accompanying a person upon entry into the United States; or

(2) rough diamonds previously exported from the United States and reimported by the same importer, without having been advanced in value or improved in condition by any process or other means while abroad, if the importer declares that the reimportation of the rough diamonds satisfies the requirements of this paragraph.

SEC. 5. PROHIBITION OF POLISHED DIAMONDS AND JEWELRY.

The President shall prohibit specific entries into the customs territory of the United States of polished diamonds and jewelry containing diamonds if the President has credible evidence that such polished diamonds and jewelry were produced with conflict diamonds.

SEC. 6. ENFORCEMENT.

(a) **IN GENERAL.**—Diamonds and jewelry containing diamonds imported into the United States in violation of any prohibition imposed under section 4 or 5 are subject to the seizure and forfeiture laws, and all criminal and civil laws of the United States shall

apply, to the same extent as any other violation of the customs and navigation laws of the United States.

(b) **PROCEEDS FROM FINES AND FORFEITED GOODS.**—Notwithstanding any other provision of law, the proceeds derived from fines imposed for violations of section 4(a), and from the seizure and forfeiture of goods imported in violation of section 4(a), shall, in addition to amounts otherwise available for such purposes, be available only for—

(1) the Leahy War Victims Fund administered by the United States Agency for International Development or any successor program to assist victims of foreign wars; and

(2) grants under section 131 of the Foreign Assistance Act of 1961 (22 U.S.C. 2152a).

SEC. 7. REPORTS.

(a) **ANNUAL REPORTS.**—Not later than one year after the effective date of this Act, and every 12 months thereafter, the President shall transmit to Congress a report—

(1) describing actions taken by countries that have exported diamonds to the United States during the preceding 12-month period to implement effective measures to stop trade in conflict diamonds;

(2) describing any new technologies since the date of enactment of this Act for marking diamonds or determining the origin of rough diamonds;

(3) identifying those countries that have exported diamonds to the United States during the preceding 12-month period and are not implementing effective measures to stop trade in conflict diamonds and whose failure to do so has significantly increased the likelihood that conflict diamonds are being imported into the United States;

(4) describing appropriate actions, which may include actions under sections 4 and 5, that may be taken by the United States, or actions that may be taken or are being taken by each country identified under paragraph (3), to ensure that conflict diamonds are not being imported into the United States from such country; and

(5) identifying any additional countries involved in conflicts linked to rough diamonds that are not the subject of United Nations Security Council Resolutions on conflict diamonds.

(b) **SEMIANNUAL REPORTS.**—For each country identified in subsection (a)(3), the President shall, every 6 months after the initial report in which the country was identified, transmit to Congress a report that explains what actions have been taken by the United States or such country since the previous report to ensure that conflict diamonds are not being imported from that country into the United States. The requirement to issue a semiannual report with respect to a country under this subsection shall remain in effect until such time as the country implements effective measures.

SEC. 8. GAO REPORT.

Not later than 3 years after the effective date of this Act, the Comptroller General of the United States shall transmit a report to Congress on the effectiveness of the provisions of this Act in preventing the importation of conflict diamonds under section 4. The Comptroller General shall include in the report any recommendations on any modifications to this Act that may be necessary.

SEC. 9. SENSE OF CONGRESS.

(a) **INTERNATIONAL ARRANGEMENT.**—It is the sense of Congress that the President should take the necessary steps to negotiate an international arrangement, working in concert with the Kimberley Process referred to in section 2(6), to eliminate the trade in conflict diamonds. Such an international arrangement should create an effective global system of controls covering countries that export and import rough diamonds, should

contain the elements described in section 4(b)(3), and should address independent monitoring, the collection of reliable statistics on the diamond trade, and the need for a coordinating body or secretariat to implement the arrangement.

(b) **ADDITIONAL SECURITY COUNCIL RESOLUTIONS.**—It is the sense of Congress that the President should take the necessary steps to seek United Nations Security Council Resolutions with respect to trade in diamonds from additional countries identified under section 7(a)(5).

(c) **TRADE IN LEGITIMATE DIAMONDS.**—It is the sense of Congress that the provisions of this Act should not impede the trade in legitimate diamonds with countries which are working constructively to eliminate trade in conflict diamonds, including through the negotiation of an effective international arrangement to eliminate trade in conflict diamonds.

(d) **IMPLEMENTATION OF EFFECTIVE MEASURES.**—It is the sense of Congress that companies involved in diamond extraction and trade should make financial contributions to countries seeking to implement any effective measures to stop trade in conflict diamonds described in section 4(b), if those countries would have financial difficulty implementing those measures.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to the President \$5,000,000 for each of the fiscal years 2002 and 2003 to provide assistance to countries seeking to implement any effective measures to stop trade in conflict diamonds described in section 4(b), if those countries would have financial difficulty implementing those measures.

SEC. 11. EFFECTIVE DATE.

This Act shall take effect on the date of the enactment of this Act.

Mr. DEWINE. Mr. President, today I wish to talk about legislation that Senator DURBIN, Senator FEINGOLD, and I introduce today to address the continued profitable sale of what we refer to as conflict diamonds. We have been working together on this matter for some time, along with our colleagues in the House of Representatives, Congressman TONY HALL from my home State of Ohio and Congressman FRANK WOLF of Virginia.

We have been working to help those in Africa who are suffering at the hands of this illicit diamond trade. Last spring, we introduced a similar bill to put pressure on the international community to implement a global agreement to stem the conflict diamond trade.

While the House passed a weaker version of that bill last November, my Senate colleagues and I have been working with the administration to pass a stronger, more meaningful bill. Unfortunately, these negotiations thus far have not been successful. That is why we join together today in the introduction of a new and even stronger measure: legislation that reflects both trade and humanitarian concerns.

The introduction now is particularly significant, as the international community begins the final session of the Kimberly Process today in Ottawa.

During these negotiations, it is critical that the United States send a strong message to the international community, a message that says we

are committed to these efforts and are fighting for a strong, effective Kimberly agreement.

Mr. President, I believe the United States must take this leadership role so we can get ultimately the strongest possible agreement. That is the message I believe our bill sends today. I will spend a few minutes talking about why this bill is so important and why it is vital we get a strong measure passed and eventually signed into law.

The diamond trade is one of the world's most lucrative industries. With its extreme profitability, it is not surprising a black market trade has emerged alongside the legitimate industry. The sale of illicit diamonds has yielded disturbing reports in the media linking even Osama bin Laden to this trade. On February 22, 2001, the U.S. District Court trial, *United States v. Osama bin Laden*, attests to this.

Additionally, there is an established link between Sierra Leone's diamond trade and well-known Lebanese terrorists.

It is also not surprising that diamond trading has become an attractive and sustainable income source for violent rebel groups around the world, particularly in Africa. The information I am talking about today in regard to terrorists has been reported in the public news media. Currently in Africa, where the majority of the world's diamonds are found, there is ongoing strife and struggle resulting from the fight for control of the precious gems. While violence has erupted in several countries, including Sierra Leone, Angola, the Congo, and Liberia, Sierra Leone in particular has one of the worst records of violence.

In that nation, rebel groups, most notably the Revolutionary United Front, the RUF, have seized control of many of that country's diamond fields. Once in control of a diamond field, the rebels confiscate the diamonds. Then they launder them on to the legitimate market through other nearby nations, such as Liberia, and ultimately finance their terrorist regimes and their continued efforts to overthrow the government.

Over the past decade, the rebels reaped the benefits of at least \$10 billion in smuggled diamonds, and the fact is it could be a lot more than that. Since the start of the rebel quest for control of Sierra Leone's diamond supply, the children of this small nation have borne the brunt of the insurgency. For over 8 years, the RUF has conscripted children, often as young as 7 or 8 years old. These soldiers and their makeshift army have ripped an estimated 12,000 children from their families. After the RUF invaded the capital of Freetown in January 1999, at least 3,000 children were reported missing.

As a result of deliberate and systematic brutalization, children soldiers have become some of the most vicious and effective fighters within the rebel factions. The rebel army, child soldiers included, has terrorized Sierra Leone's

population, killing, abducting, raping, and hacking off the limbs of victims with machetes. This chopping off of limbs is the RUF's trademark strategy.

I believe we can do something about this. We can, in fact, make a difference. We have the power to help put an end to the indiscriminate suffering and violence in Sierra Leone and elsewhere in Africa. As the world's biggest diamond customer, purchasing the majority of the world's diamonds, the United States has tremendous clout. With that clout, we have the power to remove the lucrative financial incentives that drive the rebel groups to trade in diamonds in the first place.

Simply put, if there is no market for their diamonds, there is little reason for the rebels to engage in their brutal campaigns to secure and then protect their diamonds. That is why our legislation is aimed at removing the rebels' market incentive. We need to work together with the international community to facilitate the implementation of a system of controls on the export and import of diamonds so that buyers can be certain their purchases are not fueling the rebel campaign.

Specifically, our new bill attempts to move this issue forward and to strengthen U.S. policy. For example, our bill would require the President to prohibit the importation of rough diamonds from countries not taking effective measures to stop the trade in conflict diamonds.

It also addresses potential loopholes associated with polished diamonds and diamond jewelry and includes a broader definition of conflict diamonds so that it includes conflicts in the Democratic Republic of the Congo and other areas as well.

These are a few of the important provisions that were omitted in the House version, provisions that are essential in this legislation to make the difference we want to make. I urge my colleagues in the Senate to support this new bill and send an important message to the international community. As I see it, we do have an obligation, I think a moral obligation, to help eliminate the financial incentives for the illicit traders. We owe it to those who unwittingly buy these conflict diamonds but, more importantly, we owe it to the children who have suffered far too long.

AMENDMENTS SUBMITTED AND PROPOSED

SA 3031. Mr. ROCKEFELLER (for himself, Mr. DURBIN, Mr. BAYH, Mr. KENNEDY, Mrs. CLINTON, Mr. HARKIN, Mrs. LINCOLN, Ms. MIKULSKI, Mr. CORZINE, Mr. SCHUMER, Mrs. CARNAHAN, Mr. TORRICELLI, Mrs. FEINSTEIN, Mrs. MURRAY, Mr. JEFFORDS, Mr. LEAHY, Mr. DASCHLE, Mr. KERRY, Mr. WELLSTONE, and Ms. CANTWELL) submitted an amendment intended to be proposed to amendment SA 2917 proposed by Mr. DASCHLE (for himself and Mr. BINGAMAN) to the bill (S. 517) to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes; which was ordered to lie on the table.