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Senate

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

PRAYER

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

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

Let us pray:

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

PLEDGE OF ALLEGIANCE

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

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

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

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

To the Senate:

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

ROBERT C. BYRD,
President pro tempore.

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

RECOGNITION OF THE ACTING MAJORITY LEADER

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

SCHEDULE

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

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

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

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

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

VIETNAM TRADE ACT

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

The assistant legislative clerk read as follows:

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

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.

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

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

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

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

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

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

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

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

ROLL 335—TO PROMOTE FREEDOM AND DEMOCRACY IN VIETNAM

YEAS—410

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

NAYS—1

Paul

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

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

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

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

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

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

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

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

I have a letter from the U.S. Commission on International Religious Freedom requesting that the Senate pass

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Return confiscated religious properties.

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

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

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

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

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

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

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

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

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

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

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

The ACTING PRESIDENT pro tempore. Is there objection?

The Senator from Montana.

Mr. BAUCUS. I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

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

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

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

Mr. SMITH of New Hampshire. Certainly.

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

Mr. SMITH of New Hampshire. Absolutely.

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

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

The Senator from Montana.

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

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

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

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

Let me just review the history a bit.

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

In 1994, we lifted our embargo with Vietnam.

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

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

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

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

Continuing to quote Ambassador Peterson:

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

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

> Overall, Vietnam's emigration policy has liberalized considerably in the last decade and a half. Vietnam has a solid record of cooperation with the United States to permit Vietnamese emigration.
>
> Over 500,000 Vietnamese have emigrated as refugees or immigrants to the United States . . . and only a small number of refugee applicants remain to be processed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I yield the floor.

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

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

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

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

Let me first ask, what does this human rights act do that we are not allowed to pass it in the Senate because somebody is holding it up with a secret hold? Well, it prevents the United States from providing nonhumanitarian assistance to the Government of Vietnam above 2001 levels unless the President certifies that the Government of Vietnam has made substantial

progress toward releasing political and religious prisoners it holds; secondly, that the Government of Vietnam has made substantial progress toward respecting the right to freedom of religion, which it does not; thirdly, that the Government of Vietnam has made substantial progress toward respecting human rights, which it does not do; and the Government of Vietnam is not involved in trafficking persons. They do that, too.

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

We don't take that position against other nations that have human rights violations. The President has the ultimate waiver authority under this legislation. If the continuation of assistance is deemed in the national interest, if he thinks it is in the national interest, he can waive these issues. He can waive the certification process, if he believes it is necessary. It is no big deal. There is no harm done if the Senate would pass this resolution.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

It is unbelievable. I am stunned.

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

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

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

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

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

The ACTING PRESIDENT pro tempore. Is there objection?

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

Mr. SMITH of New Hampshire. Certainly.

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

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

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

The PRESIDING OFFICER. Objection is heard.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Vietnam agreement then is just one step. Our trade agenda is not done. Let's do the right thing for the President and for the American people and follow Chairman Greenspan's advice. Let's work together to finish our trade agenda and pass trade promotion authority this year.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

All of the investment that the American catfish industry has made in order to educate the American people is being kidnapped by Vietnamese basa growers and rogue importers who are bringing this product in and pretending that it is that same product, and it is not.

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

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

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

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

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

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

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

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

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

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

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

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

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

I yield the floor.

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

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

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

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

The PRESIDING OFFICER. The Senator from Massachusetts.

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

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

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

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

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

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

None of us diminishes the importance of human rights, the importance of change in a country that remains authoritarian in its government. We object to that. I have said that many times. My hope in the long haul will be that we will celebrate one day the full measure of democracy in Vietnam through the rest of Asia. The question is, How do you get there? What is the best way to promote change? What is the best way to try to succeed in moving down a road of measured cooperation that allows people to accomplish a whole series of goals that are important to us as a country?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The PRESIDING OFFICER. Who yields time?

The Senator from Alabama.

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

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

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

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

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

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

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

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

The Vietnamese are selling their product in the U.S. for $1.25 less than U.S. processors. Because of this, the prices that U.S. processors pay U.S. catfish farmers has dropped, causing significant losses and threatening farmers, processors, supplying feed mills, employees and communities dependent on the industry.

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

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

The area where most of our catfish production comes from is an area of

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

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

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

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

This is the comment I received from the Foreign Minister:

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

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

> American businesspeople, aid workers, and embassy officials said Wednesday they have been overwhelmed with the amount of support and sympathy offered by Vietnamese over last week's devastating terrorist attacks in the United States.
>
> While Vietnam's normally reserved state media has confined its expressions of sorrow to an announcement by President Duc Luong, personal reactions by Vietnamese have been deep and heartfelt.
>
> ''There has been a real outpouring of sympathy,'' said a spokesman at the U.S. Consulate in Ho Chi Minh city, the former Saigon. Bouquets of flowers were left at the

building's entrance, while locals and expatriates lined up last week to sign a condolence book.

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

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

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

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

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

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

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

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

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

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

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

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

We have this growing trade deficit our friends in Canada—they are our friends, and we share a long common border. But we still have trade problems like stuffed molasses. You see, Brazilian sugar comes into Canada. They load it on liquid molasses, and it becomes stuffed molasses. Then it is sent into Michigan, and they unload it every day. So we have molasses loaded with sugar as a way to abridge our trade agreement. It is called stuffed molasses. Most people would not be familiar with that. It is not a candy. It is cheating on international trade.

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

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

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

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

Fast-track trade authority has undermined this country's economic strength, and I and a group of others in the Senate will do everything we can—everything we can—to stop those who want to run a fast-track authority bill

through the Congress. Ambassador Zoellick said in light of the tragedies that occurred in this country, it is very important for the administration to have this fast-track authority. I disagree.

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

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

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

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

I have gone on longer than I intended.

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

Madam President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

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

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. HAGEL. I thank the Chair.

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

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

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

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

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

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

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

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

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

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

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

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

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

Will this trade agreement be good for Vietnam? Yes.

Why is that good for us? It is good for us, first of all, because it breaks down trade barriers and allows our goods and our services an opportunity to compete in this new market called Vietnam. Will it be enlightening, dynamic, and change overnight, and I will therefore see much Nebraska beef and wheat move right into Vietnam within 12 months? No, of course not. That is not how the world works.

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

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

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

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

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

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

Every President in this country, in the history of our country since 1974, has been granted that authority. Why is that? In 1974, a Republican President was granted that fast-track authority to negotiate trade agreements and

bring them back before the Congress, by a Democratic Congress, which was clearly in the best interest of this country, and it still is.

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

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

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

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

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

I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from New Hampshire.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas.

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

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

Mrs. LINCOLN. It is just a suggestion.

The PRESIDING OFFICER. The Senator from Arizona.

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

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

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

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

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

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

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

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

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

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

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

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

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

Madam President, I yield the floor.

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

Mr. MCCAIN. I thank the Senator.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

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

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

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

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

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

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

Our offer was that if the Vietnamese would take certain steps, particularly with respect to providing information in allowing us access to information about our missing in action, we would reciprocate and take other steps as well.

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

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

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

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

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

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

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

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

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

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

First, it acknowledges that Vietnam is a big country, a populous country, and one that is going to play an ever

more important role in that part of the world and in the world. It has 80 million people, mostly under the age of 30, for the most part people who like us, admire us, who want to have a good relationship with the United States despite our very troubled relations over the last half century.

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

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

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

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

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

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

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

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

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

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

Vietnam today is no true democracy. They still have their share of problems. So do we, and so does the rest of the world. But I am convinced that if we adopt this resolution and agree to this bilateral trade agreement, it will move Vietnam a lot further and a lot faster down the road to a true free enterprise system. With those economic freedoms will come, more surely and more quickly, the kind of political freedoms we value and would want for their people just as much we cherish for our people.

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

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

I yield the floor.

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

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

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

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

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

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

For Vietnam, this agreement translates into a substantial decrease in tariffs on products it can send to the United States and a tangible opportunity for export-led economic growth

now and in the future. It gives Vietnam and its people, more than half of which are under the age of 25, a very real chance to obtain the level of prosperity, security, and stability that it has desired for nearly a half a century. It means an increased standard of living, an increased exchange of ideas with the world, and an increased integration of Vietnam's institutions with the international system. Most of all, it means positive and peaceful political economic change in a country that has suffered tremendously for far too long.

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

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

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

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

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

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

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

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

The struggle for freedom of conscience, economic self-sufficiency and human rights is one that has not ended with the conclusion of the Cold War. Regimes throughout the world continue in power while denying basic human rights to their citizens and unjustly imprisoning those who peacefully disagree with the government. One such place is the Socialist Republic of Vietnam.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

transparent society, expanding economic freedom and opportunities for the Vietnamese people.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For people like JOHN MCCAIN and JOHN KERRY, for all of us who served during the Vietnam War era, we came of age knowing Vietnam as an adversary.

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

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

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

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

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

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

And we are pledging to hold them to that commitment.

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

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

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

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

We will not close up shop.

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

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

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

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

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

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

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

you suffered and try to make things right?''

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

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

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

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

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

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

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

FAST TRACK LEGISLATION

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

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

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

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

I see 2 o'clock has arrived.

The PRESIDING OFFICER. All time has expired.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

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

The PRESIDING OFFICER (Mr. BAYH). The joint resolution having been read the third time, the question is, shall the joint resolution pass? The yeas and nays have been ordered. The clerk will call the roll.

The senior assistant bill clerk called the roll.

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

[Rollcall Vote No. 291 Leg.]

YEAS—88

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

NAYS—12

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

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

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

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

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

UNANIMOUS CONSENT REQUEST—S. 1447

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

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

The PRESIDING OFFICER. Is there objection?

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

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

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

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

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

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

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

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

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

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

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

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

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

I don't know that there are two more urgent pieces of legislation than these two bills that are virtually ready to go. Obviously, that doesn't mean because these two bills are urgent, that there is no other urgent matter related to the tragedy that has to be addressed. The question is, How many vehicles do you have, given the very serious limitation on time? Senator LOTT and I have spent a lot of hours, working late into the night trying to pre-conference some of this. But a lot of our colleagues, understandably, say, ''What about us? We want to participate. We have amendments that are good ideas that we would like to offer.''

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

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

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

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

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

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

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

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

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

It is fair to say I am as interested in this issue as the previous speakers. We have been working very hard on this issue. We just had a Commerce subcommittee hearing on rail and maritime security all day long yesterday. We are ready to go with the airline security bill. But there are some differences of views; similarly, with respect to the economic stimulus, and also with respect to the unemployment benefits bill. In fact, you can bring this bill up and, unless it is relevant, you

can add Lawrence Welk's home to this measure, and so forth. We know what the rules of the Senate are. But it is going to be embarrassing if we leave for the weekend having agreed on money, but not on security. We should have put airline security ahead of money to bailout the airlines. But the K Street lawyers overwhelmed us. They were down here and we got billions to keep the airlines afloat. But, by gosh, we can't agree on taking up this airline security measure so that we can keep them in business. So we intentionally put them out of business by delaying implementation of a meaningful security measure.

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

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

The PRESIDING OFFICER. The Senator from Arizona.

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

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

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

When Americans know that the Congress of the United States has acted in a bipartisan fashion, with the support of the President of the United States, to take measures to ensure their security, that will be the major step in restoring the financial viability not only of the airlines but of America because we are dependent on the air transportation system in order to have an economy that is viable.

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

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

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

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

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The majority leader has the floor.

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

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

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

The PRESIDING OFFICER. The majority leader.

AVIATION SECURITY ACT—MOTION TO PROCEED

CLOTURE MOTION

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

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

The assistant legislative clerk read as follows:

CLOTURE MOTION

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

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

The PRESIDING OFFICER. The Senator from South Carolina.

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

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

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

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

I borrowed this diagram from the Israeli delegation. This particular diagram is entitled ''Onion Rings Security Structure.'' The security in Israel and El Al Airlines brings into sharp focus that security is not a partial operation. Security is not part private contract and part governmental. As has been said for years, the primary function of the State government—and a former

distinguished Governor is occupying the Chair—is public education, and the primary function of the National Government is national defense. We have gone now from, in a sense, international defense to national defense, homeland security. That is our primary function.

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

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

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

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

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

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

Intelligence can say: Wait a minute, if they come from this area, we found out now they have counterfeit measures over there and they are almost perfect and here is what we have to look for, and everything else of that kind. So that is why they take them into a side room, give them a separate check, fingerprint and everything else they have, take a picture.

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

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

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

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

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

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

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

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

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

They asked: What does he mean by contract?

I said: Private employment or whatever it is.

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

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

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

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

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

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

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

Instead, even in a disaster of that kind, they still cannot get into the

cabin and hijack the plane. Of course, they know immediately. They have communications and signals. They know immediately in the cockpit that is what is going on and they land the plane.

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

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

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

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

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

I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I compliment the chairman and ranking member of the Commerce Committee for work on airline safety. I know my friend from South Carolina feels strongly about port safety and rail safety as well.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This is serious business. This is business as serious as I have ever been engaged in as a U.S. Senator. If I act as if I am angry, it is because I am. Not only angry, I am really disappointed. I would have thought in this moment when we are embracing each other in the sense that we are helping each of our regions deal with their serious problems—I was so, so, so overjoyed; having been here for the bailout of New York City in the 1970s, I was so gratified to see my friends from the South and the Midwest and the Northwest come to New York's aid instantaneously. I said, my God, this is really a change. It is really a change in attitude because America has been struck.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

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

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

I want to mention the economic recovery that is absolutely essential because we know that terrorists cannot

win. Even though they committed a dastardly act and killed over 6,000 people and destroyed major economic and military landmarks, they cannot win if they do not destroy our economy and cripple us psychologically.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

These will be significant enhancements to cashflow.

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

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

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

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

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

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

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

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

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

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

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

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

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

The Senator from North Dakota is recognized.

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

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

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

We do that in the following ways: The Congress writes a piece of legislation, as we have done in the Senate in

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I believe there will be 60 votes in support of the motion to proceed. If we have to break a filibuster, I believe we will have 60 votes to do that with respect to Amtrak. And, as I said, I do not take a back seat to anyone in my support of rail passenger service in this country. I think it is important, critically important, and we ought to manifest that importance in what we do in the Senate. We ought not be afraid of a

vote. Let's fight that issue, but let's not do it by holding up an airport security bill. That is not the right thing to do and it is not the fair thing for the American people.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

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

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

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

That introduction to ''A Tale of Two Cities'' written by Dickens is apropos of the time we have at hand. Dickens' words speak to us today as we try to

make sense of the events of September 11 because, though the darkness and despair were all too readily apparent, I believe we can actually see wisdom and light and hope as this great Nation moves forward in unity and resolve.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

We must maintain superior, ready, and mobile Armed Forces capable of rapidly responding to threats to our national interest. My goodness, do we ever see the need for that since September 11. We must strengthen the nonmilitary tools as well. We must

make a long-term commitment to promoting democracy abroad via a comprehensive, sustained program which makes a realistic assessment of the capabilities of such a program.

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

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

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

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

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

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

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

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

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

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

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

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

General Shelton went on to conclude:

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

Even as we commit them today.

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

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

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

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

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

The assistant legislative clerk proceeded to call the roll.

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

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

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

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

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

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

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

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

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

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

We want to make sure there is armed supervision of those screeners, Federal marshals. Right now we have Guardsmen from the States and we have detailees from other agencies that are overseeing screeners in many airports. We want to make that more permanent so that people will know it is not business as usual at the airports and that is why it is safer to fly.

I hope we will be able to move to this bill today. It is important that we finish the bill this week. We will have differences on some of the details of the bill. We can have amendments and up-or-down votes. If you win, you win; if you lose, you lose.

The basic agreement we have on the key components of the bill is solid and bipartisan, and the components are also, I believe, agreed to by the administration. There are a couple of sticking points. We need to work those out, but we do not need to hold the bill up to work out the differences. We need to go to the bill.

If we can get an aviation security bill passed in the Senate, send it to the

House, and send it to the President, the American people will begin to see that there is a heightened awareness of the need for security, and they will see the beginning of the implementation of the plans to do more at our airports.

I want to thank all of those who are working on it, Senator MCCAIN and I on our side, Senator HOLLINGS and Senator ROCKEFELLER on the Democratic side. We are working very well together. We had a meeting with the Secretary of Transportation, talking about the areas where we agree, which is 90 percent of the bill we would have before us.

I think we need to go to the bill. Let Congress work its will. Other Members have some very good ideas. We need to start talking about them. I do not think we should waste this valuable time.

The President has said, and Congress has agreed, there are certain things we must do quickly. We certainly took quick action for trying to shore up and stabilize the airlines. We have done that. We now need to give our law enforcement agencies the ability to gather intelligence.

Our FBI is doing an incredible job of finding all of the tentacles of these terrorist cells, but we need to give them the tools they need to continue that investigation and to find out where these people are in our country or in other countries that would affect our own security.

We need to act quickly on that antiterrorism bill. We need to act quickly on the aviation security bill. These are the priorities the President has set, and we need to go forward and address those. We are wasting time by not going to this bill, and I urge my colleagues to work out the differences. Do not require us to have extraneous amendments. Let us get on the bill. Let us have amendments that are germane to the bill and go forward in the way we have always done, having our votes, getting the final passage. Let us do the important business that will increase our capability to keep our country going, to keep our economy strong, to keep our people safe. That is our responsibility, and that is what we should be doing right now.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. WELLSTONE. Mr. President, I want to talk about something that is very familiar to the Presiding Officer: the meetings that the Senator and I have had with airline employees back home. The most recent meeting was a rally at the Capital. We have made the commitment to these workers that we want to help the industry. We want the industry to get back on its feet. That is critically important and what everybody wants.

We also believe the help has to be there for the employees. By the way, Mr. Richard Anderson, the CEO of Northwest Airlines, dropped by the other day and left me a letter of support. He has come out as CEO of Northwest firmly, squarely, behind getting assistance to the employees.

Maybe this has been said on the floor. I have been at briefings today, one of which was superb, with Secretary of State Powell, about whom I cannot say enough good things in terms of his wisdom and his hopes for how we proceed now in the aftermath of September 11. I cannot believe some of my colleagues are opposing moving to the floor with this airline safety bill in part because they are not committed to this package of benefits for employees. They don't want to see it happen. I will get people angry at me, and later we will have debate. I will be pleased to debate people later. To me, it is heartless. When people are flat on their backs, you help them. That is part of what government is for.

I say to the Presiding Officer, Senator DAYTON, I felt on Sunday, beyond speaking at a rally, you sometimes get the sense that people are reaching out to you. It is not so much to shake your hand, it is not to beg you, but to reach out for help. The handshake was more, in our State, a reaching out for help. It is frightening to be out of work and to not know how you will support your family.

We have this package to extend the unemployment benefits up to a year, and actually improve the U.I. with more benefits, and calling on States to increase what they will pay out, with the Federal Government providing the money. And in this nightmare situation, which we don't have to deal with, Senators, but if we did, if we were out of work, we would sure want the help.

When you lose your job and then in a couple of months you lose your health care benefits, you cannot afford what is called the COBRA program. The idea was to help families provide for health care, to be able to afford the coverage and not be without any coverage.

For God's sake, how much longer do Senators think we should wait?

I am not going to go after the industry, I don't think they were crying uncle. Frankly, as someone who has been a severe critic of Northwest Airlines—I never been able to get along with them—I give Mr. Anderson credit. I have had some of the employees say: He might care about us. I give him a lot of credit. Several flight attendants on a flight said that to me.

The truth of the matter is, they were ready, they had their array of lobbyists, et al, up here. We put the package through, and we were told: If you don't indemnify us—several carriers said—we will shut down Monday, a week ago. We didn't want that to happen.

But now we have employees out of work, what is it, 4,500 in our State, or thereabouts. We have Senators who do not want this bill coming to the floor. First, we have to take the steps on airline safety—no question about it—now. But it is absolutely appropriate to also, in the same legislation, talk about Amtrak. It is part of the transportation system. It is related.

But the other part of it is the employees. I say to the Presiding Officer, I don't know if I will feel empty, depressed, or just furious and angry, to go back home this weekend and see some of those same employees who are going to be saying: Why? Why? Why the delay? Why can't you help us?

That is what I say to some of my colleagues. What is going on here? In all due respect, this should be a no-brainer. We should have the airline safety bill out. We have amendments; people can vote for or against the amendments. But it is not business as usual. This is not a business-as-usual time. This is not a typical time in our country.

I say to Senators, I know if you are thinking: In all due respect, PAUL, don't be gratuitous; it is not like anyone needs to tell us that, given what happened to our country on September 11 and the murder of so many people.

I get the impression that maybe on the economic hard times and what has happened to people in their own lives here on the economic security part, there are a number of Senators who I don't think get it. They don't get it.

I have not had a chance to talk to the majority leader. I assume we will file cloture, have a vote, and force this issue. If people don't want to vote for assistance for the aviation employees, let them vote no. I think it would be pretty hard to sleep if you were to cast such a vote.

I say to the Presiding Officer, I remember 4 or 5 days after September 11, I was coming back here and talking to some of the employees and saying, hello, how are you, to a woman while checking in; the woman said: All right; I'm hanging in there.

I realized what she was talking about was not September 11. She was talking about herself because she knew they would be out of work. My first reaction was: Why wouldn't you be focused on September 11 and the slaughter of people in the country? Then I said to Sheila: Wait a minute; she was not wrong to react that way. She had to be concerned about what would happen to her and her family. She knew she would be out of work.

These workers are asking us for help. I would like to smoke out Senators, have Senators over the next 2 days come out here and debate and tell us why they don't want to support an amendment, if that is the case.

I have to make this distinction. I can some see Senators saying: Well, of all people, PAUL, over the years, it is not like you haven't come out here and slowed things up and used your leverage.

I understand that. Frankly, I don't know what the cause is here. Maybe I

am just being self-righteous. I don't, frankly, know what the cause is. If the cause is, as I suspect, there are some Senators who don't want to see this package go through, then I say, just come on out here and ''have at it,'' make your arguments, and let's vote.

We have a lot going on in terms of unity and Members of both parties feeling so strongly about what happened. All of us, I think, have a lot of concerns. It is hard not to every day worry about, What next not to worry about? What kind of action are we going to take? What kind of military action? What will be the reaction? Will we be successful? Will we be able to hold the people who committed this act of murder accountable? Can we minimize the loss of life of helpless civilians? I pray so. What will happen in Pakistan? What about other Middle East countries? What about our own country? Will there be other attacks? Will our people be protected? What is happening to the economy?

The truth is, we should, by tonight, be near getting this bill done, and then we have to put together another economic stimulus package. I do not know, but I think maybe our party, I say to the Presiding Officer, is a little bit too timid. I think we have to put together a significant stimulus package. I think part of it can be tax rebates, especially for the people who pay the Social Security tax who did not get any help. Let's put some money in the hands of people who are going to go out and spend it—do it. We should be extending the unemployment insurance, the health care benefits as well, and definitely help small business. There is no doubt in my mind that a lot of small businesses are really taking it on the chin.

There are child care expenses. There is affordable housing. There are some things we can do that are like a marriage. Let's put some money in affordable housing. I have my own ideas. I will not go through specifics today. I think I will tomorrow. Rebuilding crumbling schools—all of it has immense potential. And, frankly, we have to get onto that as well.

There is a whole lot we need to do, and the sooner the better. I guess I think the unity can apply to a lot of the challenges ahead. But I just find this refusing to proceed—maybe I am just coming on one of these weeks where Monday we were supposed to deal with the mental health bill, not an unimportant piece of legislation. I am not going to try to mix agendas. I will just say again the mental health equitable treatment legislation is bipartisan. I have been fortunate enough to be joined on this effort with Senator DOMENICI. There are 65 supporting Senators. We could have done it in several hours with debate on amendments. It was blocked.

By the way, there are going to be huge mental health issues, lots of struggles for families. Nobody should doubt that.

I have done a lot of work with Vietnam vets with PTSD. I have seen it. There is going to be so much of that. And the fact is, once you say you have to provide the same coverage for people dealing with this illness as with that, then you have the care following the money. Then you get some good care out of this. That was blocked.

I have been trying to get to some legislation that passed the House unanimously. It seems small. But there is not anything I care more about. It is for families dealing with a disease called Duchenne's disease. Senator COCHRAN has been helping on it. It is muscular dystrophy for children, little boys, a problem with a recessive gene. It is Lou Gehrig's disease, and for these little children there is no hope; there is no future. It is a very cruel disease, if you know Lou Gehrig's disease. It takes everything away from these children and then they die.

These families, they are so young when you meet them and the children are so young and they are just trying to get some focus in the Centers for Disease Control, NIH, some centers for excellence. We have bipartisan support. My understanding is, again, some Senators do not want to let that go through on unanimous consent.

There are things we can do that are good things for people that should not be that controversial, that we should be able to do. Maybe part of what I am doing today is just expressing my overall frustration. But I will say again, there is no more important piece of legislation than this aviation safety bill.

I think the Presiding Officer, his suggestions about having the Guard involved and giving some people reassurance—the President is taking that up. I am proud of the Senator from Minnesota. Thank you for getting that idea out there. I think it will be adopted. It is part of what we will do in this transition period.

And then there are a lot of other proposals that make a whole lot of sense: federalizing the workforce, having highly trained people. I was talking with Senator HOLLINGS and he said a lot of people who now do the security work, they should really have first priority to get the job training. It is not as if we just bash people and say: You are gone. Some are very qualified—with the training. Others may not be able to do the work.

There are other features as well. But the other part of it is I never dreamed we would have such a hard time getting help to the workers, to the employees. Maybe there is something wrong with the way my mind works. I am sure there are other colleagues who think so. But to me it is like 2 plus 2 equals 4. Yes, you help out the industry. Yes, we had to do it under emergency conditions. Yes, the next step is to make sure the employees, all the people who have been part of this industry, get help. They are out of work. And there is opposition to this. It is obvious.

I guess we are basically at a point where we are going to file for cloture, have a vote on it, and I suppose this will go over to next week. If so, fine. But as far as I am concerned—I have heard the Presiding Officer say this—I am getting to the point now where I think we are going to have to be here quite a long time this fall. We have a lot of work to do. If it is going to be delayed, things are going to have to extend on.

There is an education bill—the same kind of interesting issue where for some reason there is a lot of opposition to providing the resources to which I think we made a commitment to schools. I would say to Senator DAYTON, the Presiding Officer, my guess is—and I think we should do this—this Monday we are going to have the hearing together and focus on the terrorist attack, the recession, and their effect on the Minnesota population.

I think there will come a time where we probably should just focus on education. Just imagine what is going to happen with the State budgets that are going to contract, whether there will be the resources for the schools. Imagine the number of kids who will be eligible soon for the free- and reduced-cost lunch program. Imagine the struggles families are going to have.

By the way, we could help these families if we could get some of these benefits out there to them.

I think that ties in to another issue the Presiding Officer has worked on and been very outspoken on, directly correlated to whether or not we are going to keep the IDEA program mandatory funding and fund it or get the money for title 1. There are things we can do now, colleagues, that will help people.

I will finish this way: The two things that have most inspired me, if that word can be used, given what we have been through as a nation, is, A, the wisdom of people in Minnesota and around the country who were not—I said this to Secretary of State Powell, and I think everybody would agree—the people are not impatient. They are not bellicose. They are not sayings ''Bombs away.'' People are very well aware of how difficult this will be. They want to have it done in the right way. They want it to be consistent with our values. They do not want to see the kind of military action that will lead to massive loss of innocent civilians.

They want to deal with the humanitarian crisis in Afghanistan. They don't want people to be starving to death, people who have nothing to do with the Taliban and nothing to do with terrorism. And the other thing is I think a lot of what I would call ''people values'' have come out. I don't know if I can remember another time in my adult life where I have seen people so involved in helping other people. Part of it, of course, is to help all the people who have lost loved ones in New York and those lost on the plane that

went down in Pennsylvania and the Pentagon and D.C. and Virginia and surrounding areas.

But I think it goes beyond that. If there is one good thing you can point to, it is that I think people really are thinking more about ways in which they can help other people. Call it a sense of community or whatever you want to call it. I can't for the life of me figure out why that hasn't yet reached the Senate.

Where are the people values? How can we continue to delay helping these employees who are out of work in the aviation industry? How can we delay putting together a package? We call it economic stimulus, but the truth of the matter is, the best thing you can do in an economic stimulus package is also get help to people flat on their back who can use the money to consume because they have tried to make ends meet.

I have amendments. We have all worked together on the Carnahan package. I thank the Senator from Missouri for her fine work. We want to see that passed. I think some of us have other amendments. We want to get to an economic stimulus package.

There is a lot of work to do here: Education, and appropriations bills. I hope the whole question of prescription drug costs for elderly people doesn't just get completely put off. Frankly, those problems are no less compelling. I don't think I am exaggerating the point if I say that it is not going to be easy on a lot of working families if they have to end up with hard times and continue to have to help their parents and grandparents with prescription drug costs. It all gets tied in together.

It is all about communities. It is all about families. It is all about our being a family. It is all about how to help people. There were a lot of people who campaigned on this issue. Senator DAYTON of Minnesota probably campaigned as effectively on this issue as anybody in the country.

It is not as if these issues go away. It is all a part of what we need to do in the country. If I wanted to be kind of ''Mr. Economist,'' I would say: My God, elderly people are paying half their monthly budget on prescription drug costs. Help them out so it is affordable, so they can have some money to consume with.

There are lots of things we can do that sort of represent a good marriage of helping people, which also will enable people to consume, and which will also help our economy. We need to do it now. We should do it for humanitarian reasons. We should do it out of a sense that we are our brothers' and sisters' keepers. We should do it with a sense of ''there, but for the grace of God, go I.'' We should do it for economic reasons and national security reasons.

Here I am at 5 minutes to 5 on the floor of the Senate, and no one is here because moving to the airline safety bill has been blocked. Outrageous.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. NELSON of Florida). Without objection, it is so ordered.

Mr. MCCAIN. Mr. President, I want to make some brief remarks about our progress, or lack of progress, on airport security, which is a very important and vital issue.

We had a good meeting with the Secretary of Transportation, Norman Mineta, and I think we are defining some of our differences, as well as areas of agreement. I am hopeful that we can negotiate out those differences. We need to move forward with this legislation. It is now 5:25 in the afternoon and we have not had a single amendment debated or proposed. We have not moved to the bill. We need to move to this legislation.

Last week, with a degree of bipartisanship that was very gratifying, this body passed legislation to take care of the financial difficulties that airlines are experiencing and have experienced as a result of the terrorist attacks. Now we need to restore the confidence of the American people in their ability to fly from one place to another with a sense of safety and security, which they do not have today.

It is inappropriate for us not to act before we go out of session tomorrow. Already, there are only a few amendments that would need to be considered. As I mentioned earlier, Senator HOLLINGS, the chairman, and I have committed to opposing nonrelevant amendments no matter what their virtues may be. So I intend, tomorrow, if we are unable, for whatever reason, to come down and ask unanimous consent that this legislation be the pending business. I think it is very important.

I see the Senator from Nevada on the floor. I thank him for his efforts in trying to see this bill brought up and addressed before we go out of session for the week.

I don't think we should allow any peripheral issues to prevent us from moving forward. I have had good will statements made from strong supporters of Amtrak that they would not have those provisions on this bill. For those who are worried about the unemployed and others who have suffered because of the airline shutdown, those people have also said we can move forward. There is no reason we should not. I hope we will, and I hope we will not have to employ any parliamentary procedures in order to do what we all know is necessary, which is to protect the flying safety of our air transportation system.

By the way, the Air Transport Association is strongly in support of this legislation. I have been visited by airline executives who have urged that we act as quickly as possible to restore the confidence of the American people. I hope we will listen to them as well and not get hung up on some rather unimportant—when you look at the importance of this bill—side issues.

So I hope we will act tomorrow, and, if not, I will try to come down to the floor and force action in whatever parliamentary fashion I can.

I yield the floor.

Mr. THOMPSON. Mr. President, I am offering an amendment to the Aviation Security Act that would ensure that results-oriented management is a key component of whatever changes are ultimately made to our airport security system. We can not afford more business as usual. We have to insist that the traveling public is safe from those who would perpetrate evil deeds like those of September 11.

First, my amendment requires the Federal Government to set and enforce goals for aviation security. It requires the head of aviation security, within 60 days of enactment, to establish acceptable levels of performance and provide Congress with an action plan to achieve that performance. Over the long-term, the head of aviation security must establish a process for performance planning and reporting that informs Congress and the American people about how the government is meeting its goals. By creating this process, we will be constantly assessing the threats we face and ensuring that we have the means to measure our progress in preparing for those threats. This is a new, detailed method for ensuring that performance management is in place specifically in the government's aviation security programs.

I firmly believe that good people, well managed, can substantially improve our aviation security. So this amendment gives those responsible for aviation security enhanced tools to regain the confidence of America's flying public. We employ a good mix of carrots and sticks to drive performance. For instance: Managers and employees would be eligible for bonuses for good performance. The head of aviation security may have a term of 3 to 5 years, which can be extended if he or she meets performance standards set forth in an annual performance agreement. This amendment establishes an annual staff performance management system that includes setting individual, group, and organizational performance goals consistent with an annual performance plan. The amendment allows FAA management to hold employees—whether public, private, or a mix thereof, strictly accountable for meeting performance standards. Those who fail to meet the performance measures that have agreed to could be terminated, be they managers, supervisors, or screeners.

These provisions are not new. Agencies like IRS, the Patent and Trademark Office, and the Office of Student and Financial Assistance, already have many of these flexibilities. This

amendment targets these flexibilities specifically to the area of aviation security so that we can immediately begin the process of ensuring the public's safety.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Before the Senator leaves the floor, we would like to report to him that I finished speaking with Senator HOLLINGS. Senator HOLLINGS and Senator MCCAIN have worked together in the Commerce Committee for many years now. I think the cooperation the two of them have shown during this difficult time of the past 3 weeks is exemplary. I personally appreciate the work the two of them have done, setting aside partisan differences and moving through difficult issues. I, too, hope we can figure out a way to move on to complete the work we have before us.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I join my colleague from Nevada in complimenting my friend from Arizona. It is also very much my hope and desire that we can bring up the airport security bill and complete it tomorrow. I heard my colleague from Arizona say that both he and Senator HOLLINGS are willing to object to amendments that are not relevant to the underlying package. That is a concern of a lot of people. That will help streamline and finish the bill.

I hope and believe we will have the bipartisan leadership in agreement with that so that we can keep nongermane amendments off this package and we can pass the airport security bill. Then we can work on other issues together as well. I hope that is the case. We have had good progress in working in a bipartisan way on a lot of issues. I would like to see that the case on this package as well. Then we can take up the antiterrorism package next week and finish it as well.

I thank my friend.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. REID). Without objection, it is so ordered.

MORNING BUSINESS

Mr. NELSON of Florida. I ask unanimous consent that there now be a period for morning business, with Senators permitted to speak for up to 5 minutes each.

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

RECOGNIZING AMBASSADOR DOUGLAS P. PETERSON

Mr. NELSON of Florida. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 167, submitted earlier today by Senators MCCAIN, KERRY, GRAMM, and myself.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 167) recognizing Ambassador Douglas ''Pete'' Peterson for his service to the United States as the first American ambassador to Vietnam since the Vietnam War.

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. Mr. President, on behalf of the other Senators—and I know they are in various negotiations on other legislation; in Senator MCCAIN's case, the Airline Security Act, and in the case of Senator GRAMM, he is involved in the Intelligence Committee right now—I say on behalf of all of them, and for me, what a great privilege it is to recognize a public servant, Ambassador Pete Peterson, who served as a Member of Congress prior to being named by President Clinton as the first United States Ambassador to Vietnam.

We bring forth this resolution commending Ambassador Peterson because of his extraordinary leadership in helping bring about the Vietnam Trade Act, which this Senate passed earlier today. What is so poignant about this story of Douglas Pete Peterson is the fact that when he first went to Vietnam during the Vietnam war as an Air Force pilot, he was shot down and captured and held in captivity for over 6 years. He was able to return to that country as Ambassador and has won the hearts of the people of Vietnam.

I remember reading a story that absolutely gripped me about a few days before Pete Peterson departed as Ambassador to Vietnam, he had a reunion with one of his captors. This was a captor who, at a time of great stress, after Pete had been beat over and over again to the point of unconsciousness, and he did not know if he was going to live or die at that particular point, in his stupor of coming in and out of consciousness, he motioned to one of his captors that he was thirsty, and his captor brought him a cup of tea.

A couple of days before Pete was to depart as the first Ambassador from America to Vietnam, and a very successful Ambassador, he had a reunion with that captor, and that Vietnamese gentleman offered him a cup of tea again.

How times had changed and what a great leader for us to have representing America where he held no grudge; he did not want revenge. He offered the best of America showing that we are a forgiving people. After serving six distinguished years as a Member of Congress from the State of Florida, for Pete, a Vietnam POW, to return to that country that had held him captive the longest as one of the POWs, then to come back extending the hand of friendship with no malice in his heart, was to win the hearts of the Vietnamese people. In the process, he negotiated and tweaked and nurtured the Vietnam trade bill, which we passed earlier today.

It is with a great deal of humility that I speak on behalf of so many others, including Senator MCCAIN. Although he was not in the same POW camp with Ambassador Peterson, he clearly knew of him and thinks the highest of him. My words are inadequate to express the thoughts of all these other Senators.

I want to say one thing in closing about Pete Peterson. He is not only a hero to so many in his public and professional life —his professional life as a military officer, as a Member of Congress, and as our first Ambassador to Vietnam—but he is also a role model as a human being. After he returned from Vietnam, he suffered through the years of a long and torturous process of cancer with his first wife, finally claiming her life, but Pete Peterson was right there with her the whole way. He had the joy in Vietnam of meeting an Australian diplomat's daughter of Vietnamese descent, his present wife Vi. They make an engaging and attractive couple.

Mr. President, I offer these comments of appreciation as we pass this resolution.

Mr. MCCAIN. Mr. President, four years ago, I rose in this body to encourage my colleagues to confirm the nomination of my friend Pete Peterson to serve as the American ambassador to Vietnam, the first since the end of the Vietnam War. When we confirmed Pete for this important assignment in 1997, many of us could not have foreseen his success in building a normal relationship between our two countries.

Indeed, the best measure of Pete's success is the fact that it seems quite normal today for the United States to have an ambassador resident in Hanoi to advance our array of interests in Vietnam, which range from accounting for our missing service personnel to improving human rights to cooperating on drugs and crime to addressing regional challenges together. That normalcy is due largely to the superb job Pete did as our ambassador to Vietnam.

As a former fighter pilot shot down and held captive for six and a half years, some would have assumed it was not Pete's destiny to go back to Vietnam to restore a relationship that had been frozen in enmity for decades. Indeed, there was a time in Pete's life when the prospect of voluntarily residing in Hanoi would have been unthinkable. Much time has passed since then. Our relationship with Vietnam has changed in once unthinkable ways.

Pete rose to the occasion and helped us to build the new relationship we enjoy today. Pete's willingness, after having already rendered many years of noble service to his country, to answer

her call again and serve in a place that did not occasion many happy memories for him, was an act of selfless patriotism beyond conventional measure. I am immensely proud of him.

I know of no other American whose combination of subtle intuition and steely determination, whose ability to win over both former Vietnamese adversaries and skeptics of the new relationship here at home, could have matched the success Pete had in transforming our relations. Pete did this in service to America, and as an acknowledgment that the range of our interests in Vietnam, and the values we hope to see take root there, called for such an approach.

Our nation is better off for Pete's service. So are the Vietnamese people. So are those Americans who learned the grim but whole truth about the fate of their loved ones who had been missing since the war as a result of Pete's unending commitment to a full and final accounting. After the number of POW/MIA repatriation ceremonies over which he presided—each flag-draped coffin containing the hopes and dreams of a lifetime—Pete can confirm that providing final answers to all POW/MIA families is alone ample reason for our continuing engagement with the Vietnamese.

Pete Peterson has built a legacy that serves our nation and honors the values for which young Americans once fought, suffered, and died, in Southeast Asia. I can think of no higher tribute than that.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, the Senate is considering a resolution in recognition of the outstanding service of our former U.S. Ambassador to Vietnam, Mr. Pete Peterson. I will comment briefly on the exceptional life of Mr. Peterson.

Mr. President, Pete Peterson is an American in our proudest tradition. Throughout his adult life, he has served America as a career officer in the United States Air Force, serving with bravery during the Vietnam war, including a period of over 6 years of incarceration in a Vietnam prison after having been shot down in combat.

Pete Peterson returned to the United States and to Marianna, FL, after his long period of incarceration in Vietnam and, as a civilian, established his own business but continued his commitment to service, service in the form of being a volunteer at the State's principal school for boys who have the most difficult experience of delinquency.

Pete Peterson served as a role model to these young men who were at the point in life where they either were going to recapture a sense of personal responsibility and values or they were likely to spend their own adult life in another form of prison for periods of longer than 6 years, even, that Pete Peterson spent in Vietnam.

He performed great service to these young men and, in the course of that service, became aware of the role that service in elective office might have in terms of furthering his interest in America's youth. And so, in 1990, Pete Peterson, in what many considered to be almost a cause without hope, announced that he was going to run for the U.S. Congress. He did, and by the end of the campaign had managed to rally such public support that he defeated an incumbent Member of Congress—a rare feat in these days.

He then served 6 years of very distinguished service in the House of Representatives. Having announced in 1990, when he first ran, that he would only serve three terms, at the end of his three terms, in 1996, he indicated he was going to return home to Marianna, having completed that congressional phase of his public career. Little did he know there was yet to be another important chapter before him. And that chapter developed as a result of the Congress and the President—President Clinton—reestablishing normal diplomatic relations with our previous adversary, Vietnam.

President Clinton asked Pete Peterson to be the first United States Ambassador to Vietnam in the postwar era. Of course, Pete accepted that challenge to return to the service of the Nation that he so deeply loved.

He was an exceptional Ambassador. You can imagine the emotion he felt, as well as the people of Vietnam—to have a man who had spent years as a prisoner of war in Vietnam now returning as the first United States Ambassador.

Any sense of bitterness, any sense of loss that Pete may have felt evaporated. He represented our Nation and reached out to the people of Vietnam with unusual ability and warmth.

A testimony to his great service is the legislation that this Senate today approved, which is a trade agreement with Vietnam. This is symbolic of the new relationship that will exist between the United States and Vietnam as we rebuild our relationship based on our common interest in advancing the economic well-being of both of our peoples. This trade agreement would not have been before the Senate today but for the exceptional skills, as our Ambassador to Vietnam, which were exercised by Pete Peterson.

So, Mr. President, I join those who are taking this opportunity, as we enter into a new era of relationship with Vietnam, to recognize the particular role which our former colleague in the House of Representatives, Pete Peterson, played in making this possible.

He is truly an exceptional American, but in the mold of so many generations of exceptional Americans. We are fortunate, as Americans, and those of us who know him also as a Floridian, to have served with and to have lived at the same time with such a special human being as Pete Peterson.

I commend him for his many contributions to our Nation, and wish him well, as I am certain he will be pursuing further opportunities for public service.

Mr. NELSON of Florida. I ask unanimous consent the resolution and the preamble be agreed to en bloc, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD.

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

The resolution (S. Res. 167) was agreed to.

The preamble was agreed to.

(The resolution, with its preamble, is printed in today's RECORD under ''Resolutions Submitted.'')

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Are we in morning business?

The PRESIDING OFFICER. The Senator is correct.

Mr. BIDEN. I ask unanimous consent to proceed up to 22 minutes.

The PRESIDING OFFICER (Mr. NELSON of Florida). Without objection, it is so ordered.

AFGHANISTAN

Mr. BIDEN. Mr. President, I rise to speak in a matter that is very hard to discuss these days, when we are dealing with the aftermath of the destruction that has been visited upon our country. I rise to speak of a matter that is at the very heart of our fight against terrorism.

Today I met with the Secretary of State, along with my Senate Foreign Relations Committee colleagues, including the occupant of the Chair, for about 2 hours. I applaud the actions of President Bush and Secretary Powell and the rest of the administration throughout this terrible crisis. I applaud what he had to say at our meeting.

Of all the topics Secretary Powell discussed with me and other members of the Foreign Relations Committee, none was more important in my view than this: We must make a bold, brave, and powerful decision to provide generous relief and reconstruction aid to the people of Afghanistan and neighboring countries, even as we move toward war. We must wage a war against the vicious thugs who attacked our nation, but we must not permit this war to be mischaracterized as a battle against the people of Afghanistan or the wider Muslim world.

If we can't make this critical distinction, all our efforts are doomed to failure. The people of Afghanistan, who are looking for a way of ridding themselves of the Taliban regime, might direct their anger at us rather than at the brutal warlords who have caused them so much misery and pain. The people of Muslim countries from Morocco to Indonesia could turn against the United States, with disastrous consequences for many years to come—notwithstanding my belief that we will prosecute this military effort with discreet and precise efforts to minimize civilian casualties.

We have already seen how those who wish us ill can portray legitimate, restrained military action as an indiscriminate attack on innocent civilians, and how such an argument can be persuasive to so many people in the Middle East. Saddam Hussein, a man who has killed far more Muslims than any American attack before, during, or since the gulf war, has depicted the United States-led actions against Iraq as an assault on Iraqi women and children, an assault on Islam. That is a guy who has killed more believers of Islam than just about anybody else—and yet he is able to put out a boldfaced lie, the lie that our soldiers have gone out of their way to hurt innocent civilians. In fact, our soldiers have always gone out of their way to avoid collateral damage to civilians, even during the height of the gulf war.

The United Nations' sanctions imposed since that time place no restrictions on the delivery of food or medicine to the people of Iraq. Quite the opposite. Yet Saddam has won the international battle. He has convinced a significant portion of the Islamic world that we are the reason the people of Iraq do not have food and medicine in sufficient supply. It is Saddam who is starving his own people, deliberately sitting on billions of oil dollars earmarked for humanitarian aid to the people of Iraq while he pursues his weapons of mass destruction and builds himself more palaces.

The reason I bring this up is that throughout much of the Muslim world Saddam's propaganda remains convincing. People see these images of children and their mothers scrambling for food, the footage of destroyed buildings, and they know the United States conducts bombing raids to enforce the no-fly zone and we are leading an international coalition to maintain sanctions. So they conclude, with his distinct urging, that we are not acting in accordance with U.N. resolutions and the consent of the world community, but that we are acting in the way Saddam Hussein portrays us as acting: victimizing his people, oppressing women and children, and causing great hardship.

No matter how we cut it, he has won the battle over who's at fault. If you had told me that was going to be the case after the gulf war, I would have told you that you were crazy. One of the reasons he has won is we are so accustomed in America to not beating our own chests about what we do for other people, we are so accustomed to thinking that people are going to be open minded, as we are. It is almost beyond our capacity to believe anyone could think we were responsible for those women and children and old people in Iraq starving, being malnourished, and not having adequate medical care.

It is very simple in the Muslim world right now. When America bombs, America is blamed for anything else that happens. And not just blamed for what we have done, but we are blamed for what we have not done. It is not fair, but it is the fact. As the world's only superpower, we receive a lot of misdirected blame under the best of circumstances. The nuances and subtleties of geopolitics don't get translated to the language of the street. And once the bombs start to fall, any vestige of nuance is blown away with whatever they hit.

We cannot allow what happened in Iraq to happen in Afghanistan. Osama bin Laden and the Taliban leader, Mullah Omar, have been trying to cast the current conflict in terms of religion and have been calling our efforts a crusade against Islam.

You mention the word ''crusade'' in the Middle East and it has a very different context than when we use it here. It is not accidental that the word is used by bin Laden. It conjures up several hundred years of painful history.

This is not a crusade. It is not a war against Muslims. And we cannot permit bin Laden and the Taliban to portray it as such. So how do we prevent it from happening this time?

We have all said the right words. President Bush, Secretary Powell, and most Senators gathered in this Chamber have all spoken out forcefully. Our rhetoric has been fine, but if we want to convince the world's 1.6 billion Muslims of our sincerity, it will take much more than our rhetoric. It will take action, real action, to save the lives of real people.

After my long-time involvement with and strong advocacy for Muslims in Europe, whenever I go to the Balkans I can barely take a step without being reminded of this dynamic. If my name is mentioned among Muslim leaders, I am thanked for being one of their saviors; I am thanked for being one of the people who has fought to help them—and I'm sure all those American servicemen and servicewomen over there now protecting the Muslims in the Balkans feel the same. But none of that message has gotten to the Middle East. It is ironic.

So what we need to do is back up our words with our wallets. In my view, we must do this ahead of time.

We say we have no beef with the Afghan people, and we do not. But one out of four Afghans—perhaps 7 million people—are surviving on little more than grass and locusts. We say our fight is only against the terrorists, along with their sponsors, and it is. But the people of Afghanistan have been subjected to constant warfare for the past two decades. They are looking for help, and they are looking at us.

We did not cause the terrible drought that brought so many Afghans to the brink of starvation, and we did not cause the Soviet invasion or the civil war that followed. We were interested in Afghanistan, but only when it suited our own interests. We paid attention during the 1980s, but then came down with a case of attention deficit disorder. As soon as the last Russian troops pulled out in 1989, our commitment seemed to retreat along with them. And I was here, so I share this responsibility.

The years of bloody chaos that followed were what gave rise to the Taliban. If we had not lost interest a decade ago, perhaps Afghanistan would not have turned into the swamp of terrorism and brutality that it has become.

I say this not to cast stones, because I was here. We do not need to ask who ''lost'' Afghanistan. There is more than enough blame to go around. It is not a matter of political party or ideological outlook. Nobody—Republican, Democrat, liberal, conservative—stepped up to the plate when it counted because we did not take it as seriously as it turned out to be.

It is time we all stepped up to the plate.

In fairness to the folks who were here, like me and others, the truth of the matter is we get called on from all over the world and we find ourselves responding to whatever the crisis of the moment is.

It is time to reverse more than a decade of neglect, not only for the sake of Afghanistan, but for our sake. Not only for the sake of Pakistan, which faces growing instability exacerbated by the enormous burden of sheltering millions of Afghan refugees. Not only for the sake of the Central Asian republics, all of which are threatened by chaos fomented in Kabul and Kandahar. We have to take action not merely for their sake, but for our own sake.

The tragedy of September 11 served as a stark reminder that isolation is impossible. What happens in South and Central Asia has direct impact on what happens right here in the United States. If we ever were able to think of our nation as one buffered from faraway events, we can no longer maintain that illusion. So what can we do?

Let me make this very bold proposal as to what I think we should and could do. The plight of the Afghans had reached a crisis point before September 11, and the prospect of military action has made matters even worse. The U.N. places the number of Afghan refugees at about 3 million, and in Iran at about one half that, with another million displaced within Afghanistan itself. These people are living—if one can call it that—in conditions of unspeakable deprivation. One camp in the Afghan city of Herat is locally called, quite appropriately, ''the slaughterhouse.'' The expectation of U.S. attacks has already prompted more desperate people to flee their homes, and a estimated 1.5 million may soon take to the road.

U.N. Secretary Kofi Annan has issued an appeal for $584 million to meet the needs of the Afghan refugees and displaced people, within Afghanistan and in neighboring countries. This is the amount deemed necessary to stave off disaster for the winter, which will start in Afghanistan in just a few weeks.

We must back up our rhetoric with action, with something big and bold and meaningful. We can offer to foot the entire bill for keeping the Afghan people safely fed, clothed, and sheltered this winter, and that should be the beginning.

We can establish an international fund for the relief, reconstruction, and recovery of Central and Southwest Asia. We can do this through the U.N. or through a multilateral bank, but we must be in it for the long haul with the rest of the world.

The initial purpose of the fund would be to address the immediate needs of the Afghans displaced by drought and war for the next 6 months. But the fund's longer-term purpose would be to help stabilize the whole region by, as the President says, draining the swamp that Afghanistan has become.

We can kick the effort off in a way that would silence our critics in the rest of the world: a check for $1 billion, and a promise for more to come as long as the rest of the world joins us. This initial amount would be more than enough to meet all the refugees' short-term needs, and would be a credible downpayment for the long-term effort. Eventually the world community will have to pony up more billions, but there is no avoiding that now, not if we expect our words ever to carry any weight.

If anyone thinks this amount of money is too high, let me note one stark, simple and very sad statistic. The damage inflicted by the September 11 attack in economic terms alone was a minimum of several hundred billion dollars and a maximum of over $1 trillion. The cost in human life, of course, as the Presiding Officer knows, is far beyond any calculation.

The fund I propose would be a way to put some flesh on the bones, not only of the Afghan refugees, but on the international coalition that President Bush has assembled. All nations would be invited to contribute to this fund, and projects for relief and reconstruction could be carried out under the auspices of the United Nations. Countries that are leery of providing military aid against the Taliban could use this recovery fund as a means to demonstrate their commitment to the wider cause.

Money from the fund would be used for projects in several countries. In the short term, it could help front-line countries handle the social problems caused by existing refugee burdens or the expected military campaign. This would further solidify the alliance and give wavering regimes, especially Pakistan, a valuable ''deliverable'' to present to its own people.

The fund would also be used for relief efforts within Afghanistan itself. This could take several forms. It could help finance air drops of food and medical supplies. It could support on-the-ground distribution in territories held by the Northern Alliance and other friendly forces. And perhaps, most significantly, it could provide the Pashtun leaders of the south with a powerful incentive to abandon the Taliban and join the United States-led effort.

Think of the impact. Many Pashtun chiefs, including current supporters of the Taliban, are already on the fence. If the Pashtuns, who are now going hungry, saw relief aid pouring into neighboring provinces or in from the air, with their own leaders stubbornly stuck by Mullah Omar and refused such aid well, we could suddenly find ourselves with a lot of new allies. The seemingly intractable problem of forging a political consensus in Afghanistan might become a whole lot easier to solve.

A massive humanitarian relief effort will not guarantee a favorable political solution. But it clearly is within the realm of possibility. We can establish our credibility by committing ourselves to providing this aid now, before the first bomb falls.

The funding that I propose will address not only the short-term goal, but the more important (and more difficult) longer term ones as well. Whatever we do in Afghanistan—whether it involves the commitment of military, political, or humanitarian assets—must be geared toward a long-term solution. We cannot repeat the mistakes of the past. If we think only in the short term, only of getting Bin Laden and the Taliban—which we must do, but that is not all we must do—we are just begging for greater trouble down the line.

We have a unique opportunity here and right now—a window of opportunity that will not be open forever. Now, while the attention of the country and the world is focused on this vital issue, we can create a consensus necessary to build a lasting peace in the region.

This will be a multinational, multiyear, multibillion-dollar commitment. And if we take a leading role, I am confident that other nations will follow.

Today is not the time to speak about political reconstruction of Afghanistan. The situation is extremely fluid, and delicate negotiations are in progress. This Chamber is not the appropriate place for such a sensitive discussion.

Today is also not the time to discuss all the details of the long-term economic reconstruction package for the region. Once the immediate refugee crisis is dealt with, there will be plenty of opportunity to deal with the nitty-gritty of how best to help the people in the region rebuild their lives. I will not presume to lay out a long-term agenda today. But some of the foremost items on such an agenda might include the following:

Creation of secular schools, both in Pakistan and Afghanistan, to break the stranglehold of radical religious seminaries that have polluted a whole generation of Afghan boys. The Taliban movement is an outgrowth of this network of extremist seminaries, a network which has been funded by militant forces around the world and has fed off the lack of secular educational opportunities.

We can also be involved in the restoration of women's rights. The Taliban created a regime more hostile to the rights of women than any state in the whole world. Women under Taliban rule have been deprived of even the most basic of human rights. A critical element of the new school system, I should emphasize, will be providing equal education for girls and boys alike. If Afghan girls and women do not have a chance to go to school, they will never be able to have the rights they are so cruelly denied now by the Taliban.

De-mining operations: Afghanistan is the world's most heavily mined country. Clearing these mines will take time, money, and expertise. Until these fields are cleared, farmers—whether currently trapped in refugee camps or trapped by drought—cannot start farming their land.

Creation of full-scale hospitals and village medical clinics in Afghanistan and throughout the region. As in the case of schools, the absence of such services has created a void filled by radical groups.

People sometimes ask why extremist organizations have been so successful in recruiting support in the Muslim world. Let me tell you, they don't do it all by hate. Many militant groups provide valuable social services in order to gain goodwill, and then twist that goodwill to vicious ends.

Another thing we can provide is a crop substitution program for narcotics. This week, the Taliban reversed its short-lived ban on growing opium. As part of a long-term solution, we have to help the Afghan farmers find a new way to support their families. We cannot let Afghanistan resume its place as the world's No. 1 source of heroin.

Building basic infrastructure: Just as Saddam manipulated images of war in Iraq, the Taliban could have success doing the same. We have to counter this effort by drilling wells, building roads, providing technical expertise, and a whole range of development projects.

We are portrayed as bringing destruction to the region. We must fight that perception: we must prove to the world that we are not a nation of destruction, but of reconstruction.

This afternoon, the members of the Foreign Relations Committee and I had a very productive meeting with the Secretary of State. Everything I have said here today is an attempt to support Secretary Powell and President Bush in their efforts to send the world a simple message: Our fight is against terrorism—not against Islam. We oppose the Taliban not the Afghan people.

We stand ready as a great nation, as a generous nation, as a nation that has

led the world in the past, a nation whose word is its bond, and we stand ready to match our words with our actions.

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

The PRESIDING OFFICER (Mrs. CARNAHAN). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

THE ANTITERRORISM PACKAGE

Mr. SPECTER. Madam President, I have sought recognition to express my concern about what is happening on the antiterrorism package. Two weeks ago Attorney General John Ashcroft met with Members in an adjacent room, 211, down the hall, and asked for legislation that week. I responded we could not do it instantly but we could do it briefly.

Since that time, we have only had one hearing in the Senate Judiciary Committee, a week ago yesterday, where we heard from Attorney General Ashcroft for about 75 minutes. Most of the members of the committee did not have a chance to question him. I did.

We really have a serious issue of prompt action by the Congress. But it has to be deliberative. We have to be sure of what is in the legislation. When Attorney General Ashcroft testified, he said on the detention of aliens, the only ones they wanted to detain were those who were subject to deportation proceedings. My response to that was that I thought they had the authority now, but the bill was much broader. It authorized detention of aliens without any showing of cause at the discretion of the Attorney General, and we could give the Attorney General and law enforcement the additional authority. But it had to be carefully drawn.

Similarly, on the use of electronic surveillance, the Attorney General said he wanted to have the availability of electronic surveillance on content only on a showing of probable cause, but the amendments to the Foreign Intelligence Surveillance Act were broader.

Here again, I think we can give the Department of Justice and law enforcement what they need, but we have to carefully craft the bill. We have not had any hearings since. There is a meeting scheduled later today with all Republican Senators, with our ranking member, Senator HATCH, to have what I understand will be compromise legislation which has been worked out. But the difficulty is that the Supreme Court of the United States has, in a series of decisions, struck down acts of Congress when there has been an insufficient record showing a deliberative process and showing reasons for why the Congress has done what the legislation seeks to accomplish. In the area of law enforcement and civil liberties, there is, perhaps, more of a balancing test than in any other field.

What we need to do is to have a record. If the Department of Justice can show that there is a need for electronic surveillance which more closely approximates the standards of the Foreign Intelligence Surveillance Act than the traditional standards of probable cause—a really pressing need with factual matters—that is something which the Judiciary Committee ought to consider. If there are pressing matters about the detention of aliens—I understand the House has a bill which would allow for detention for 7 days, which is a protracted period of time—there has to be a showing as to what is involved. That can be accomplished only through the hearing process. Perhaps we need closed hearings. But I am very concerned, and I have communicated my concern that something may happen in the intervening time which might be attributable to our failure to act.

I hope we will let the Judiciary Committee undertake its activities. We have a lot of seasoned people there who have prosecutorial and governmental experience, who have things to add to really understand exactly what the specific needs are and to structure legislation which will meet those specific needs and which, under a balancing test that the courts have imposed, will survive constitutional muster.

But we are on notice and we are on warning that the Court will strike down legislation if there is not a sufficient deliberative record as to why the legislation is needed.

It was my hope that we could have had a markup early this week, and we still could with dispatch. There is no reason that the Senate can't have hearings on Fridays, or on Saturdays, when we are not going to be in session, to have markups and sit down with Department of Justice people to get the details as what they need perhaps in closed session and move ahead to get this legislation completed.

I think we can accommodate the interests of law enforcement, a field in which I have had some experience, and also the civil liberties and constitutional rights, a field again that I have had some familiarity with.

I thank my distinguished colleague from New Hampshire for letting me speak at this time.

THE FUTURE OF THE AIRLINE INDUSTRY

Mr. WYDEN. Madam President, less than 2 weeks ago, legislation providing $15 billion to the airline industry flew through the Congress like a runaway express. The legislation moved so quickly that I am of the view that additional steps are needed to impose accountability on the airlines for this unprecedented infusion of taxpayer money.

One-third of the $15 billion is already on its way out the door of the U.S. Treasury and will be given to the carriers according to a formula that they sought. Saturday is the deadline for deciding the basic process and rules for apportioning the remaining $10 billion in loans and loan guarantees. The way this staggering sum of money is allocated will shape the structure of the airline industry for years to come.

Yesterday the Wall Street Journal reported that the larger and financially healthier airlines have attempted to impose their terms for the $10 billion in loan guarantees on the smaller and the weaker carriers. If the Office of Management and Budget acquiesces to the demands of the larger carriers, it could crush the smaller airlines in the short term and squash significantly the hopes of competition and consumer choice in the long run.

On the horizon of the aviation industry there may be only two or three carriers dominating routes, dictating prices, and reducing service to small and usually rural markets. It is for this reason that I come to the floor today, and I intend to outline several principles that I believe the Congress should insist upon in order to keep an eye on shaping the future of this industry so that there is real competition, affordable prices for consumers, and adequate service across this country.

It is obviously critically important to focus on the short-term needs of getting people traveling again on those near empty planes and restoring consumer confidence. But it is just as important to put in place policies that protect the long-term interests of the flying public and the taxpayer.

The $10 billion package of loans and loan guarantees is going to dramatically reshape the industry for years to come. On the question of competition, on whether flights are affordable, and whether rural areas are turned into economic sacrifice zones, the decisions that are going to be made in the next few weeks will have a dramatic impact.

The entire Senate understands that there is a national airline rescue effort underway. Since September 11, Congress has heard much from the airline industry about what the industry believes needs to be done. Congress has responded. It is time now for the Congress to set out what the American people have a right to expect from the airline industry. Fortunately, this job is going to be easier because the Comptroller General, David Walker, and the Department of Transportation Inspector General, Ken Mead, are in place in order to provide a crucial reality check. Already Mr. Walker has performed an important service of pulling together a General Accounting Office team, getting me and other Members of the Senate a sense of what the industry's loss projections are, and particularly an analysis of their short-term needs. This type of independent third-party review is going to be essential in the weeks and months ahead.

Let me give the Senate just a few examples of the important questions that the public has a right to have debated

now, in order to know to what the end product of this debate involving the $15 billion is going to lead. For example, suppose that the $10 billion in loan guarantees is allocated in a way that favors a few large carriers, which is something that is being sought by some in the industry. The end result could be consolidation to just a couple of airlines, precisely the result the Government was trying to avoid when it blocked the proposed United-US Airways merger. Or suppose carriers use loan guarantees to strengthen their operations in ''fortress hubs'' while pulling back elsewhere. The end result for many consumers would be a monopolistic environment with little competition and few choices.

Of course, there is the risk that taxpayer dollars will be wasted on airlines that may not survive in any case or on airlines that really do not need the help. Care has to be taken to ensure that these dollars are used to get the maximum for the American public.

Responsibility for avoiding these pitfalls lies, in the first instance, with the Air Transportation Stabilization Board. The Board has the authority to decide who will receive loan guarantee assistance and subject to what terms and conditions. The Congress, unfortunately, has not provided this Board with a lot of guidance. The legislation provides only general criteria, such as the requirement that the loan in question be prudently incurred. Congress has not told the Board where to place its priorities or what the goals should be. Therefore, I believe some guiding principles are needed with respect to how that $15 billion is allocated. I propose the following principles this morning:

First, Government assistance must be allocated in ways that are going to promote and not hinder competition between the airlines. This must be a primary goal because without competition the entire premise of the deregulated industry relying on market forces makes no sense. The Government cannot afford to focus narrowly on each individual loan guarantee application while ignoring the big picture issue of how the overall assistance package affects the balance of competition in the industry.

Second, companies receiving assistance need to be monitored closely to make sure they are using the money responsibly. Are the taxpayer funds being used to subsidize dividends to the shareholders, lucrative compensation for top executives, or increased lobbying? The legislation does contain some provisions with respect to executive compensation, but the additional issues I am raising could send a message, at a time when America is hurting, that some of the powerful may be profiting.

Third, companies receiving assistance and their major stakeholders should be required to demonstrate that they are doing everything in their power to improve the situation. Companies would have to show that they have a plan for returning to profitability and that the plan is actually being followed. Top managers should take salary reductions and debtholders and employees should make sacrifices as well. Taxpayers who are funding that $15 billion legislative package should know that all of the company's stakeholders are helping to shoulder the burden.

Fourth, there needs to be an upside for the taxpayer. In the Chrysler bailout legislation, the Treasury Department received stock options that eventually led to a substantial profit for the taxpayers. Similarly, this effort should be coupled with a mechanism for the public to recoup its investment when airlines return to profitability.

Fifth, service to small markets must not be a casualty of this crisis. As airlines cut flights or routes in response to the current predicament, their first instinct may be to eliminate small market service and turn small communities in Nebraska and Oregon and other rural States into sacrifice zones. Americans need an airline system that connects the entire country and not just the large hubs. Any program of Government assistance to the airlines must seek to encourage the airlines to maintain and indeed improve service in the small markets.

Sixth, companies should be rewarded for treating employees in a responsible manner. Approximately 100,000 airline workers have already been laid off—but there are significant differences from airline to airline in the type of severance arrangements offered, and also in the efforts the airlines make to rehire workers when conditions begin to improve again. When it comes to public assistance, companies with more responsible labor policies should have a significant leg up in those loans and loan guarantees.

Seventh, and finally, the current focus on the interests of the airlines should not come at the expense of efforts to protect the interests of consumers. The fact is, this is a concentrated industry in which consumers often face limited choices. There is a real risk that, if some air carriers fail, the competition situation may get worse before it gets better.

That makes consumer protection all the more important in a number of basic areas—areas where the Department of Transportation Inspector General has already said there is a serious problem, and that Members of this body have tried to address in passenger rights legislation.

There may be a need as this new effort goes forward for proconsumer rules in order to protect consumers.

Adhering to these seven core principles that I have laid out this morning is not going to be easy. There is no simple rule or formula that Congress should impose, or that the board could follow that would automatically achieve all of the objectives that I have laid out today.

It is critical, in my view, in order to make sure this job is done responsibly, for Congress to obtain on a weekly basis the information necessary to exercise responsible oversight over the airline industry. This information must be real-time data, including load factors, yields per mile, fares, type of aircraft, dividend payments, service to small markets, cancellations, workforce statistics and route information.

In the coming weeks, the Air Transportation Stabilization Board begins to implement the loan guarantee program. I am certain the Senate Commerce Committee under the leadership of Chairman HOLLINGS will be actively engaged. I am anxious to work with my colleagues to put in place the principles that I have outlined today, as well, I am sure, as other Members of the Senate who will propose what they believe should govern how this $15 billion is allocated.

The airline industry has been heard from. Now the public has a right to ask the airline industry to support policies and to work with the U.S. Congress to ensure that this is true competition, affordable prices, and decent service.

In closing, I am of the strong view that the work of the Congress on that $15 billion legislation began when the bill passed. I hope and trust that my colleagues will join with me in doing everything we can to ensure that at the end of the bailout process the American people are left with a more competitive airline industry, one that offers high-quality service to every area of the country and gives the public what they have a right to expect will be the end process of that unprecedented legislation that the Congress passed a little less than 2 weeks ago.

Madam President, I yield the floor.

MEMORIAL TRIBUTE TO D. MICHAEL HARVEY

Mr. BINGAMAN. Madam President, it is both with a sense of sorrow and with great admiration that I rise today to pay tribute to an exemplary public servant and a good friend, D. Michael Harvey, who died on August 31, 2001. Mike served the United States Senate and the Committee on Energy and Natural Resources with distinction for some 22 years. He often said that there was no higher calling than public service. Mike worked for and counseled some of the giants of the committee: Clifford Hansen of Wyoming; Lee Metcalf of Montana; Henry M. (Scoop) Jackson of Washington; Mark Hatfield of Oregon; Dale Bumpers of Arkansas; and J. Bennett Johnston of Louisiana. He served at the direction of the committee's leaders, but all the committee's members—Democrats and Republicans alike—had access to and benefit of his counsel.

Mike was born in Winnipeg, Manitoba, and raised in Rochester, NY. He received his B.A. from the University of Rochester in 1955. He joined Eastman Kodak Co., for 4 years, before moving to Washington.

Mike began his public service career in 1960 with the Bureau of Land Management in the Interior Department, spending his last 4 years there as chief of the Division of Legislation and Regulatory Management. He received a J.D. from Georgetown University in 1963, while working at BLM. In the mid-1960s he served with the Public Land Law Review Commission and the Federal Water Pollution Control Administration.

In 1973 Mike accepted an invitation from Senator Henry M. Jackson to become special counsel to the Senate Committee on Interior and Insular Affairs. In February 1977, when the Senate reorganized its committee structure and created the Senate Committee on Energy and Natural Resources, Mike was appointed its first chief counsel. Until his retirement in 1995, he served as majority chief counsel during the years that the Democrats controlled the Senate and as chief counsel and staff director for the minority when Republicans held the majority.

During his tenure with the committee, Mike played a key role in developing landmark legislation involving Alaska lands, the regulation of surface coal mining, and Federal energy policy and land management. His knowledge of the law regarding natural resources was enclyclopedic and his judgment was well-respected. Mike was dedicated to achieving good public policy and his counsel was always given with that paramount objective in mind. In addition to providing a sounding board on a huge range of issues, Mike was a role model, a teacher and a mentor for his colleagues. He established a high standard of professionalism among the committee staff and instilled it, by his example more than by precept, in the generation of young staff members that he trained.

Mike was known by all who worked with him for his dedicated professionalism and the breadth and depth of his substantive expertise. But he was perhaps known best for the extremely high standard of ethics he brought to public service. You could always get a legal opinion from Mike of the highest caliber, and you could be absolutely confident that the opinion was free of any special interest or personal prejudgment. He was a talented professional and a fine human being.

Mike was actively involved in American Bar Association activities. He served on the council of the ABA Section of Natural Resources Law. He was past chairman of the Fairfax County Park Authority. He served as a congressional adviser to the U.S. delegation to the third U.N. Conference on the Law of the Sea and served on the board of governors of the Henry M. Jackson Foundation and the board of directors of the Public Land Foundation. Mike often attended the theater, loved poetry, and was known to quote Shakespeare at length.

The Senate was fortunate to have the benefit of Mike Harvey's considerable talents for many years. I was privileged to have worked with him and to have known him. Our deepest sympathies go out to Mike's family: his wife, Pat; his four children, Michelle, Jeffrey, David, and Leslie; and his 10 grandchildren. We share in their loss.

In eulogizing the great Scoop Jackson, Mike relied on a quotation from Shakespeare. I believe that Shakespeare's eloquent words apply as well to the late Mike Harvey:

His life was noble, and the elements so mixed in him that Nature might stand up and say to all the world: ''This was a man.''

I yield the floor.

CAPITOL HILL POLICE

Mr. WELLSTONE. Madam President, regarding the Capitol Hill police, I will try to write a resolution and have it passed by the Senate, I hope they will do the same on the House side. I want to thank the Capitol Hill police for what they have been doing for us. I think my colleagues are aware, but sometimes in the rush of war it is easy to forget. Many of the Capitol Police are putting in 17- and 18-hour days. You can see the exhaustion on their faces.

I have been thanking the officers individually when I walk by, and they are very gracious, but it is almost as if they are saying: Well, it is hard, but we want to do this.

We owe a real debt of gratitude to them. I will try to bring a resolution to the floor tomorrow and have that passed. It would mean a lot. I think all Senators are very grateful. Those are long days and weeks. They are doing the extra work for the security for all of us.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Madam President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of this year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred March 6, 2001 in Middleburg, PA. Two brothers, Todd Justin Clinger, 20, and Troy Lee Clinger, 18, were charged with attempted homicide after severely beating a neighbor, Michael Aucker, 41. Police allege that one of the brothers, Troy, said that Aucker tried to make a pass at them while the trio drank beer in their trailer. Police said the three men walked out on the deck, where the brothers allegedly punched and stomped on Aucker with heavy work boots several times before taking the bleeding Aucker to his nearby trailer. Aucker was discovered a day and a half later by a neighbor and co-worker. When they found him, he was in a coma and every bone in his face and nose were broken.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

THE NEED FOR RURAL AIR TRANSPORTATION

Mrs. LINCOLN. Madam President, I rise today to express my deep concern with the state of the airline industry in the United States.

On Friday, September 21, Congress passed the ''Air Transportation Safety and System Stabilization Act.'' This bill provided the commercial airline industry with $15 billion in emergency aid and loans. The intention of the bill was to ensure that our system of commercial air transportation remained viable nationwide, both in less populous rural areas and in larger metropolitan areas.

When this bill came before the Senate, I had reservations about how effective it would be. I was not convinced that it would do enough to help the tens of thousands of workers who were being laid off by the airline companies; I was not convinced that it provided adequate incentives to assist the airlines in correcting the management problems that had forced them into a corner to begin with; I was not convinced that it would do enough to encourage passenger confidence in the wake of the horrible hijackings of September 11; and I was not convinced that we were taking adequate time to consider the ramifications of the package. I expressed my reservations to several of my colleagues, and I was assured that we would deal with those concerns soon after.

It would appear my reservations were well-founded. One important provision of the stabilization bill was that the airlines would honor their service commitments so that small communities would not lose scheduled air service. This week, United Airlines announced that they are discontinuing service to Little Rock, AR. The cutback at Little Rock was one component of a sweeping reduction in capacity which will reduce United's service from 2,300 daily flights worldwide to 1,900 daily flights. According to the airline, the cutback is a result of the reduced demand for travel nationwide. Similar cuts were made in Virginia, Washington, and Alabama. The airline claims that service will resume if demand for air travel picks up.

The day after the United announcement, other airlines followed suit. American Eagle, USAirways Express, Continental Express, TWA, Delta, and Northwest all curtailed their service to Arkansas as well. Most of these airlines only reduced their schedules, but it is still enough to limit the options for transportation in and out of Arkansas. These cuts are a blow to the economic well-being of rural States. How

can rural economies ever grow if we don't maintain transportation to those States?

When the airline stabilization bill came before the Senate, there were several legitimate reasons for us to support it. In the aftermath of the September 11 attacks, the federal government had shut down the airlines for nearly three days, dealing a serious blow to their revenues. Furthermore, once the planes were in the air again, the airlines suffered a significant decline in passengers. When we passed the bill, we were looking to ease the blow of the shutdown and subsequent decline in ridership.

Now that I see how the commercial airlines are going to treat small- and mid-sized markets and rural States, it is clear to me that we may have rushed the airline stabilization package. Certainly, if I had known that the airlines were simply going to take the money and then announce they would no longer serve my constituents, I might have thought again about the vote I cast in favor of that package.

I have contacted the Secretary of Transportation to express my concerns and ask for a full review of these scheduled service reductions. I hope that my colleagues will join me in requesting this review, to ensure that the American people are getting a fair return on the investment they have made in the airline industry.

Perhaps the great lesson of the airline stabilization package is that, if we are going to enact policy to build and strengthen our economy, we need to have adequate discussion and debate to ensure that the policies are effective, constructive, and broad-based. In the coming weeks and months, as we take up other matters of economic policy, funding for defense and national security, and agricultural policy, let's take care to consider the ramifications and the realities of what we're dealing with so that we can do what's best for our entire Nation.

DEFENSE NATIONAL STOCKPILE

Mr. CLELAND. Madam President, I am pleased to join the Chairman and our colleagues from the Senate Armed Services Committee, Senator COLLINS, and Senator HUTCHINSON, in a colloquy on the forest products industry and the release of materials from the Defense National Stockpile that poses a potential threat to this industry.

The forest products industry is an important industry for our Nation, and for my own State of Georgia as well. It is important in the sense that it provides materials critical to our way of life, and also because it employs a large number of our fellow citizens. It is an industry that reaches into a large number of States. Any process undertaken by a branch of our Federal Government that would harm the forest products industry would, therefore, be likely to draw the attention and the immediate response of this Congress. I certainly would seek to participate in such a response, and to engender the greatest possible support among my colleagues.

We have been faced in recent weeks with the prospect that the sale or other release of sebacic acid, a lubricant and plasticizer made by the forest product industry, by the Defense National Stockpile might result in the harmful depression of the sebacic acid market and thereby harm the forest products industry. I have been following this matter closely. My staff coordinated a meeting between the officials responsible for the Defense National Stockpile and representatives of the industry, in the hopes that such a meeting and negotiation would resolve any potential problems associated with the authority for Federal sebacic acid release. The officials responsible for the stockpile assured me that the current authorization for release of sebacic acid was not excessive and that the release would be gauged so as not to have a negative impact on the price of sebacic acid. These assurances were made while acknowledging the release of an additional 400,000 pounds of acid, which I understand was needed this year in order to make up for the mismanagement of the contracting process for last year's stockpile release.

The forest products industry in Georgia and, indeed, across the country is highly concerned with this year's proposed release, and has requested that Congress restrict the authorization to release material from the stockpile. Having received assurances from the officials managing the stockpile release, along with their request that we avoid legislation affecting the annual authorization to release sebacic acid, I am here today to serve notice that I will closely follow the scope and effect of any sebacic acid release over the next year. If the release has a negative effect on the market for sebacic acid, I will vigorously pursue legislation in the next authorization bill to curtail future releases of sebacic acid.

Ms. COLLINS. I thank the Senator. As does the Senator from Georgia, I view this matter as one of national importance, deriving from the policies of the Department of Defense, which fall within the oversight of our Committee. I also share his concerns because, as does he and many of our colleagues, I have constituents who depend on the forest products industry for their livelihood.

I am also pleased that we have agreed to this colloquy as a bipartisan expression of our mutual concern over the current Department of Defense release authority for sebacic acid. Having taken this measured step this year, I will monitor the impact of Department of Defense sebacic acid release on the market, and will be ready to join my colleagues in taking legislative action as required.

The fact that an additional amount of acid is being released now, due to the acknowledged contracting miscues on the part of Department of Defense officials last year, is a further indication that we must be prepared to act in our oversight role to restrict future releases of sebacic acid. The horrible acts of terrorism that befell us on September 11 have had an effect on our economy. I believe the Department must take current economic conditions into account as it implements its releases of sebacic acid over the coming year.

Mr. HUTCHINSON. I thank my good friend from Maine, Senator COLLINS, and our distinguished colleagues from the Senate Armed Services Committee. I need not tell them that the forest products industry is an important industry in Arkansas. I will stand with you, if it becomes necessary, to restrict the Department of Defense authorization for release of sebacic acid. I know that we will be joined by many others, on both sides of the aisle. It is easy to see that the impact of this issue has the potential to affect the quality of life of working Americans across any number of states. I find it reassuring that our Committee is making such a strong statement of our intention to act if necessary. Our restraint this year demonstrates the trust we place in the Department of Defense to act reasonably within the scope of current legislative language. But that restraint will turn to resolve if the release of sebacic acid under the current authority proves harmful to the sebacic acid market.

Mr. LEVIN. I appreciate the Senator from Georgia, Mr. CLELAND, bringing this issue to my attention. I also appreciate the fact that the Senators from Georgia, Maine, and Arkansas have sought a colloquy on this issue to avoid offering an amendment to the National Defense Authorization Act for Fiscal Year 2002 and thereby slowing its passage in this time of crisis. The current law requires the Department of Defense to ensure that its sales of excess materials from the National Defense Stockpile do not adversely affect the markets for those materials. It is especially important in our current economic situation that the Department not take actions that would harm the private sector. I fully expect that the Department will comply with the law and act prudently in this regard.

AMERICA: 'BACK ON THE JOB'

Mr. NELSON of Nebraska. Madam President, I would like to recognize the tremendous outpouring of solidarity and support from America's citizens in response to the September 11 terrorist attacks. The nation's collective reaction to the horror of that day has been one of compassion and focused determination. I am pleased, not just with the response from our elected officials and our opinion-makers, but with all of our citizens across the country who have shown such courage in the face of adversity.

In an outcome that has surely flummoxed the mastermind of this

tragedy, a reality has emerged: America is still strong and, because of this tragedy, America ultimately will be even stronger.

There is no firmer support for this belief than the way in which Americans have worked, as directed by our Commander-in-Chief, to get back to the demands of our daily schedules. The best civilian offense in the aftermath of these attacks is not to cower to fears of future attacks, but instead to quickly 'get back on the job' and resume our routines. To that end, our nation has been constructing an effective and forceful civilian offense. But we can still do more.

I have come to the floor today to encourage the continuation of debate—specifically here in the Senate—on issues critical to our national security. A return to such a dialogue should not be frowned upon or considered as a sign of splintered resolve, but rather as proof that America and her values are alive and well.

I commend President Bush and his advisors for their efforts thus far in preparing our minds and our military for the long battle we've undertaken. Our leaders, both civil and military, have built a coalition of nations sharing in our objective to thwart terrorist activity around the globe. We've sent a clear message to our friends, and they have responded with strong support.

And just this morning, we've communicated another message. By announcing our intent to reopen National Airport, we're telling not only friends, but the whole world, that we Americans will not live in fear within our own borders. I am pleased with President Bush's announcement. Now that added security measures have been implemented, I agree with him: It's time to unlock the symbolic front door to our nation's capital and re-affirm our commitment to get back to business.

That determination to get back to business is evident, not just at National, but at airports across the country. We have increased security measures at all airports, which in turn, have increased our sense that freedom has triumphed fear.

It's important to recognize, though, that the lack of convenience resulting from increased security measures cannot, and should not, be misconstrued as a loss of liberty. Let us not confuse the longer lines at airports and the time-consuming luggage screenings as threats to liberty; instead, consider these measures as threats to terrorism.

We are witnessing America's most important moment, and we are meeting the challenge with dignity and pride. With the events of September 11, tyranny has tried to mute the freedom that rings throughout our nation. We have defeated similar efforts in the past, and we will defeat them again. As long as we stand unified and stand strong, our spirit will never be silenced.

The solidarity shown at the different levels of government of the past few weeks, within the various agencies, and across party lines has been unwavering. Here in the Senate, we swiftly approved legislation to provide $40 billion toward the recovery effort and to help finance the retaliation measures currently being developed by the U.S. Military under the direction of the President. In addition, we approved a resolution authorizing the use of force in response to the unwarranted attacks. Without question, this unity is an extraordinary asset for a country poised to wage an assault on terrorism.

A few weeks ago, at Yankee Stadium in New York, and earlier at the National Cathedral in Washington, DC, thousands of people—Muslims, Jews, Hindus, Christians—people of all faiths—came together and honored and remembered the fallen heroes, the innocent lives, and the bright futures claimed by terrorism. At these services, and at services across the country and in my home state of Nebraska, people revived their spirits and their faith in democracy.

These gatherings are visual displays of unity signaling that America is on the mend. Sure, for some of us, it may not ever feel like 'business as usual' again, or at least for awhile, life in America may feel more like business as 'unusual.' Nonetheless, it is important for we policymakers to get back to work, including debate and discussion of all these issues. Such action will help ensure the continued viability of democracy and the continued vitality of the United States of America. After all, lockstep agreement among policymakers is not an American ideal. The free exchange of ideas, which helped America flourish, was the terrorists' true target on September 11. The terrorists, who likely don't even understand the true meaning of freedom, loathe America's system of government, her ideals and her liberty.

In response, we must show the world how the American government will carry on, that the people will continue to have their say, and that debate will still be the prelude to unity—and not the construct of obstruction.

To be clear, I am not saying we, as a nation, will no longer be unified in this effort to combat terrorism. I am simply saying that we all need to actively participate in developing, not simply rubber-stamping, policy.

As a legislative body, we can return to the comparatively mundane and, consequently, more polarizing issues without losing sight of our resolve to fight terrorism. By doing so, we will not have swayed our national values to placate forces of evil.

Yes, in times of tragedy, it is imperative to find a common bond to bring our nation together. But, as we heal our wounds, we must give all people, on all sides of an issue, a chance to be heard. After all, democracy is the healthiest alternative to war. Our weapons are words, and our nation's internal battles are fought on the grounds of the Constitution, rather than on the grounds of the combat zone.

I do not believe in the bitter partisanship that has, at times, characterized our nation, but I do believe that debate is critical to a strong democracy. Freedom of expression is fundamental to life in America and, by extension, to healthy debate here in Congress. We in the Senate are free to speak our minds and hearts. And as a result of that freedom, we need to freely come together and return to 'normal' debate empowered by the Constitution. Then, and only then, we will have successfully given back to the country that has given so much to each of us.

ADDITIONAL STATEMENTS

MAJOR GENERAL EDWARD SORIANO

● Mr. ALLARD. Madam President, I rise today to honor a great military leader, MG Edward Soriano, the outgoing commanding general of 7th Infantry and Fort Carson, CO. Major General Campbell will assume command and General Soriano will be moving on to greater responsibilities. As he and his wife Vivian depart Ft. Carson, they leave with a record of outstanding public service and numerous significant accomplishments.

Among these accomplishments is the Army's first housing privatization project. This project has been a major success, is ahead of schedule, and is now a model for military installations throughout the country. Additionally, General Soriano has overseen numerous successful deployments of units, including the deployment of the 3rd Armored Cavalry Regiment to Bosnia. Now, as our military forces conduct the war on terrorism, it is evident that the service members and their families of Ft. Carson will benefit greatly from his work.

His efforts to improve the readiness and capability of Ft. Carson and its units has met with great success and will have a long lasting and significant positive impact on the soldiers and civilians who live and work there. Furthermore he has ensured that Ft. Carson will provide our President and Secretary of Defense a first class platform from which to deploy military power.

General Soriano has done his excellent work on the facilities at Ft. Carson, despite funding shortfalls. His most significant achievement, however, has been in preparing the war fighting capability of its people. The soldiers and civilians at Ft. Carson are among the best in the Army, and are proven performers. Any venture managed by the men and women of ''The Mountain Post'' will certainly meet with success.

Finally, General Soriano and his wife have developed and nurtured an outstanding working relationship with the people of Colorado Springs, surrounding local communities, and the

nearby Air Force Bases. They will be sorely missed, but they leave an organization committed to the pursuit of excellence. I wish him good luck and God speed.●

COMMENDING WILLIAM F. HOFMAN

● Mr. KENNEDY. Madam President, I welcome this opportunity to commend a distinguished citizen of Massachusetts, William F. Hofmann III of Belmont, who is now completing his highly successful term as president of the nation's largest insurance association—the Independent Insurance Agents of America.

Bill is partner in Provider Insurance Group, which has offices in Belmont, Brookline and Needham in Massachusetts, and his career has long been notable for his outstanding contributions, and dedication to his community and his profession.

Bill began his service in the insurance industry with the Massachusetts Association of Insurance Agents where he served as president. He also served the State as its representative on the national board of the Independent Insurance Agents of America.

Bill was elected to IIAA's Executive Committee in 1995, and became its president last fall. He has worked effectively through the IIAA to strengthen the competitive standing of independent insurance agents by helping to provide the support they need to run more successful businesses. He served as chairman of IIAA's Education Committee for four years, and in 1994 he received a Presidential Citation for his work in this area.

For many years, Bill has also been an active and concerned member of his community. He served as president and as a member the Board of Directors for the Boston Children's Service, and has been active in the Belmont Youth Basketball program. He served as chairman of the Belmont Red Cross, and as treasurer for the Belmont Religious Council. Bill is an elected town meeting member, finance committee member, and registrar of voters in Belmont.

I commend Bill for his leadership in all these aspects of his brilliant career, and I know he will continue his service to our community in the years ahead. Massachusetts is proud of him for all he has done so well.●

THE STATE OF IDAHO'S PROCLAMATION OF WORLD POPULATION AWARENESS WEEK

● Mr. CRAPO. Madam President, I rise today to enter into the RECORD a proclamation signed by the Governor of the State of Idaho.

Rapid population growth and urbanization have become catalysts for many serious environmental impacts and they apply substantial pressures on many facets of our infrastructure. These pressures often result in transportation, health, sanitation, and public safety problems, making urbanization an issue that cannot be ignored.

It is, therefore, important for us to recognize the problems associated with rapid population growth and urbanization. The Governor of the State of Idaho has proclaimed the week of October 21–27, 2001, as World Population Awareness Week in my State. I would like to commend the Governor for his commitment to this issue.

I ask that the proclamation be printed in the RECORD.

The proclamation follows:

PROCLAMATION

Whereas, the world population stands today at more than 6.1 billion and increases by some one billion every 13 years; and

Whereas, the most significant feature of the 20th century phenomenon of unprecedented world population growth was rapid urbanization; and

Whereas, cities and urban areas today occupy only 2% of the earth's land, but contain 50% of its population and consume 75% of its resources; and

Whereas, the most rapid urban growth over the next two decades is expected in cities with populations ranging from 250,000 to one million; and

Whereas, along with the advantages and amenities, the rapid growth of cities leads to substantial pressure on their infrastructure, manifested in security, health and crime problems, as well as deterring the provision of basic social services; and

Whereas, in the interest of national and environmental security, nations must redouble voluntary and humanitarian efforts to stabilize their population growth at sustainable levels, while at all times respecting the cultural and religious beliefs and values of their citizens; and

Whereas, World Population Awareness Week was proclaimed last year by Governors of 32 states, as well as Mayors of more than 315 United States cities, and co-sponsored by 231 organizations in 63 countries; and

Whereas, the theme of World Population Awareness Week in 2001 is ''Population and the Urban Future'';

Now Therefore, I, Dirk Kempthorne, Governor of the State of Idaho, do hereby proclaim the week of October 21 through 27, 2001, to be World Population Awareness Week in Idaho and urge all citizens of our state to take cognizance of this event and to participate appropriately in its observance.●

SPINA BIFIDA AWARENESS MONTH

● Mr. BROWNBACK. Madam President. I rise today to alert my colleagues that October is Spina Bifida Awareness month.

Many Americans don't know much about Spina Bifida. For instance, most don't know Spina Bifida is a neural tube defect and occurs when the central nervous system does not properly close during the early stages of a child's development in the womb. Even fewer American's realize that the most severe form of Spina Bifida occurs in 96 percent of children born with this disease. However, thanks to the good work that the Spina Bifida Association of America is carrying out to promote the prevention of Spina Bifida and to enhance the lives of all affected by this condition, we are all learning more every day.

During the month of October the Association makes a special push to increase public awareness about Spina Bifida, and future parents about prevention. Simply by taking a daily dose of the B vitamin, folic acid, found in most multivitamins women of childbearing age have the power to reduce the incidence of Spina Bifida by up to 75 percent. That such a simple change in habit can have such a profound effect should leave no question as to the importance of awareness.

However, awareness is not the only important work done by the Spina Bifida Association of America. The Association was founded in 1973 to address the needs of the Spina Bifida community and is currently the only national organization solely dedicated to advocating on behalf of the Spina Bifida community. There are more than 60 chapters serving over 100 communities nationwide.

One such chapter in Wichita, KS, was started by Tammy and Tim Wolke. Tammy and Tim have four children, two of whom are adopted. Not only do these heroic parents care for one child born with Spina Bifida, but also a child with cerebral palsy. But caring for their own children just hasn't been enough to keep Tammy and Tim busy. So, in their ''free time,'' the Wolkes have developed and cultivated a chapter of the Spina Bifida Association of America which serves about 200 families in their part of Kansas.

As we discuss the wonderful work of the Spina Bifida Association of America and the Wolkes, I would be remiss if I failed to mention another great Kansan. In 1988, the Association established a scholarship fund to enhance opportunities for individuals with Spina Bifida to achieve their full potential through higher education. This year's four year scholarship of $20,000 was recently awarded to Jennifer Maxton of Derby, KS. Thanks to this scholarship, Jennifer will be able to attend the school of her dreams at the University of Kansas. Jennifer is a truly amazing person who wants to become a pediatric surgeon and study abroad in Nepal. As if those goals weren't lofty enough, Jennifer hopes to some day climb Mount Everest. Jennifer wants to improve the lives of others who have not been as fortunate as she. This scholarship will start her down this path. I wish her the best of luck as she begins her academic life this fall as a Jayhawk.

I would also be remiss if I failed to mention that this evening, the Spina Bifida Association of America will be holding its 13th annual event to benefit the Association and its work in local communities around the country. Washington Post Sports columnist, Tony Kornheiser will be roasted at this event by a number of distinguished members of the Washington community, including our Congressional colleagues Senator CLINTON and Representative STEVE LARGENT. I regret that I will be unable to join my friends

tonight, but wish to commend the Association for all of its hard work to prevent and reduce suffering from this birth defect and to improve the lives of those 70,000 individuals living with Spina Bifida throughout our Nation. I wish the Spina Bifida Association of America the best of luck in its endeavors and urge all of my colleagues and all Americans to support its important efforts.

God bless the Spina Bifida Association and God bless America.●

TRIBUTE TO LIEUTENANT COMMANDER RONALD JAMES VAUK

● Mr. CRAIG. Madam President, today I wish to pay tribute to a wonderful man, Lieutenant Commander Ronald James Vauk, whose life was cut short on September 11, 2001, while he was doing what he loved to do, serving his country. He was a Reservist on duty as Watch Commander at the Naval Command Center when terrorists attacked the Pentagon in Washington, D.C. This tragedy was not only a savage blow to the United States, but will forever be remembered in the hearts and minds of a loving family, a strong Idaho community, and many loyal friends.

Ron was a devoted husband and good father who was born to Dorothy and Hubert Vauk and raised in Nampa, ID. He was the youngest of nine children and attended St. Paul's Catholic School and Nampa High School, graduating in 1982. I had the pleasure of recommending Ron for an appointment to the United States Naval Academy after he served a year as an enlisted sailor. He graduated the Naval Academy in 1987 and married an incredible young women by the name of Jennifer Mooney. Ron had an exemplary career as a Naval Officer and submariner, serving on both the USS Glenard P. Lipscomb and the USS Oklahoma City. His love for the Navy continued with his service as a Reservist and a project manager for the Delex Corporation and then as an assistant group supervisor in submarine technology for the Johns Hopkins University Applied Physics Laboratory. Ron's work at Johns Hopkins was extremely important, but he was always ready to serve our Nation as a Naval Reserve Officer whenever called upon. He was a quiet genius who wasn't afraid to work hard to get the job done. And, he was a very good man who loved his family and was devoted to his wife Jennifer and their pride and joy, Liam, who is almost four years old. The entire family is excited and looking forward to the upcoming birth of Ron and Jennifer's second child, expected in November.

Ron will also be sorely missed by his parents, Dorothy and Hubert, and their eight other grown children. Ron's brothers and sisters all came together to be with Jennifer and son Liam at their home in Mt. Airy, MD. They are Charles Vauk, of Boise, Teri and Bill Masterson, Carson City, NV; Celia and Ken Shikuma, Huntington Beach, CA; David and Suzie Vauk, Nampa; Lynne and Alan Caba, Nampa; Gary and Julie Vauk, Grapevine, TX; Patricia Vauk and Paul Wilson, Minneapolis, MN; and Dennis and Donna Vauk, Houston, TX. Ron is also survived by his father and mother-in-law Patrick and Carol Mooney of Baltimore, and sister and brother-in-law Alissa and Chris DeBoy of Mt. Airy, MD, and 18 nieces and nephews. I know I speak for all my colleagues in the Senate in expressing my profound sorrow to the Vauk family for their loss.

LCDR Ronald James Vauk was awarded the Purple Heart in the name of the United States President for his ultimate sacrifice. General George Washington, this Nation's Founding Father, established the Badge of Military Merit in 1782 as a means of recognizing courage and steadfastness in actual combat against the enemies of our Country. From the original three Badges of Military Merit awarded by General Washington, we now have the Purple Heart. LCDR Vauk was one of the first casualties of the War on Terrorism. Rest assured, this war will be won and the United States will continue to lead the world in protecting freedom. Ron was at the Pentagon on September 11, 2001, because he was bravely doing what he believed in and what needed to be done. He was a thorough professional who believed in his country and his duties as a Naval Officer.

On Monday I visited Jennifer, Liam and members of the Vauk family. Jennifer is a remarkable woman, who bears the burden of this tragedy with tremendous grace and dignity. I am very proud to recognize LDCR Ronald Vauk and tell him and his family, Thank you from a grateful Nation.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:58 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 169. An act to require that Federal agencies be accountable for violations of antidiscrimination and whistleblower protection laws, to require that each Federal agency post quarterly on its public Web site, certain statistical data relating to Federal sector equal employment opportunity complaints filed with such agency; and for other purposes.

H.R. 203. An act to amend the Small Business Act to direct the Administrator of the Small Business Administration to establish a pilot program to provide regulatory compliance assistance to small business concerns, and for other purposes.

H.R. 1161. An act to authorize the Government of the Czech Republic to establish a memorial to honor Tomas G. Masaryk in the District of Columbia.

H.R. 1384. An act to amend the National Trails System Act to designate the route in Arizona and New Mexico which the Navajo and Mescalero Apache Indian tribes were forced to walk in 1863 and 1864, for study for potential addition to the National Trails System.

H.R. 1456. An act to expand the boundary of the Booker T. Washington National Monument, and for other purposes.

H.R. 2385. An act to convey certain property to the city of St. George, Utah, in order to provide for the protection and preservation of certain rare paleontological resources on that property, and for other purposes.

H.R. 2666. An act to amend the Small Business Act to direct the Administrator of the Small Business Administration to establish a vocational and technical entrepreneurship development program.

H.J. Res. 42. Joint resolution memorializing fallen firefighters by lowering the American flag to half-staff in honor of the National Fallen Firefighters Memorial Service in Emittsburg, Maryland.

The message also announced that the House has disagreed to the amendment of the Senate to the bill (H.R. 2904) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2002, and for other purposes and has agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as the managers of the conference on the part of the House: Mr. HOBSON, Mr. WALSH, Mr. MILLER of Florida, Mr. ADERHOLT, Ms. GRANGER, Mr. GOODE, Mr. SKEEN, Mr. VITTER, Mr. YOUNG of Florida, Mr. OLVER, Mr. EDWARDS, Mr. FARR of California, Mr. BOYD, Mr. DICKS, and Mr. OBEY.

ENROLLED BILLS SIGNED

At 3:08 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 1860. An act to reauthorize the Small Business Technology Transfer Program, and for other purposes.

H.R. 1583. An act to designate the Federal building and United States courthouse located at 121 West Spring Street in New Albany, Indiana, as the ''Lee H. Hamilton Federal Building and United States Courthouse.''

The enrolled bills were signed subsequently by the President pro tempore (Mr. BYRD).

NOTE: In the RECORD of September 19, 2001, on page S9503, the following items were inadvertently omitted:

MESSAGE FROM THE HOUSE

At 7:18 p.m., message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 231. A concurrent resolution providing for a joint session of Congress to receive a message from the President.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

S. 1424. An act to amend the Immigration and Nationality Act to provide permanent authority for the admission of ''S'' visa nonimmigrants.

MEASURES REFERRED

The following bills were read the first. And the second times by unanimous consent, and referred as indicated:

H.R. 169. An act to require that Federal agencies be accountable for violations of antidiscrimination and whistleblower protection laws, and for other purposes; to the Committee on Governmental Affairs.

H.R. 203. An act to amend the Small Business Act to direct the Administrator of the Small Business Administration to establish a pilot program to provide regulatory compliance assistance to small business concerns, and for other purposes; to the Committee on Small Business and Entrepreneurship.

H.R. 1384. An act to amend the National Trails System Act to designate the Navajo Long Walk to Bosque Redondo as a national historic trail; to the Committee on Energy and Natural Resources.

H.R. 1456. An act to expand the boundary of the Booker T. Washington National Monument, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 2385. An act to convey certain property to the city of St. George, Utah, in order to provide for the protection and preservation of certain rare paleontological resources on that property, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 2666. An act to amend the Small Business Act to direct the Administrator of the Small Business Administration to establish a vocational and technical entrepreneurship development program; to the Committee on Small Business and Entrepreneurship.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–4217. A communication from the Associate General for Legislation and Regulations, Office of Public and Indian Housing, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ''Revision to Cost Limits for Native American Housing'' (RIN2577–AC14) received on October 1, 2001; to the Committee on Indian Affairs.

EC–4218. A communication from the White House Liaison, transmitting, pursuant to law, the report of a nomination confirmed for the position of General Counsel, Department of Education, received on September 26, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–4219. A communication from the Director of the Corporate Policy and Research Department, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the report of a rule entitled ''Benefits Payable in Terminated Single-Employer Plans; Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits'' received on October 1, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–4220. A communication from the Secretary of Labor, transmitting, pursuant to law, the Annual Report on the Operations of the Office of Workers Compensation Programs for Fiscal Year 2000; to the Committee on Health, Education, Labor, and Pensions.

EC–4221. A communication from the Inspector General, Federal Communications Commission, transmitting, pursuant to law, the commercial inventory report; to the Committee on Governmental Affairs.

EC–4222. A communication from the Director of the Office of Personnel Management, Office of Insurance Programs, transmitting, pursuant to law, the report of a rule entitled ''Suspension of Enrollment in the Federal Employees Health Benefits (FEHB) Program to Enroll in TRICARE'' (RIN3206–AJ36) received on October 1, 2001; to the Committee on Governmental Affairs.

EC–4223. A communication from the Director of the Office of Personnel Management, Workforce Compensation, transmitting, pursuant to law, the report of a rule entitled ''Final Regulation on Pretax Allotments for Health Insurance Premiums'' (RIN3206–AJ16) received on October 1, 2001; to the Committee on Governmental Affairs.

EC–4224. A communication from the Assistant Secretary for Export Administration, Bureau of Export Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Revisions and Clarifications to the Export Administration Regulations—Chemical and Biological Weapons Controls: Australia Group; Chemical Weapons Convention'' (RIN0694–AC43) received on October 1, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–4225. A communication from the Deputy Legal Counsel, Community Development Financial Institutions Fund, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Notice of Funds Availability Inviting Applications for the Community Development Financial Institutions Program—Core and Intermediary Components'' received on October 1, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–4226. A communication from the Chief Counsel, Foreign Assets Control, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Federal Republic of Yugoslavia (Serbia and Montenegro) Kosovo Sanctions Regulations; Federal Republic of Yugoslavia (Serbia and Montenegro) Miloservic Regulations'' received on October 1, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–4227. A communication from the Secretary of Energy and the Secretary of Agriculture, transmitting jointly, pursuant to law, a report relative to the Biomass Research and Development Initiative; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4228. A communication from the Congressional Review Coordinator , Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Tuberculosis in Cattle, Bison, and Captive Cervics; State and Zone Designations'' (Doc. No. 99-092-2) received on October 1, 2001 ; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4229. A communication from the Acting Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Oranges, Grapefruit, Tangerines, and Tangelos Grown in Florida; Limiting the Volume of Small Red Seedless Grapefruit'' (Doc. No. FV01–905–1IFR) received on October 1, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4230. A communication from the Acting Administrator of the Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Irish Potatoes Grown in Colorado; Suspension of Continuing Assessment Rate'' (Doc. No. FV01–948–2IFR) received on October 1, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4231. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Tebufenozide; Tolerances for Emergency Exemptions'' (FRL6804–3) received on October 1 , 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4232. A communication from the Deputy Assistant Administrator of the Office of Diversion Control, Drug Enforcement Administration, Department of Justice, transmitting, pursuant to law, the report of a rule entitled ''Waiver of Advance Notification Requirement to Import Acetone, 2-Butanone (MEK), and Toluene'' (RIN1117–AA53) received on October 1, 2001; to the Committee on the Judiciary.

EC–4233. A communication from the Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting, pursuant to law, the Annual Report for Fiscal Year 2000; to the Committee on the Judiciary.

EC–4234. A communication from the Director of the Administrative Office of the United States Courts, transmitting, pursuant to law, the 2000 Activities of the Administrative Office of the United States Courts, and the 2000 Judicial Business of the United States Courts; to the Committee on the Judiciary.

EC–4235. A communication from the Acting Director of Endangered Species, Fish and Wildlife Service, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Wildlife and Plants; Determination of Endangered Status for the Scaleshell Mussel'' (RIN1018–AF57) received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4236. A communication from the Acting Director of the Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Wildlife and Plants: Determination of Endangered Status for the Ohlone Tiger Beetle (Cincindela ohlone)'' (RIN1018–AF89) received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4237. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Guidelines for Implementing the Three Percent Set-Aside Provision Contained in the State and Tribal Assistance Grants Account Section of the Agency's Fiscal Year Appropriations Act'' received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4238. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Pretreatment Program Reinvention Pilot Projects Under Project XL'' (FRL7073–3) received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4239. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Clean Air Act Approval of Operating Permit Program Revision: West Virginia'' (FRL7073–9) received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4240. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Clean Air Act Full Approval of Operating Permit Program; West Virginia'' (FRL7073–7) received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4241. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Clean Air Act Full Approval of Operating Permit Program; Delaware'' (FRL7072–7) received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4242. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''NSPS and NESHAP; Delegation of Authority to the States of Iowa; Kansas; Missouri; Nebraska; Lincoln-Lancaster County, Nebraska; and City of Omaha, Nebraska'' (FRL7071–5) received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4243. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Revisions to the California State Implementation Plan, Imperial County Air Pollution Control District, Montery Bay Unified Air Pollution Control District'' (FRL7098–9) received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4244. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Clean Air Act (CAA) Full Approval of Operating Permits Program in the State of Florida'' (FRL7072–1) received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4245. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Clean Air Act (CAA) Final Full Approval of Operating Permits Program; State of Idaho'' (FRL7068–5) received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4246. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Clean Air Act (CAA) Full Approval of Operating Permits Program and Approval and Promulgation of Implementation Plans; State of Arkansas; New Source Review (NSR)'' (FRL7072–2) received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4247. A communication from the Deputy Chief, Programs and Legislation Division, Office of Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a report relative to the Air Force Academy, Colorado; to the Committee on Armed Services.

EC–4248. A communication from the Director, Defense Procurement, Department of Defense, transmitting, pursuant to law, the report of a rule entitled ''Domestic Source Restrictions—Ball and Roller Bearings and Vessel Propellers'' (Case 2000–D301) received on October 1, 2001; to the Committee on Armed Services.

EC–4249. A communication from the Director, Defense Procurement, Department of Defense, transmitting, pursuant to law, the report of a rule entitled ''Cancellation of MIL–STD–973, Configuration Management'' (Case 2001–D001) received on October 1, 2001; to the Committee on Armed Services.

EC–4250. A communication from the Director, Defense Procurement, Department of Defense, transmitting, pursuant to law, the report of a rule entitled ''Use of Recovered Materials'' (Case 2001–D005) received on October 1, 2001; to the Committee on Armed Services.

EC–4251. A communication from the Director, Defense Procurement, Department of Defense, transmitting, pursuant to law, the report of a rule entitled ''Cost or Pricing Data Threshold'' (Case 2000–D026) received on October 1, 2001; to the Committee on Armed Services.

EC–4252. A communication from the Director, Defense Procurement, Department of Defense, transmitting, pursuant to law, the report of a rule entitled ''Memorandum of Understanding—Section 8(a) Program'' (Case 2001–D009) received on October 1, 2001; to the Committee on Armed Services.

EC–4253. A communication from the Under Secretary of Defense, Acquisition, Technology and Logistics, transmitting, pursuant to law, a report relative to the Auxiliary Cargo and Ammunition Ship Live Fire Test and Evaluation Management Plan; to the Committee on Armed Services.

EC–4254. A communication from the Chief of the Regulations Branch, United States Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Name Change of User Fee Airport in Ocala, Florida'' (T.D. 01–69) received on September 26, 2001; to the Committee on Finance.

EC–4255. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Rev. Rul. 97–31—Modification of Rev. Rul. 97–31'' (Rev. Rul. 2001–48) received on September 26, 2001; to the Committee on Finance.

EC–4256. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Liabilities Assumed in Certain Corporate Transactions'' (RIN1545–AY55) received on September 26, 2001; to the Committee on Finance.

EC–4257. A communication from the Chief of the Regulations Branch, United States Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''User Fee Airports'' (T.D.01–70) received on September 26, 2001; to the Committee on Finance.

EC–4258. A communication from the Acting Commissioner of Social Security, transmitting, pursuant to law, the Annual Report of Continuing Disability Reviews for Fiscal Year 2000; to the Committee on Finance.

EC–4259. A communication from the Chairman of the United States International Trade Commission, transmitting, pursuant to law, a report entitled ''The Impact of the Caribbean Basin Economic Recovery Act (CBERA) for calendar years 1999 and 2000; to the Committee on Finance.

EC–4260. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Appeals Settlement Guidelines: Loss Utilization in a Life-Nonlife Consolidated Return—Separate V. Single Entity Approach'' (UIL: 1503.05–00) received on October 1, 2001; to the Committee on Finance.

EC–4261. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Appeals Settlement Guidelines: Gaming—Applicable Recovery Period under IRC sec. 168(a) for Slot Machines, Video Lottery Terminals, and Gaming Furniture, Fixtures, and Equipment'' (UIL: 0168.20–06) received on October 1, 2001; to the Committee on Finance.

EC–4262. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Archer MSA Count for 2001'' (Ann. 2001–99) received on October 1, 2001; to the Committee on Finance.

EC–4263. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''2002 Per Diem Rates'' (Rev. Proc. 2001–47) received on October 1, 2001; to the Committee on Finance.

EC–4264. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Bureau of Labor Statistics Price Indexes for Department Stores—August 2001'' (Rev. Rul. 2001–45) received on October 1, 2001; to the Committee on Finance.

EC–4265. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airspace Actions Amend Class E5 Airspace, Ocracke, NC'' ((RIN2120–AA66)(2001–0154)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4266. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Request for Comments Goodyear Tire and Rubber Company Flight Eagle Tires, 34x9.25–16 18PR210MPH, Part Number 348F83–2'' ((RIN2120–AA64)(2001–0491)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4267. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Rolls Royce Corporation (Formerly Allison Engine Company) AE 210 Turboprop and AE 3007 Turbofan Series Engines'' ((RIN2120–AA64)(2001–0491)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4268. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Coast Guard Force Protection Station Portsmouth Harbor, Portsmouth, New Hampshire; Coast Guard Base Portland, South Portland, Maine, and Station Boothbay Harbor, Boothbay Harbor Maine'' ((RIN2115–AA97)(2001–0113)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4269. A communication from the Chief of Regulations and Administrative Law,

United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Part of Jacksonville and Port Canaveral, Florida (COTP Jacksonville 01–095)'' ((RIN2115–AA97)(2001–0114)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4270. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Regulations: Piscataqua River, ME'' ((RIN2115–AE47)(2001–0073)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4271. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Regulations: Harlem River, MA'' ((RIN2115–AE47)(2001–0074)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4272. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Technical Amendments; Organizational Changes; Miscellaneous Editorial Changes and Conforming Amendments'' ((RIN2115–ZZ02)(2001–0001)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4273. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Lake Ontario, Rochester, New York'' ((RIN2115–AA97)(2001–0109)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4274. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Snell and Eisenhower Locks , St. Lawrence River, Massena, New York'' ((RIN2115–AA97)(2001–0110)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4275. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Lake Ontario, Oswego, New York'' ((RIN2115–AA97)(2001–0111)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4276. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Saint Lawrence River, Massena, New York'' ((RIN2115–AA97)(2001–0112)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4277. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; St. Croix, U.S. Virgin Island (COTP San Juan 01–098)'' ((RIN2115–AA97)(2001–0105)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4278. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Port of Charleston, South Carolina (COTP Charleston 01–101)'' ((RIN2115–AA97)(2001–0106)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4279. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Tomlinson Bridge, Quinnipiac River, New Haven, CT'' ((RIN2115–AA97)(2001–0107)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4280. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Port of Charleston, South Carolina (COTP Charleston 01–097)'' ((RIN2115–AA97)(2001–0108)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.ec4281

EC–4281. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Regulations; Lake Pontchartrain, LA'' ((RIN2115–AE47)(2001–0100)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4282. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Temporary Flight Restrictions'' (RIN2120–AH13) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4283. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airspace Designations; Incorporation by Reference'' (RIN2120–ZZ37) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4284. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Security Control of Air Traffic; request for comments'' (RIN2120–AH25) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4285. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Prohibition Against Certain Flights Within the Territory and Airspace of Afghanistan'' (RIN2120–ZZ36) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4286. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments (35); amdt no. 2070 [9–21/9–27]'' ((RIN2120–AA65)(2001–0051)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4287. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments (102); amdt. no. 2067 [9–10/9–27]'' ((RIN2120–AA65)(2001–0050)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4288. A communication from the Attorney/Advisor, Department of Transportation, transmitting, pursuant to law, the report of a nomination for the position of Assistant Secretary for Aviation and International Affairs, Office of the Secretary, received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4289. A communication from the Assistant Administrator for Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska—Final Rule to Implement Amendment 60 to the Fishery Management Plan (FMP) for the Groundfish Fishery of the Bering Sea and Aleutian Islands Area, Amendment 58 to the FMP for Groundfish of the Gulf of Alaska, and Amendment 10 to the FMP for the Commercial King and Tanner Crab Fisheries in the Bering Sea and Aleutian Islands'' (RIN0648–AL95) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4290. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Ocean Perch in the Central Aleutian District of the Bering Sea and Aleutian Islands Management Area'' received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4291. A communication from the Director for Executive Budgeting and Assistance Management, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Department of Commerce Pre-Award Notification Requirements for Grants and Cooperative Agreements'' received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4292. A communication from the Secretary of Commerce, transmitting, a draft of proposed legislation to amend section 3007 of the Balanced Budget Act of 1997 to shift auction deadlines for spectrum bands; to the Committee on Commerce, Science, and Transportation.

EXECUTIVE REPORT OF COMMITTEE

The following executive report of committee was submitted:

By Mr. BIDEN for the Committee on Foreign Relations:

*Robert W. Jordan, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Saudi Arabia.

(The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.)

Nominee: Robert W. Jordan.

Post: Ambassador to Saudi Arabia.

Contributions, Amount, Date, and Donee:

1. Self: Robert W. Jordan: $600, February 27, 2001, Baker Botts Bluebonnent Fund; $100, May 18, 2001, Republican National Committee; $500, January 12, 2000, Jon Newton for U.S. Congress; $600, February 27, 2000, Baker & Botts Bluebonnet Fund; $100, March 31, 2000, Darrell Clements (for U.S. Congress); $100, March 31, 2000, Republican National

Committee; $100, June 14, 2000, Pete Sessions (for U.S. Congress); $50, June 14, 2000, Republican National Committee; $1,000, June 20, 2000, Good Government Fund; $600, February 23, 1999, Baker & Botts Bluebonnet Fund; $1,000, March 17, 1999, Bush for President; $1,000 (general), April 8, 1999, Senator Kay Bailey Hutchison; $1,000 (primary), April 8, 1999, Senator Kay Bailey Hutchison; $300, November 17, 1999, Baker & Botts Bluebonnent Fund; $500, December 9, 1999, Congressman Pete Sessions; $600, March 23, 1998, Baker & Botts Bluebonnet Fund.

2. Spouse: Ann T. Jordan: $30, June 8, 2000, Native American Heritage Association; $25, March 31, 1999, Native American Rights Fund; $30, March 31, 1999, Native American Heritage Association; $200, May 2, 1999, Emily's List; $30, November 1, 1998, NARAL; $30, January 5, 1997, Native American Heritage Association.

3. Children and Spouses: Mark T. Jordan, none; Peter P. Jordan, none; Andrew R. Jordan, none.

Parents: Philip L. Jordan (deceased); Eloise W. Jordan (deceased).

5. Grandparents: Gilbert and Edna Wood (deceased); Francis and Marie Jordan (deceased).

6. Brothers and Spouses: Philip Jordan, Jr., none; Karen Jordan, none.

7. Sisters and Spouses: none.

*Nomination was reported with recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. EDWARDS (for himself and Mr. HAGEL):

S. 1486. A bill to ensure that the United States is prepared for an attack using biological or chemical weapons; to the Committee on Health, Education, Labor, and Pensions.

By Mr. SCHUMER (for himself and Mrs. CLINTON):

S. 1487. A bill to amend the Internal Revenue Code of 1986 to encourage the patronage of the hospitality, restaurant, and entertainment industries of New York City; to the Committee on Finance.

By Mr. ROCKEFELLER (by request):

S. 1488. A bill to amend title 38, United States Code, to authorize a cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and dependency and indemnity compensation for the survivors of certain disabled veterans, to make modifications in the veterans home loan guaranty program, to make permanent certain temporary authorities, and for other purposes; to the Committee on Veterans' Affairs.

By Ms. SNOWE (for herself and Mrs. FEINSTEIN):

S. 1489. A bill to provide for the sharing of information between Federal departments, agencies, and other entities with respect to aliens seeking admission to the United States, and for other purposes; to the Committee on the Judiciary.

By Ms. SNOWE:

S. 1490. A bill to establish terrorist lookout committees in each United States Embassy; to the Committee on Foreign Relations.

By Ms. SNOWE (for herself and Mrs. FEINSTEIN):

S. 1491. A bill to provide for the establishment and implementation of a fingerprint processing system to be used whenever a visa is issued to an alien; to the Committee on the Judiciary.

By Mr. GRAMM (for himself and Mr. MILLER):

S. 1492. A bill to amend the Internal Revenue Code of 1986 to repeal the tax relief sunset and to reduce the maximum capital gains rates for individual taxpayers, and for other purposes; to the Committee on Finance.

By Mr. BOND:

S. 1493. A bill to forgive interest payments for a 2-year period on certain disaster loans to small business concerns in the aftermath of the terrorist attacks perpetrated against the United States on September 11, 2001, to amend the Internal Revenue Code of 1986 to provide tax relief for small business concerns, and for other purposes ; to the Committee on Finance.

By Mrs. LINCOLN (for herself, Mr. SHELBY, Mr. SESSIONS , Mr. BREAUX, Ms. LANDRIEU, Mr. HUTCHINSON, and Mr. COCHRAN):

S. 1494. A bill to amend the Federal Food, Drug, and Cosmetic Act to limit the use of the common name ''catfish'' in the market of fish; to the Committee on Health, Education, Labor, and Pensions.

By Mr. SMITH of New Hampshire (for himself and Mr. INHOFE):

S. 1495. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to modify provisions concerning the liability associated with a release or threatened release of recycled oil; to the Committee on Environment and Public Works.

By Mr. GRAHAM:

S. 1496. A bill to clarify the accounting treatment for Federal income tax purposes of deposits and similar amounts received by a tour operator for a tour arranged by such operator; to the Committee on Finance.

By Mr. HATCH:

S. 1497. A bill to convey certain property to the city of St. George, Utah, in order to provide for the protection and preservation of certain rare paleontological resources on that property, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. LIEBERMAN (for himself, Mr. THOMPSON, Mr. AKAKA , and Mr. WARNER):

S. 1498. A bill to provide that Federal employees, members of the foreign service, members of the uniformed services, family members and dependents of such employees and members, and other individuals may retain for personal use promotional items received as a result of official Government travel; to the Committee on Governmental Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. REED (for himself, Ms. COLLINS, Mr. TORRICELLI, Mr. BOND, Mr. AKAKA, Mr. BAYH, Mrs. BOXER, Mr. BREAUX, Mrs. CARNAHAN, Mr. CARPER, Mr. CHAFEE, Mr. CLELAND, Mrs. CLINTON, Mr. CONRAD, Mr. CORZINE, Mr. DEWINE, Mr. DODD, Mr. DORGAN, Mr. DURBIN, Mr. EDWARDS, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. FRIST, Mr. GRAHAM, Mr. INOUYE, Mr. JEFFORDS, Mr. JOHNSON, Mr. KENNEDY, Mr. KERRY, Mr. KOHL, Ms. LANDRIEU, Mr. LEVIN, Mr. LIEBERMAN, Mrs. LINCOLN, Ms. MIKULSKI, Mr. REID, Mr. SARBANES, Mr. SCHUMER, Mr. SMITH of Oregon, Ms. STABENOW, and Mr. WELLSTONE):

S. Res. 166. A resolution designating the week of October 21, 2001, through October 27, 2001, and the week of October 20, 2002, through October 26, 2002, as ''National Childhood Lead Poisoning Prevention Week''; to the Committee on the Judiciary.

By Mr. McCAIN (for himself, Mr. KERRY, Mr. GRAHAM, Mr. HAGEL, Mr. NELSON of Florida, Mr. CLELAND, and Mr. CARPER):

S. Res. 167. A resolution recognizing Ambassador Douglas ''Pete'' Peterson for his service to the United States as the first American ambassador to Vietnam since the Vietnam War; considered and agreed to.

ADDITIONAL COSPONSORS

SEPTEMBER 21, 2001

S. RES. 160

At the request of Mr. HATCH, the names of the Senator from Ohio (Mr. DEWINE), the Senator from Colorado (Mr. CAMPBELL), the Senator from New York (Mrs. CLINTON), the Senator from Nebraska (Mr. NELSON), the Senator from Vermont (Mr. LEAHY), the Senator from North Dakota (Mr. CONRAD), the Senator from Tennessee (Mr. FIRST), the Senator from West Virginia (Mr. ROCKEFELLER), the Senator from Vermont (Mr. JEFFORDS), the Senator from Montana (Mr. BAUCUS), the Senator from Alabama (Mr. SESSIONS), the Senator from North Carolina (Mr. HELMS), the Senator from New Mexico (Mr. BINGAMAN), the Senator from Kentucky (Mr. BUNNING), the Senator from Georgia (Mr. MILLER), the Senator from Alaska (Mr. MURKOWSKI),the Senator from Oklahoma (Mr. NICKLES), the Senator from Mississippi (Mr. COCHRAN), the Senator from New Mexico (Mr. DOMENICI), the Senator from Virginia (Mr. ALLEN), the Senator from Oregon (Mr. SMITH), the Senator from Oregon (Mr. WYDEN), the Senator from California (Mrs. FEINSTEIN), the Senator from South Dakota (Mr. DASCHLE), the Senator from Illinois (Mr. FITZGERALD), the Senator from Maine (Ms. SNOWE), the Senator from Maine (Ms. COLLINS), the Senator from Minnesota (Mr. WELLSTONE), the Senator from Massachusetts (Mr. KERRY), the Senator from North Dakota (Mr. DORGAN), the Senator from Washington (Ms. CANTWELL), the Senator from Michigan (Ms. STABENOW), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Arkansas (Mrs. LINCOLN), the Senator from Pennsylvania (Mr. SPECTER), the Senator from Delaware (Mr. BIDEN), the Senator from Kansas (Mr. BROWNBACK), the Senator from Kansas (Mr. ROBERTS), the Senator from Colorado (Mr. ALLARD), the Senator from Indiana (Mr. BAYH), the Senator from West Virginia (Mr. BYRD), the Senator from Florida (Mr. NELSON), the Senator from New York (Mr. SCHUMER), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Pennsylvania (Mr. SANTORUM), the Senator from Texas (Mrs. HUTCHISON), the Senator from New Jersey (Mr.

CORZINE), the Senator from Tennessee (Mr. THOMPSON), the Senator from Indiana (Mr. LUGAR), the Senator from Ohio (Mr. VOINOVICH), the Senator from Kentucky (Mr. MCCONNELL), the Senator from Mississippi (Mr. LOTT), the Senator from Hawaii (Mr. AKAKA), the Senator from California (Mrs. BOXER), the Senator from Illinois (Mr. DURBIN), the Senator from Louisiana (Mr. BREAUX), the Senator from Minnesota (Mr. DAYTON), the Senator from Wyoming (Mr. ENZI), the Senator from Wyoming (Mr. THOMAS), and the Senator from New Hampshire (Mr. SMITH) were added as cosponsors of S. Res. 160, a resolution designating the month of October 2001, as ''Family History Month.''

SEPTEMBER 24, 2001

S. 1454

At the request of Mrs. CARNAHAN, the names of the Senator from Virginia (Mr. WARNER), the Senator from Massachusetts (Mr. KERRY), the Senator from Louisiana (Ms. LANDRIEU), and the Senator from Michigan (Ms. STABENOW) were added as cosponsors of S. 1454, a bill to provide assistance for employees who are separated from employment as a result of reductions in service by air carriers, and closures of airports, caused by terrorist actions or security measures.

S. RES. 160

At the request of Mr. HATCH, the names of the Senator from Montana (Mr. BURNS), the Senator from Idaho (Mr. CRAPO), the Senator from Nebraska (Mr. HAGEL), the Senator from Wisconsin (Mr. KOHL), the Senator from Michigan (Mr. LEVIN), the Senator from Maryland (Ms. MIKULSKI), the Senator from Alabama (Mr. SHELBY), the Senator from Maryland (Mr. SARBANES), the Senator from Washington (Mrs. MURRAY), and the Senator from Florida (Mr. GRAHAM) were added as cosponsors of S. Res. 160, a resolution designating the month of October 2001, as ''Family History Month.''

AMENDMENT NO 1599

At the request of Mr. LOTT, the names of the Senator from Maine (Ms. SNOWE), the Senator from Maine (Ms. COLLINS), the Senator from Alaska (Mr. STEVENS), the Senator from Louisiana (Ms. LANDRIEU), and the Senator from Rhode Island (Mr. CHAFEE) were added as cosponsors of amendment No. 1599 intended to be proposed to S. 1438, a bill to authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, for military constructions, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENT NO. 1601

At the request of Mr. LOTT, the names of the Senator from Maine (Ms. SNOWE), the Senator from Maine (Ms. COLLINS), and the Senator from North Dakota (Mr. DORGAN) wee added as cosponsors of amendment No. 1601 intended to be proposed to S. 1438, a bill to authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, for military constructions, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

SEPTEMBER 25, 2001

AMENDMENT NO. 1599

At the request of Mr. LOTT, the names of the Senator from Connecticut (Mr. DODD) and the Senator from Louisiana (Mr. BREAUX) were added as cosponsors of amendment No. 1599 intended to be proposed to S. 1438, a bill to authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, for military constructions, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, as for other purposes.

OCTOBER 3, 2001

S. 326

At the request of Ms. COLLINS, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 326, a bill to amend title XVIII of the Social Security Act to eliminate the 15 percent reduction in payment rates under the prospective payment system for home health services and to permanently increase payments for such services that are furnished in rural areas.

S. 525

At the request of Mr. GRAHAM, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 525, a bill to expand trade benefits to certain Andean countries, and for other purposes.

S. 543

At the request of Mr. WELLSTONE, the name of the Senator from Florida (Mr. GRAHAM) was added as a cosponsor of S. 543, a bill to provide for equal coverage of mental health benefits with respect to health insurance coverage unless comparable limitations are imposed on medical and surgical benefits.

S. 686

At the request of Mrs. LINCOLN, the name of the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 686, a bill to amend the Internal Revenue Code of 1986 to provide a credit against tax for energy efficient appliances.

S. 1017

At the request of Mr. DODD, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 1017, a bill to provide the people of Cuba with access to food and medicines from the United States, to ease restrictions on travel to Cuba, to provide scholarships for certain Cuban nationals, and for other purposes.

S. 1165

At the request of Mr. BIDEN, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 1165, a bill to prevent juvenile crime, promote accountability by and rehabilitation of juvenile crime, punish and deter violent gang crime, and for other purposes.

S. 1224

At the request of Mr. ALLARD, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 1224, a bill to amend title XVIII of the Social Security Act to extend the availability of medicare cost contracts for 10 years.

S. 1236

At the request of Mrs. FEINSTEIN, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. 1236, a bill to reduce criminal gang activities.

S. 1256

At the request of Mrs. FEINSTEIN, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 1256, a bill to provide for the reauthorization of the breast cancer research special postage stamp, and for other purposes.

S. 1257

At the request of Mr. REID, the name of the Senator from Oregon (Mr. SMITH of Oregon) was withdrawn as a cosponsor of S. 1257, a bill to require the Secretary of the Interior to conduct a theme study to identify sites and resources to commemorate and interpret the Cold War.

S. 1278

At the request of Mrs. LINCOLN, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1278, a bill to amend the Internal Revenue Code of 1986 to allow a United States independent film and television production wage credit.

S. 1339

At the request of Mr. CAMPBELL, the name of the Senator from Kentucky (Mr. BUNNING) was added as a cosponsor of S. 1339, a bill to amend the Bring Them Home Alive Act of 2000 to provide an asylum program with regard to American Persian Gulf War POW/MIAs, and for other purposes.

S. 1379

At the request of Mr. KENNEDY, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 1379, a bill to amend the Public Health Service Act to establish an Office of Rare Diseases at the National Institutes of Health, and for other purposes.

S. 1434

At the request of Mr. SPECTER, the names of the Senator from Illinois (Mr. DURBIN), the Senator from Michigan (Mr. LEVIN), and the Senator from Virginia (Mr. WARNER) were added as cosponsors of S. 1434, a bill to authorize the President to award posthumously the Congressional Gold Medal to the passengers and crew of United Airlines flight 93 in the aftermath of the terrorist attack on the United States on September 11, 2001.

S. 1444

At the request of Mr. MCCONNELL, the name of the Senator from North

Carolina (Mr. HELMS) was added as a cosponsor of S. 1444, a bill to establish a Federal air marshals program under the Attorney General.

S. 1454

At the request of Mrs. CARNAHAN, the names of the Senator from New York (Mr. SCHUMER) and the Senator from North Carolina (Mr. EDWARDS) were added as cosponsors of S. 1454, a bill to provide assistance for employees who are separated from employment as a result of reductions in service by air carriers, and closures of airports, caused by terrorist actions or security measures.

S. 1465

At the request of Mr. BROWNBACK, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1465, a bill to authorize the President to provide assistance to Pakistan and India through September 30, 2003.

S. 1478

At the request of Mr. SANTORUM, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. 1478, a bill to amend the Animal Welfare Act to improve the treatment of certain animals, and for other purposes.

S.J. RES. 18

At the request of Mr. SARBANES, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S.J. Res. 18, a joint resolution memorializing fallen firefighters by lowering the United States flag to half-staff on the day of the National Fallen Firefighters Memorial Service in Emmitsburg, Maryland.

S. CON. RES. 70

At the request of Mr. WARNER, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. Con. Res. 70 , a concurrent resolution expressing the sense of the Congress in support of the ''National Wash America Campaign.''

S. CON. RES. 74

At the request of Mr. DURBIN, the names of the Senator from Indiana (Mr. BAYH) and the Senator from Tennessee (Mr. THOMPSON) were added as cosponsors of S. Con. Res. 74, a concurrent resolution condemning bigotry and violence against Sikh-Americans in the wake of terrorist attacks in New York City and Washington, D.C. on September 11, 2001.

AMENDMENT NO. 1820

At the request of Ms. COLLINS, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of amendment No. 1820 proposed to S. 1438, a bill to authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, for military constructions, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROCKEFELLER (by request):

S. 1488. A bill to amend title 38, United States Code, to authorize a cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and dependency and indemnity compensation for the survivors of certain disabled veterans, to make modifications in the veterans home loan guaranty program, to make permanent certain temporary authorities, and for other purposes; to the Committee on Veterans' Affairs.

Mr. ROCKEFELLER. Madam President, today I introduce legislation requested by the Secretary of Veterans Affairs, as a courtesy to the Secretary and the Department of Veterans Affairs, VA. Except in unusual circumstances, it will be my practice to introduce legislation requested by the administration so that such measures will be available for review and consideration.

This ''by-request'' bill is titled the ''Veterans' Benefits Act of 2001.'' It would, among other things, authorize a cost-of-living adjustment for fiscal year 2002 for VA disability compensation, make modifications the VA home loan guaranty program, and make permanent certain temporary authorities.

I ask unanimous consent that the text of the bill and Secretary Principi's transmittal letter that accompanied the draft legislation be printed in the RECORD.

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

S. 1488

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

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Veterans' Benefits Act of 2001''.

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—COMPENSATION PROGRAM

SEC. 101. INCREASE IN COMPENSATION RATES AND LIMITATIONS.

(a) RATE ADJUSTMENT.—The Secretary of Veterans Affairs shall, effective on December 1, 2001, increase the dollar amounts in effect for the payment of disability compensation and dependency and indemnity compensation by the Secretary, as specified in subsection (b).

(b) AMOUNTS TO BE INCREASED.—The dollar amounts to be increased pursuant to subsection (a) are the following:

(1) COMPENSATION.—Each of the dollar amounts in effect under section 1114 of title 38, United States Code.

(2) ADDITIONAL COMPENSATION FOR DEPENDENTS.—Each of the dollar amounts in effect under section 1115(1) of such title.

(3) CLOTHING ALLOWANCE.—The dollar amount in effect under section 1162 of such title.

(4) NEW DIC RATES.—The dollar amounts in effect under paragraphs (1) and (2) of section 1311(a) of such title.

(5) OLD DIC RATES.—Each of the dollar amounts in effect under section 1311(a)(3) of such title.

(6) ADDITIONAL DIC FOR SURVIVING SPOUSES WITH MINOR CHILDREN.—The dollar amount in effect under section 1311(b) of such title.

(7) ADDITIONAL DIC FOR DISABILITY.—The dollar amounts in effect under sections 1311(c) and 1311(d) of such title.

(8) DIC FOR DEPENDENT CHILDREN.—The dollar amounts in effect under sections 1313(a) and 1314 of such title.

(c) DETERMINATION OF INCREASE.—(1) The increase under subsection (a) shall be made in the dollar amounts specified in subsection (b) as in effect on November 30, 2001.

(2) Except as provided in paragraph (3), each such amount shall be increased by the same percentage as the percentage by which benefit amounts payable under title II of the Social Security Act (42 U.S.C. 401 et seq.) are increased effective December 1, 2001, as a result of a determination under section 215(i) of such Act (42 U.S.C. 415(i)).

(3) Each dollar amount increased pursuant to paragraph (2) shall, if not a whole dollar amount, be rounded down to the next lower whole dollar amount.

(d) SPECIAL RULE.—The Secretary may adjust administratively, consistent with the increases made under subsection (a), the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85–857 (72 Stat. 1263) who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

(e) PUBLICATION REQUIREMENT.—At the same time as the matters specified in section 215(i)(2)(D) of the Social Security Act (42 U.S.C. 415(i)(2)(D)) are required to be published by reason of a determination made under section 215(i) of such Act during fiscal year 2002, the Secretary shall publish in the Federal Register the amounts specified in subsection (b) as increased under this section.

SEC. 102. ROUNDING DOWN OF COST-OF-LIVING ADJUSTMENTS IN COMPENSATION AND DIC RATES.

(a) COMPENSATION COLAS.—Section 1104(a) is amended by striking out ''fiscal years 1998 through 2002.''

(b) DIC COLAS.—Section 1303(a) is amended by striking out ''fiscal years 1998 through 2002.''

TITLE II—HOUSING LOANS

SEC. 201. VENDEE LOAN AUTHORITY.

(a) TERMINATION OF VENDEE LOAN AUTHORITY.—Section 3733(a) is amended by striking out paragraphs (1) and (2) in their entirety and inserting in lieu thereof:

''(1) Prior to October 1, 2001, the Secretary may sell real property acquired by the Secretary as the result of a default on a loan guaranteed or made under this chapter with the purchase financed by a loan made by the Secretary.''

(b) INTERNAL REVENUE CODE AMENDMENT.—Section 6103(I)(7)(D) of the Internal Revenue Code of 1986, is amended by striking out ''Clause (viii) shall not apply after September 30, 2003.''

SEC. 302. LIMITATION ON PENSION FOR CERTAIN RECIPIENTS OF MEDICAID-COVERED NURSING HOME CARE.

Section 5503(f) is amended by striking out paragraph (7).

SEC. 303. HEALTH CARE AND MEDICATION COPAYMENTS.

(a) Section 1710 is amended by striking out ''before September 30, 2002,'' in subsection (f)(2)(B).

(b) Section 1722A is amended by striking out subsection (d).

SEC. 304. THIRD-PARTY INSURANCE COLLECTIONS.

Section 1729 is amended by striking out ''before October 1, 2002,'' in subsection (a)(2)(E).

THE SECRETARY OF VETERANS AFFAIRS,
Washington, August 2, 2001.

Hon. RICHARD B. CHENEY,
President of the Senate,
Washington, DC.

DEAR MR. VICE PRESIDENT: There is transmitted herewith a draft bill, the ''Veterans' Benefits Act of 2001,'' to authorize a cost-of-living adjustment (COLA) for fiscal year (FY) 2002 in the rates of disability compensation and dependency and indemnity compensation (DIC), to make modifications in the veterans home loan guaranty program, to make permanent certain temporary authorities, and for other purposes. All of the bill's provisions are in support of the President's FY 2002 budget request for the Department of Veterans Affairs (VA). I request that this bill be referred to the appropriate committee for prompt consideration and enactment.

Compensation and DIC COLA

Section 101 of the draft bill would direct the Secretary of Veterans Affairs to increase administratively the rates of compensation for service-disabled veterans and of DIC for the survivors of veterans whose deaths are service related, effective December 1, 2001. As provided in the President's FY 2002 budget request, the rate of increase would be the same as the COLA that will be provided under current law to veterans' pension and Social Security recipients, which is currently estimated to be 2.5 percent. We estimate that enactment of this section would cost $376 million during FY 2002, $7.1 billion over the period FYs 2002–2006 and $27.6 billion over the period FYs 2002–2011. Although this section is subject to the pay-as-you-go (PAYGO) requirement of the Omnibus Budget Reconciliation Act of 1990 (OBRA), the paygo effect would be zero because OBRA requires that the full compensation COLA be assumed in the baseline. We believe this proposed COLA is necessary and appropriate in order to protect the benefits of affected veterans and their survivors from the eroding effects of inflation. These worthy beneficiaries deserve no less.

Section 102 of the draft bill would amend 38 U.S.C. §§1104(a) and 1303(a), respectively, to provide that, in calculating the cost-of-living adjustment in the rates of disability compensation and dependency and indemnity compensation pursuant to the enactment of authorizing legislation governing payment of benefits in FY 2002 and thereafter, the Secretary of Veterans Affairs shall round down to the next lower whole dollar any rate that is not evenly divisible by one dollar. Currently, section 1104(a) requires the Secretary to utilize this round-down calculation method during FYs 1998 through 2002. This requirement was added by Public Law No. 105–33, §8031(a)(1), 111 Stat. 251, 668 (1997). This section was renumbered (from 1103 to 1104) by Public Law No. 105–368, §1005(a), 112 Stat. 3315, 3364 (1998). Section 102 is subject to the PAYGO requirement of OBRA. Enactment of this section would result in no cost savings in FY 2002, but would result in savings of $14.5 million in FY 2003, $196 million over the period FYs 2002–2006 and $996 million over the period FYs 2002–2011.

Housing Loans

Section 201 of the draft bill would terminate, effective October 1, 2001, the authority of the Secretary to provide financing in connection with the sale of a single-family home acquired by (VA) following the foreclosure of a loan guaranteed or made by VA. Such financing is commonly referred to as a ''vendee loan.'' After that date, purchasers of VA-owned properties would need to obtain financing from private lenders. Vendee loans are not a veterans benefit. Currently, all members of the public may purchase VA-owned homes and obtain vendee financing. Veterans receive a very limited preference with regard to purchasing such properties.

Subsection (a) would amend 38 U.S.C. §3733 to terminate vendee loans effective October 1, 2001, except with respect to properties for which VA accepted a purchase before such date.

Subsection (b) would make a conforming amendment to 38 U.S.C. §3720 regarding the powers of the Secretary to dispose of property acquired under the housing loan program.

Section 201 is subject to the PAYGO requirement of OBRA. Enactment of this section would result in a cost of $18 million in FY 2002, and then savings of $50 million over the period FYs 2002–2006 and savings of $227 million over the period FYs 2002–2011.

Section 202 of the draft bill would make permanent the increases in the fees collected from most veterans obtaining or assuming a loan guaranteed, insured, or made by VA. These increases were originally enacted by the Omnibus Budget Reconciliation Act of 1993 (OBRA '93). OBRA '93 increased the fees for most VA guaranteed housing loans by 75 basis points, or 0.75 percent of the loan amount, and established a fee of 3 percent of the loan amount on veterans who obtain a second no-downpayment loan under the VA program. The increased fees are now set to expire on September 30, 2008.

Section 202 is subject to the PAYGO requirement of OBRA. The enactment of section 202 would not result in cost savings until FY 2009. In FY 2009, cost savings would be $275 million, and cost savings for the period FYs 2002–2011 would be $841 million.

Section 203 would make permanent the VA ''no-bid formula'' contained in 38 U.S.C. §3732(c). This formula determines VA's liability to a loan holder under the guaranty and whether or not the holder would have the election to convey the property to VA following the foreclosure. As amended by OBRA '93, the no-bid formula requires VA to consider, in addition to other costs, VA's loss on the resale of the property. The no-bid formula currently applies to all loans closed before October 1, 2008.

Section 203 is subject to the PAYGO requirement of OBRA. The enactment of section 203 would not result in cost savings until FY 2009. In FY 2009, $23 million would be saved as a result of enactment of this section. Total savings from FYs 2002–2011 would be $2 million.

Extension of Temporary Authorities

Section 301 of the draft bill would amend 38 U.S.C. §5317 and 26 U.S.C. §6103, respectively, to permanently authorize VA to verify the eligibility of recipients of, or applicants for, VA's needs-based programs through data matching with the Internal Revenue Service and the Social Security Administration. VA's authority under 38 U.S.C. §5317 expires on September 30, 2008. However, authority under the Internal Revenue Code for this data matching expires on September 30, 2003. This section is subject to the PAYGO requirement of OBRA. Enactment of this section would result in cost savings of $6 million in FY 2004, and would result in cumulative cost savings of $18 million for the period FYs 2002–2006 and $48 million for the period FYs 2002–2011.

Section 302 of the draft bill would make permanent the $90 limitation on monthly VA pension payments that may be made to beneficiaries, without dependents, who are receiving Medicaid-covered nursing-home care by removing the existing September 30, 2008, expiration date set forth in 38 U.S.C. §5503(f). By reducing pension income, this provision reduces beneficiaries' share of their nursing home expenses. State Medicaid programs pay the difference, with a percentage of their expenditures reimbursed by the Federal government. This section is subject to the PAYGO requirement of OBRA. While section 302 would maintain higher State and Federal Medicaid costs, enactment of this section would result in VA cost savings of $527 million in FY 2009. VA cost savings for the period FYs 2002–2011 would be $1.6 billion.

Section 303(a) would amend 38 U.S.C. §1710(f)(2)(B) to make permanent a requirement that veterans eligible for health care under 38 U.S.C. §1710(a)(3) pay a copayment of $10 for each day they receive VA hospital care. The requirement that veterans pay the copayment expires on September 30, 2002. Section 303(a) would also extend the current $5 copayment for each day a veteran receives nursing home care. However, that $5 copayment will continue only until such time that VA publishes final regulations establishing a new copayment for nursing home care in accordance with requirements of 38 U.S.C. §1710B, a new provision added to title 38 by the Millennium Health Care and Benefits Act, Public Law No. 106–117. This section is subject to the PAYGO requirement of OBRA; however, the PAYGO effect would be zero because OBRA requires that collections be assumed in the baseline. Enactment of this section would result in continued collections of $8 million beginning in FY 2003. For FYs 2002–2006, the collections would total $40 million. For the period FYs 2002–2011, total collections would be $80 million.

Subsection (b) would amend 38 U.S.C. §1722A to make permanent a requirement that certain veterans pay VA a copayment for each 30-day supply of medication that they receive on an outpatient basis. The requirement that veterans pay the copayment expires on September 30, 2002. The copayment amount is currently $2 for each prescription, but section 1722A contains provisions allowing VA to increase the copayment

amount and VA is likely to increase the amount during FT 2002. This section is subject to the PAYGO requirement of OBRA; however, the PAYGO effect would be zero because OBRA requires that collections be assumed in the baseline. Assuming continuation of only a $2 copayment, enactment of this section would result in collections of $100 million in FY 2003, $500 million over the period FYs 2002–2006, and $1 billion over the period FYs 2002–2011. In addition, enactment of this section would allow VA to implement the provision of the Veterans Millennium Health Care and Benefits Act increasing copayments, which would result in collections of $268 million in FY 2003.

Section 304 would amend 38 U.S.C. §1729(a)(2)(E) to permanently authorize VA to collect from third-party private insurers for care VA provides to insured service-connected veterans for their nonservice-connected disabilities. Under existing law, the authority to collect from insurers expires on September 30, 2002. This section is subject to the PAYGO requirement of OBRA; however, the PAYGO effect would be zero because OBRA requires that collections be assumed in the baseline. Enactment of this section would result in collections of $591 million in FY 2003. It would result in collections of $2.5 billion for the period FYs 2002–2006 and $5.9 billion over the period FYs 2002–2011.

Because this draft bill would affect direct spending and receipts, it is subject to the PAYGO requirement of OBRA. The Office of Management and Budget estimates that the provisions authorized by this draft bill would result in a total PAYGO cost of $19 million for FY 2002, but a PAYGO savings of $265 million for FYs 2002–2006, and $2.6 billion for FYs 2002–2011.

The Office of Management and Budget has advised that there is no objection to the submission of this legislative proposal to the Congress, and that its enactment would be in accord with the program of the President.

Sincerely yours,

ANTHONY J. PRINCIPI.

By Ms. SNOWE (for herself and Mrs. FEINSTEIN):

S. 1489. A bill to provide for the sharing of information between Federal departments, agencies, and other entities with respect to aliens seeking admission to the United States, and for other purposes; to the Committee on the Judiciary.

By Ms. SNOWE:

S. 1490. A bill to establish terrorist lookout committees in each United States Embassy; to the Committee on Foreign Relations.

By Ms. SNOWE (for herself and Mrs. FEINSTEIN):

S. 1491. A bill to provide for the establishment and implementation of a fingerprint processing system to be used whenever a visa is issued to an alien; to the Committee on the Judiciary.

Ms. SNOWE. Madam President, I rise today to introduce three bills that will provide our first line of defense, our Consular Officers at our embassies and INS Inspectors at our ports-of-entry, with the resources and information they need to determine whether to grant a foreign national a visa or permit them entry to the United States. They are: The Terrorist Lookout Committee Act, the Visa Fingerprinting Act, and the Information Sharing to Strengthen America's Security Act.

I saw firsthand the consequences of serious inadequacies in coordination and communication during my twelve years as ranking member of the House Foreign Affairs International Operations Subcommittee and chair of the International Operations Subcommittee of the Senate Foreign Relations Committee. It was this lack of coordination that permitted the radical Egyptian Sheik Rahman, the mastermind of the 1993 World Trade Center bombing, to enter and exit the U.S. five times unimpeded even after he was put on the State Department's Lookout List in 1987, and allowed him to get permanent residence status by the INS even after the State Department issued a certification of visa revocation.

These bills are an essential step toward removing a vulnerability in our national security that has continued through the years. For example, the Inman report of 1984, which was commissioned by Secretary Shultz after three terrorist attacks against the U.S. Embassy and marines in Lebanon in 1983 and 1984, found that coordination between agencies must be improved. After the 1998 bombings of U.S. embassies in Kenya and Tanzania, the Accountability Review Board, a board which is required by law to make findings and recommendations upon the loss of life or property, made a recommendation that the FBI and State Department should improve their information sharing on terrorism. The 2000 National Commission on Terrorism also recommended that the FBI should establish a cadre of reports officers to distill and disseminate terrorism-related information once it is collected.

While intelligence is frequently exchanged, no law requires law enforcement and intelligence agencies to share information on dangerous aliens with the State Department. The information sharing that does occur among agencies is done on a voluntary basis. Accordingly, the first bill I am introducing, the Information Sharing to Strengthen America's Security Act, requires all U.S. law enforcement agencies and the intelligence community to share information on foreign nationals with the State Department so that visas can be granted with the assurance that the sum total of the U.S. government has no knowledge why an alien should not be granted a visa to travel to the U.S.

This bill increases the information sharing among our law enforcement agencies, our intelligence community, and the State Department, so that foreign nationals who are known by any entity of the U.S. Government to be associated with, or members of, terrorist organizations are denied a visa. This includes the FBI, DEA, INS, Customs, CIA and the Defense Intelligence Agency, DIA, all vital agencies in the war on terrorism.

The second bill I am introducing—the Terrorist Lookout Committee Act, builds on the Information Sharing to Strengthen America's Security Act by requiring a Terrorist Lookout Committee to be established in every one of our embassies. This committee, which would be chaired by the Deputy Chief of Mission, will be comprised of the senior representatives of all law enforcement agencies and the intelligence community. The purpose of the mandated monthly meeting is to provide a forum for these officials to add names to the State Department's Consular Lookout and Support System, CLASS, of those who are considered dangerous aliens and, if they applied for a visa, should undergo a thorough review and possible denial of the visa.

If no names are submitted to the list then the chair is required to certify, subject to an Accountability Review Board, that no member had knowledge of any name that should be included. This requirement will elevate awareness of, and focus constant attention on, the necessity of maintaining the most accurate and current information possible. Finally, quarterly reports by the Secretary of State are to be submitted to the House International Relations Committee and the Senate Foreign Relations Committee.

To ensure that the foreign national who received the visa from our Embassy is the same person using it to enter the United States, I have introduced the Visa Fingerprinting Act. This bill requires the Secretary of State and the INS Commissioner to jointly establish and implement a fingerprint-backed check system. Foreign nationals would be fingerprinted before a visa could be issued, with information catalogued in a database accessible to Immigration officials. INS authorities at port-of-entry would then be required to match fingerprint data with that of the foreign nationals seeking entry into the U.S., with the INS certifying to the match before permitting entry. My bill authorizes a one-time congressional expenditure to establish and implement the system, but the cost of operating the system would be funded through an increase in the visa service charge required for each visa.

The use of biometric technology such as fingerprint imaging, retinal and iris scans, and voice recognition, is no longer just a part of our science-fiction movies, but has become a widely used means of identity verification. The U.S. Government uses it at military and secret installations for access to both information and the installations themselves. Airports, such as Charlotte-Douglas International which utilizes iris scanning technology, have incorporated biometric technology to limit access to particular areas of the airport to authorized personnel only.

Interestingly, the INS already started down this road when, in 1998, it began to issue biometric crossing cards to Mexicans who cross the border frequently. These cards have a digital fingerprint image which, upon crossing, is

matched to the fingerprint of the person possessing the card.

The bottom line is, we must stop terrorists not only at their points of entry, but more critically, at their point of origin. In America's war on terrorism, we can do no less.

By Mr. BOND:

S. 1493. A bill to forgive interest payments for a 2-year period on certain disaster loans to small business concerns in the aftermath of the terrorist attacks perpetrated against the United States on September 11, 2001, to amend the Internal Revenue Code of 1986 to provide tax relief for small business concerns, and for other purposes; to the Committee on Finance.

Mr. BOND. Madam President, I rise today to introduce the ''Small Business Leads to Economic Recovery Act of 2001.'' The senseless terrorist attacks of September 11th have dealt a severe blow to the Nation and to our already struggling economy. The Small Business Administration estimates that 14,000 small businesses are within the disaster area in New York alone. These businesses clearly have been directly affected by this national disaster. But the economic impact does not stop there. For months small enterprises and self-employed individuals across the country have been struggling with the slowing economy. The recent terrorist attacks makes their situation even more dire.

In light of these events, the increasing calls from the small business community for economic stimulus legislation have understandably increased. As the Ranking Member of the Committee on Small Business and Entrepreneurship, I receive on a daily basis pleas for help from small business in Missouri and across the Nation: small restaurants who have lost much of their business due to the fall off in business travel; local flight schools that have been grounded as a result of the recent terrorist attacks; and Main Street retailers who are struggling to survive in the slowing economy. Clearly, we must act and act soon.

In response to these urgent calls for help, I have prepared the Small Business Leads to Economic Recovery Act of 2001, which is designed to provide effective economic stimulus in three distinct but complementary ways: increasing access to capital for the Nation's small enterprises; providing tax relief and investment incentives for our small firms and the self-employed; and directing one of the Nation's largest consumers—the Federal Government—to shop with small business in America.

When the Disaster Relief Program at the Small Business Administration, SBA, was first established, the terrorist attack on New York City and the Pentagon was hardly contemplated. Now that we as a Nation are confronted with this nightmare, it is easy to see that are traditional approach to disaster relief will not be helpful to the thousands of small businesses located at or around the World Trade Center and the Pentagon.

In New York City, it may be a year or more before many of the small businesses destroyed or shut down by the terrorist attacks can reopen their doors for business. Small firms near the Pentagon, such as those at the Reagan National Airport or Crystal City, Virginia, are also shut down or barely operating. And there are small businesses throughout the United States that have been shut down for national security concerns. For example, General Aviation aircraft remain grounded, closing all flight schools and other small businesses dependent on single engine aircraft.

Regular small business disaster loans fall short of providing effective disaster relief to help these small businesses. Therefore, my bill will allow small businesses to defer for up to two years repayment of principal and interest on their SBA disaster relief loans. Interest that would otherwise accrue during the deferment period would be forgiven. It is my intention that this essential new ingredient will allow the small businesses to get back on their feet without jeopardizing their credit or diving them into bankruptcy.

Small enterprises located in the presidentially declared disaster areas surrounding the World Trade Center and the Pentagon are not the only business experiencing extreme hardship as the direct result of the terrorist attacks of September 11th. Nationwide, thousands of small businesses are unable to conduct business or are operating at a bare-minimum level. Tens of thousands of jobs are at risk of being lost as our nation's small businesses weather the fall out from the September 11th attacks.

My bill provides a special financial tool to assist small businesses as they deal with these significant business disruptions. Small businesses in need of working capital would be able to obtain SBA-guaranteed ''Emergency Relief Loans'' from their banks to help them during this period. Fees normally paid by the borrower to the SBA would be eliminated, and the SBA would guarantee 95 percent of the loan. A key feature of my bill is the authorization for the bank to defer repayment of principal for up to one year.

My colleagues and I have been hearing time and time again during the last three weeks since the terrorist attacks that small businesses are experiencing significant hardship. Many small businesses were already experiencing a downturn in business activity prior to September 11th. As the White House Chief of Staff recently commented, our economy was in a downturn before September 11, and this downturn was further exacerbated by the terrorist attacks.

Historically, when our economy slows or turns into a recession, the strength of the small business sector helps to right our economic ship, leading the nation to economic recovery. Today, small businesses employ 58 percent of the U.S. workforce and create 75 percent of the net new jobs. Clearly, we cannot afford to ignore America's small businesses as we consider measures to stimulate our economy.

The Small Business Leads to Economic Recovery Act of 2001 also provides for changes in the SBA 7(a) Guaranteed Business Loan Program and the 504 Certified Development Company Loan Program to stimulate lending to small businesses that are most likely to grow and add new employees. These enhancements to the SBA's 7(a) and 504 loan programs are to extend for one year. They are designed to make the program more affordable during the period when the economy is weak and banks have tightened their underwriting requirements for small business loans.

Specifically, when the economy is slowing, it is normal for banks to raise the bar for obtaining commercial loans. However, making it harder for small businesses to survive is the wrong reaction to a slowing economy. By tweaking the 7(a) and 504 loans to make them more affordable to borrowers and lenders, we will be working against history's rules governing a slowing economy, thereby adding a stimulus for small businesses. Essentially, we will be providing a countercyclical action in the face a slow economy with the express purpose of accelerating the recovery.

I have agreed to cosponsor a bill that Senator JOHN KERRY, Chairman of the Committee on Small Business and Entrepreneurship, intends to introduce in the near future to improve and strengthen the credit and management assistance programs at the SBA in response to the September 11th terrorist attack. I am pleased to report that his bill will incorporate key ingredients of Title I of the Small Business Leads to Economic Recovery Act of 2001 by adopting the three tier approach to enhance the SBA's credit programs so they can respond more effectively and efficiently to the September 11th disaster.

With the contraction of the private-equity market over the past year, the Small Business Investment Company, SBIC, program has taken on a significant role in providing venture capital to small businesses seeking investments in the range of $500,000 to $3 million. In the current economic environment, the SBIC program represents an increasingly important source of capital for small enterprises.

While Debenture SBICs qualify for SBA-guaranteed borrowed capital, the government guarantee forces a number of potential investors, namely pension funds, to avoid investing in SBICs because they would be subject to tax liability for unrelated business taxable income, UBTI. When free to choose, tax-exempt investors generally opt to invest in venture capital funds that do not create UBTI.

As a result, 60 percent of the private-capital potentially available to these SBICs is effectively ''off limits.'' The Small Business Leads to Economic Recovery Act of 2001 corrects this problem by excluding government-guaranteed capital borrowed by Debenture SBICs from debt for purposes of the UBTI rules. This change would permit tax-exempt organizations to invest in SBICs without the burdens of UBTI recordkeeping or tax liability. More importantly, this change in the law could double the amount of private capital being invested in small businesses through the Debenture SBIC program.

The access-to-capital provisions of the bill will go a long way toward easing the cash-flow burdens that small firms are now facing, but we can also tackle this problem from another perspective, reducing the tax burden of small businesses. Accordingly, the second component of my Small Business Leads to Economic Recovery Act provides substantial tax relief for small businesses. These provisions hold the greatest potential, in my opinion, for fast and effective tax stimulus for small enterprises.

First and foremost, this bill would permit small businesses to expense substantially more of their new equipment purchases by raising the expensing limit to $100,000 per year and by increasing the expensing phase-out threshold to $500,000. In addition, for small businesses that cannot qualify for expensing, the bill reduces the depreciation-recovery period for computers, peripheral equipment and software to two years.

Together, these provisions have several important advantages for America's small businesses, especially in light of the current economic conditions. By allowing more equipment purchases to be deducted currently and reducing the recovery period for technology purchases that must be depreciated, we can provide much needed capital for small businesses. With that freed-up capital, a business can invest in new computer equipment, which will benefit the small enterprise and, in turn, stimulate the sagging technology industry. Finally, new computer equipment will contribute to continued productivity growth in the business community, which Federal Reserve Chairman Alan Greenspan has stressed is essential to the long-term vitality of our economy.

Finally, these modifications will simplify the tax law for countless small businesses. Greater expensing means less equipment subject to the onerous depreciation rules. And for businesses that do not qualify for expensing, shortening the recovery period for computer equipment from the current five-year period will add some common sense to the tax law. Since most computers have outlived their usefulness after two to three years, let alone five years, too many businesses are left to depreciate this property long after it has become obsolete.

In short, the equipment-expensing and depreciation changes I propose are a win-win for small businesses, the technology industry, and our national economy as a whole. But we do not stop there. The bill also addresses the limitation on depreciation that many small firms face with regard to the automobiles, light trucks and vans that are so essential to their operations.

Specifically, the Small Business Leads to Economic Recovery Act amends the limitations under section 280F of the tax code, which currently prohibit a small business from claiming a full depreciation deduction if the vehicle costs more than $14,460, for vehicles placed in service in 2000. Although these limitations have been subject to inflation adjustments since they were adjusted in 1986, they have not kept pace with the actual cost of new vehicles in most cases. For many small businesses, the use of a car, light truck or van is an essential asset for transporting personnel to sales and service appointments and for delivering their products. Accordingly, the bill adjusts the thresholds so that a business will not lose any of its depreciation deduction for vehicles costing less than $25,000, which will continue to be indexed for inflation.

This provision of the bill will help ease the cash flow strains for many small businesses, freeing critical capital that can be used for investments in new business vehicles. In turn, purchases of new cars, light trucks or vans will offer much-needed stimulus for the nation's automotive industry. Again, multiple benefits for a small change in our tax code.

My bill also responds to the difficult times facing the nation's restaurant industry, which the National Restaurant Association estimates lost 60,000 jobs in September due to slower sales caused by the current economic conditions and the recent terrorist attacks. While by no means a complete solution, we can lend a hand to the restaurant industry, which is dominated by small businesses, by increasing the business-meals deduction to 100 percent. This will provide an incentive for businesses to return to their local restaurants, and at the same time assist non-restaurant businesses and the self-employed for whom business meals are an unavoidable fact of life.

At the National Women's Small Business Summit, which I hosted last June, a number of participants noted that unlike their large competitors, small enterprises often sell their products and services by word of mouth and close many business transactions on the road or in a local diner. In many ways the business breakfast with a potential customer is akin to formal advertising that larger businesses purchase in newspapers or on radio or television. While the newspaper ad is fully deductible, however, the business meal is only 50 percent deductible for the small business owner.

In addition, many self-employed individuals like sales representatives spend enormous amounts of time on the road with no choice but to eat in restaurants while away from home. For these individuals the current 50 percent limitation on the deductibility of business meals is a severe strain on cash flow, especially with the soft market conditions they face for selling their products and services. A 100 percent deduction will ease those strains and help small firms in these situations to weather the current economic storm.

The final tax provisions of my bill relate to a growing problem for small businesses—the alternative minimum tax, AMT. For the sole proprietors, partners, and S corporation shareholders, the individual AMT increases their tax liability by, among other things, reducing depreciation and depletion deductions, limiting net operating loss treatment, eliminating the deductibility of state and local taxes, and curtailing the expensing of research and experimentation costs. In addition, because of its complexity, this tax forces small business owners to waste precious funds on tax professionals to determine whether the AMT even applies. For these reasons, the bill includes the recommendation of the Taxpayer Advocate to repeal the individual AMT. In light of the current economic situation facing our nation's small enterprises, my bill will repeal the individual AMT beginning this year.

For small corporations, the AMT story is much the same, high compliance costs and additional taxes draining away scarce capital from the business. Accordingly, for small corporate taxpayers, the bill increases the current exemption from the corporate AMT. As a result, a small corporation will initially qualify for the exemption if its average gross receipts are $7.5 million or less, up from the current $5 million, during its first three taxable years. Thereafter, a small corporation will continue to qualify for the AMT exemption for as long as its average gross receipts for the prior three-year period do not exceed $10 million, up from the current $7.5 million.

The tax component of the Small Business Leads to Economic Recovery Act will provide significant cash-flow relief for small enterprises and many incentives for them to continue investing in our economy for their long-term well being. Together with the access-to-capital component, the tax relief will give a significant boost to small businesses and our economy. But we can do more, we can call on the Nation's largest consumer, the Federal Government, to shop with small business in America.

Toward that end, my bill would make some subtle changes in the laws governing Federal procurement that will have a dramatic impact on expanding contracting opportunities for small businesses. For example, when the Brooks Act was enacted in 1982, it prohibited small business set asides for

contracts to provide architectural and engineering services valued at $85,000 or more. It has been almost twenty years, and the ceiling has not been adjusted, not even once, to reflect inflation or other changes in the economy. My bill would increase this ceiling to $300,000 and would create immediate opportunities for contracting officers in Federal agencies to increase the number of contracts set aside for small businesses.

It is also the Federal Government's policy that contracts valued at less than $100,000 be reserved for small businesses. This policy, however, is not followed by the General Services Administration, GSA, with respect to the Federal Supply Schedule, FSS. Too often contracts for less than $100,000 are filed by large businesses. Therefore, my bill would require that all Federal agency contracts, requirements or procurements valued at less than $100,000 be reserved for small businesses. Again, this change in our law would have an immediate positive effect by making more contracting opportunities available to small businesses.

For contracts for property or services not on the GSA's FSS, my bill would require that contracts valued at less than $100,000 be reserved for competition among small businesses registered on the SBA's PRO-Net and the Central Contractor Register, CCR, at the Department of Defense, DoD. By using the two registries, small businesses would know where to go to begin the process of competing for government contracts, and contracting officers would have at their fingertips a list of hundreds of thousands of small businesses listed by industry category.

My bill would provide for a six-month announcement period, which would be followed by a one year phase-in period during which 25 percent of the dollar value of all contracts valued less than $100,000 would be set aside for small businesses. After the first year, the set aside would increase to 50 percent in the second and subsequent years.

Minority-owned small businesses and small businesses located in economically distressed urban and rural areas are at a particular disadvantage when competing for Federal government contracts. My bill would offer improved opportunities for these small businesses as part of the disaster-recovery effort. It would provide that when a contracting officer directs a contract to a HUBZone or 8(a) small businesses, the current ceiling on sole-source contracting would be removed. This change would apply only to the money that is appropriated by the Congress specifically targeted to the September 11 disaster-recovery effort.

The Small Business Leads to Economic Recovery Act is a comprehensive bill to help the Nation as well as the owners and employees of small businesses. Its relief is targeted and is designed to work tomorrow and in the immediate future. Now is not the time to focus on ten year plans and lengthy phase-in periods. Small businesses need help, today, and my bill will put cash in the business' bank account and in employees' pockets. Small businesses have been the champions of past economic recoveries. My bill gives small businesses the tools to accelerate a recovery, so that our Nation's economic fortunes are reversed sooner rather than later.

Madam President, I ask unanimous consent that the text of the bill and a summary of its provisions be printed in the RECORD.

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

S. 1493

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Small Business Leads to Economic Recovery Act of 2001''.

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

TITLE I—SMALL BUSINESS EMERGENCY LOAN ASSISTANCE

SEC. 101. SHORT TITLE.

This title may be cited as the ''Small Business Emergency Loan Assistance Act of 2001''.

SEC. 102. DEFINITIONS.

In this title—

(1) the term ''Administration'' means the Small Business Administration;

(2) the term ''covered loan'' means a loan made by the Administration to a small business concern—

(A) under section 7(b) of the Small Business Act (15 U.S.C. 636(b)); and

(B) located in an area which the President has designated as a disaster area as a result of the terrorist attacks perpetrated against the United States on September 11, 2001; and

(3) the term ''small business concern'' has the same meaning as in section 3 of the Small Business Act (15 U.S.C. 632).

SEC. 103. DEFERMENT OF DISASTER LOAN PAYMENTS.

(a) IN GENERAL.—Notwithstanding any other provision of law, payments of principal or interest on a covered loan shall be deferred, and no interest shall accrue with respect to a covered loan, during the 2-year period following the date of issuance of the covered loan.

(b) RESUMPTION OF PAYMENTS.—At the end of the 2-year period described in subsection (a), the payment of periodic installments of principal and interest shall be required with respect to a covered loan, in the same manner and subject to the same terms and conditions as would otherwise be applicable to a loan made under section 7(b) of the Small Business Act (15 U.S.C. 636(b)).

SEC. 104. REFINANCING EXISTING DISASTER LOANS.

(a) IN GENERAL.—Any loan made under section 7(b) of the Small Business Act (15 U.S.C. 636(b)) that was outstanding as to principal or interest on September 11, 2001, may be refinanced by a small business concern that is also eligible to receive a covered loan under this Act, and the refinanced amount shall be considered to be part of the covered loan for purposes of this title.

(b) NO AFFECT ON ELIGIBILITY.—A refinancing under subsection (a) by a small business concern shall be in addition to any covered loan eligibility for that small business concern under this title.

SEC. 105. EMERGENCY RELIEF LOAN PROGRAM.

(a) BUSINESS LOAN AUTHORITY.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following:

''(31) TEMPORARY LOAN AUTHORITY FOLLOWING TERRORIST ATTACKS.—

''(A) IN GENERAL.—During the 1-year period beginning on the date of enactment of this paragraph, the Administration may make loans under this subsection to a small business concern that has suffered, or that is likely to suffer, significant economic injury as a result of the terrorist attacks perpetrated against the United States on September 11, 2001.

''(B) LOAN TERMS.—With respect to a loan under this paragraph—

''(i) for purposes of paragraph (2)(A), participation by the Administration shall be equal to 95 percent of the balance of the financing outstanding at the time of disbursement of the loan;

''(ii) no fee may be required or charged under paragraph (18);

''(iii) the applicable rate of interest shall not exceed a rate that is one percentage point above the prime rate as published in a national financial newspaper published each business day;

''(iv) no such loan shall be made if the total amount outstanding and committed (by participation or otherwise) to the borrower under this paragraph would exceed $1,000,000;

''(v) upon request of the borrower, repayment of principal due on a loan made under

this paragraph shall be deferred during the 1-year period beginning on the date of issuance of the loan; and

''(vi) the repayment period shall not exceed 7 years, including any period of deferment under clause (v).

''(C) APPLICABILITY.—The loan terms described in subparagraph (B) shall apply to a loan under this paragraph notwithstanding any other provision of this subsection, and except as specifically provided in this paragraph, a loan under this paragraph shall otherwise be subject to the same terms and conditions as any other loan under this subsection.

''(D) SIGNIFICANT ECONOMIC INJURY.—In this paragraph, the term'substantial economic injury' means an economic harm to a small business concern that results in the inability of the small business concern—

''(i) to meet its obligations as they mature;

''(ii) to pay its ordinary and necessary operating expenses; or

''(iii) to market, produce, or provide a product or service ordinarily marketed, produced, or provided by the business concern.''.

SEC. 106. ECONOMIC RECOVERY LOAN AND FINANCING PROGRAMS.

(a) ONE-YEAR SUSPENSION OF SECTION 7(a) FEES.—Section 7(a)(18) of the Small Business Act (15 U.S.C. 636(a)(18)) is amended by adding at the end the following:

''(C) ONE-YEAR WAIVER OF FEES FOLLOWING TERRORIST ATTACKS.—No fee may be collected or charged, and no fee shall accrue under this paragraph during the 1-year period beginning on the date of enactment of the Small Business Terrorism Relief and Economic Stimulus Act of 2001.''.

(b) ONE-YEAR INCREASE IN PARTICIPATION LEVELS.—Section 7(a)(2) of the Small Business Act (15 U.S.C. 636(a)(2)) is amended—

(1) in subparagraph (A), by striking ''subparagraph (B)'' and inserting ''subparagraphs (B) and (E)''; and

(2) by adding at the end the following:

''(E) TEMPORARY PARTICIPATION LEVELS FOLLOWING TERRORIST ATTACKS.—During the 1-year period beginning on the date of enactment of the Small Business Terrorism Relief and Economic Stimulus Act of 2001, clauses (i) and (ii) of subparagraph (A) shall be construed to read as follows:

'' '(i) 85 percent of the balance of the financing outstanding at the time of disbursement of the loan, if such balance exceeds $150,000; or

'' '(ii) 90 percent of the balance of the financing outstanding at the time of disbursement of the loan, if such balance is less than or equal to $150,000.'.''.

(c) ONE-YEAR SUSPENSION OF OTHER FEES.—Section 503 of the Small Business Investment Act of 1958 (15 U.S.C. 697) is amended—

(1) in subsection (b)(7)(A), by striking ''which amount shall'' and inserting ''which amount shall not be assessed or collected, and no amount shall accrue, during the 1-year period beginning on the date of enactment of the Small Business Terrorism Relief and Economic Stimulus Act of 2001, and which amount shall otherwise''; and

(2) in subsection (d)(2), by adding at the end the following: ''No fee may be assessed or collected under this paragraph, and no fee shall accrue, during the 1-year period beginning on the date of enactment of the Small Business Terrorism Relief and Economic Stimulus Act of 2001.''.

TITLE II—SMALL BUSINESS TAX PROVISIONS FOR ECONOMIC STIMULUS

SEC. 201. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 202. INCREASE IN EXPENSE TREATMENT OF CERTAIN DEPRECIABLE BUSINESS ASSETS FOR SMALL BUSINESSES.

(a) IN GENERAL.—Section 179(b)(1) (relating to dollar limitation) is amended to read as follows:

''(1) DOLLAR LIMITATION.—

''(A) IN GENERAL.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $100,000.

''(B) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2001, the dollar amount contained in subparagraph (A) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting ''calendar year 2000'' for ''calendar year 1992'' in subparagraph (B) thereof.

If any amount as adjusted under this subparagraph is not a multiple of $1,000, such amount shall be rounded to the nearest multiple of $1,000.''.

(b) EXPANSION OF PHASE-OUT OF LIMITATION.—Section 179(b)(2) is amended to read as follows:

''(2) REDUCTION IN LIMITATION.—

''(A) IN GENERAL.—The limitation under paragraph (1) for any taxable year shall be reduced (but not below zero) by the amount by which the cost of section 179 property for which a deduction is allowable (without regard to this subsection) under subsection (a) for such taxable year exceeds $500,000.''

''(B) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2001, the dollar amount contained in subparagraph (A) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting ''calendar year 2000'' for ''calendar year 1992'' in subparagraph (B) thereof.

If any amount as adjusted under this subparagraph is not a multiple of $10,000, such amount shall be rounded to the nearest multiple of $10,000.''.

(c) TIME OF DEDUCTION.—The second sentence of section 179(a) (relating to election to expense certain depreciable business assets) is amended by inserting ''(or, if the taxpayer elects, the preceding taxable year if the property was purchased in such preceding year)'' after ''service''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 203. EXPENSING OF COMPUTER SOFTWARE.

(a) COMPUTER SOFTWARE ELIGIBLE FOR EXPENSING.—The heading and first sentence of section 179(d)(1) (relating to section 179 property) are amended to read as follows:

''(1) SECTION 179 PROPERTY.—For purposes of this section, the term 'section 179 property' means property—

''(A) which is—

''(i) tangible property to which section 168 applies, or

''(ii) computer software (as defined in section 197(e)(3)(B)) to which section 167 applies,

''(B) which is section 1245 property (as defined in section 1245(a)(3)), and

''(C) which is acquired by purchase for use in the active conduct of a trade or business.''.

(b) NO COMPUTER SOFTWARE INCLUDED AS SECTION 197 INTANGIBLE.—

(1) IN GENERAL.—Section 197(e)(3)(A) is amended to read as follows:

''(A) IN GENERAL.—Any computer software.''.

(2) CONFORMING AMENDMENT.—Section 167(f)(1)(B) is amended by striking ''; except that such term shall not include any such software which is an amortizable section 197 intangible''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2000.

SEC. 204. MODIFICATION OF DEPRECIATION RULES FOR COMPUTERS AND SOFTWARE.

(a) 2-YEAR APPLICABLE RECOVERY PERIOD FOR DEPRECIATION OF COMPUTERS AND PERIPHERAL EQUIPMENT.—

(1) IN GENERAL.—Section 168(c) (relating to applicable recovery period) is amended by adding at the end the following flush sentence:

''In the case of 5-year property which is a computer or peripheral equipment, the applicable recovery period shall be 2 years.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 168(g)(3)(C) (relating to alternative depreciation system for certain property) is amended to read as follows:

''(C) QUALIFIED TECHNOLOGICAL EQUIPMENT.—

''(i) IN GENERAL.—Except as provided in clause (ii), in the case of any qualified technological equipment, the recovery period used for purposes of paragraph (2) shall be 5 years.

''(ii) COMPUTERS OR PERIPHERAL EQUIPMENT.—In the case of any computer or peripheral equipment, the recovery period used for purposes of paragraph (2) shall be 2 years.''.

(B) Section 168(j)(2) (relating to depreciation of property on Indian reservations) is amended by adding at the end the following flush sentence:

''In the case of 5-year property which is a computer or peripheral equipment, the applicable recovery period shall be 1 year.''.

(C) Section 467(e)(3)(A) (relating to certain payments for the use of property or services) is amended by adding at the end the following flush sentence:

''In the case of 5-year property which is a computer or peripheral equipment, the applicable recovery period shall be 2 years.''.

(b) 2-YEAR DEPRECIATION PERIOD FOR COMPUTER SOFTWARE.—Section 167(f)(1)(A) of the Internal Revenue Code of 1986 is amended by striking ''36 months'' and inserting ''24 months''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2000.

SEC. 205. ADJUSTMENTS TO DEPRECIATION LIMITS FOR BUSINESS VEHICLES.

(a) IN GENERAL.—

(1) INCREASE IN LIMITATION.—Section 280F(a)(1)(A) (relating to limitation on amount of depreciation for luxury automobiles) is amended—

(A) by striking ''$2,560'' in clause (i) and inserting ''$5,400'';

(B) by striking ''$4,100'' in clause (ii) and inserting ''$8,500'';

(C) by striking ''$2,450'' in clause (iii) and inserting ''$5,100''; and

(D) by striking ''$1,475'' in clause (iv) and inserting ''$3,000''.

(2) CONFORMING AMENDMENT.—Section 280F(a)(1)(B)(ii) (relating to disallowed deductions allowed for years after recovery period) is amended by striking ''$1,475'' each place that it appears and inserting ''$3,000''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2000.

SEC. 206. INCREASED DEDUCTION FOR BUSINESS MEAL EXPENSES.

(a) IN GENERAL.—Section 274(n)(1) (relating to only 50 percent of meal and entertainment expenses allowed as deduction) is amended

by striking ''50 percent'' in the text and inserting ''the allowable percentage''.

(b) ALLOWABLE PERCENTAGE.—Section 274(n) is amended by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following new paragraph:

''(2) ALLOWABLE PERCENTAGE.—For purposes of paragraph (1), the allowable percentage is—

''(A) in the case of amounts for items described in paragraph (1)(B), 50 percent, and

''(B) in the case of expenses for food or beverages, 100 percent.''.

(c) CLARIFICATION OF SPECIAL RULE FOR INDIVIDUALS SUBJECT TO FEDERAL HOURS OF SERVICE.—Section 274(n)(4) (relating to limited percentages of meal and entertainment expenses allowed as deduction), as redesignated by subsection (b), is amended to read as follows:

''(4) SPECIAL RULE FOR INDIVIDUALS SUBJECT TO FEDERAL HOURS OF SERVICE.—In the case of any expenses for food or beverages consumed while away from home (within the meaning of section 162(a)(2)) by an individual during, or incident to, the period of duty subject to the hours of service limitations of the Department of Transportation, paragraph (2)(B) shall apply to such expenses.''.

(d) CONFORMING AMENDMENT.—The heading for subsection (n) of section 274 is amended by striking ''50 PERCENT'' and inserting ''LIMITED PERCENTAGES''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 207. MODIFICATION OF UNRELATED BUSINESS INCOME LIMITATION ON INVESTMENT IN CERTAIN DEBT-FINANCED PROPERTIES.

(a) IN GENERAL.—Section 514(c)(6) (relating to acquisition indebtedness) is amended—

(1) by striking ''include an obligation'' and inserting ''include—

''(A) an obligation'',

(2) by striking the period at the end and inserting '', or'', and

(3) by adding at the end the following:

''(B) indebtedness incurred by a small business investment company licensed under the Small Business Investment Act of 1958 which is evidenced by a debenture—

''(i) issued by such company under section 303(a) such Act, or

''(ii) held or guaranteed by the Small Business Administration.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to acquisitions made on or after the date of the enactment of this Act.

SEC. 208. REPEAL OF ALTERNATIVE MINIMUM TAX ON INDIVIDUALS.

(a) IN GENERAL.—

(1) REPEAL.—Section 55(a) (relating to alternative minimum tax) is amended by adding at the end the following new flush sentence:

''For purposes of this title, the tentative minimum tax on any taxpayer other than a corporation for any taxable year beginning after December 31, 2000, shall be zero.''.

(2) NONREFUNDABLE PERSONAL CREDITS FULLY ALLOWED AGAINST REGULAR TAX LIABILITY.—

(A) IN GENERAL.—Section 26(a) (relating to limitation based on amount of tax) is amended to read as follows:

''(a) LIMITATION BASED ON AMOUNT OF TAX.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the taxpayer's regular tax liability for the taxable year.''.

(B) CHILD CREDIT.—Section 24(d) is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 209. EXEMPTION FROM ALTERNATIVE MINIMUM TAX FOR SMALL CORPORATIONS.

(a) IN GENERAL.—Section 55(e)(1)(A) (relating to exemption for small corporations) is amended to read as follows:

''(A) $10,000,000 GROSS RECEIPTS TEST.—The tentative minimum tax of a corporation shall be zero for any taxable year if the corporation's average annual gross receipts for all 3-taxable-year periods ending before such taxable year does not exceed $10,000,000. For purposes of the preceding sentence, only taxable years beginning after December 31, 1997, shall be taken into account.''.

(b) GROSS RECEIPTS TEST FOR FIRST 3-YEAR PERIOD.—Section 55(e)(1)(B) is amended to read as follows:

''(B) $7,500,000 GROSS RECEIPTS TEST FOR FIRST 3-YEAR PERIOD.—Subparagraph (A) shall be applied by substituting '$7,500,000' for '$10,000,000' for the first 3-taxable-year period (or portion thereof) of the corporation which is taken into account under subparagraph (A).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

TITLE III—SMALL BUSINESS PROCUREMENTS

SEC. 301. EXPANSION OF OPPORTUNITY FOR SMALL BUSINESSES TO BE AWARDED DEPARTMENT OF DEFENSE CONTRACTS FOR ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION DESIGN.

Section 2855(b)(2) of title 10, United States Code, is amended by striking ''$85,000'' and inserting ''$300,000''.

SEC. 302. PROCUREMENTS OF PROPERTY AND SERVICES IN AMOUNTS NOT IN EXCESS OF $100,000 FROM SMALL BUSINESSES.

(a) SMALL BUSINESS SET-ASIDES.—Section 15 of the Small Business Act (15 U.S.C. 644) is amended by adding at the end the following:

''(q) PROCUREMENTS OF PROPERTY AND SERVICES NOT IN EXCESS OF $100,000.—

''(1) FEDERAL SUPPLY SCHEDULE ITEMS.—The head of an agency procuring items listed on a Federal Supply Schedule in a total amount not in excess of $100,000 shall procure the items from a small business.

''(2) OTHER PROPERTY AND SERVICES.—The head of an agency procuring property or services not listed on a Federal Supply Schedule in a total amount not in excess of $100,000 shall procure the property or services from a small business registered on PRO-Net or the Centralized Contractor Registration System. Competitive procedures shall be used in the selection of sources for procurements from small businesses under this subsection.''.

(b) PHASED IMPLEMENTATION.—

(1) FIRST 2 YEARS.—During the 2-year period beginning on the effective date determined under subsection (c), the requirement of subsection (q)(1) of section 15 of the Small Business Act (as added by subsection (a) of this section) shall apply with respect to 25 percent of the procurements described in that subsection (determined on the basis of amount), and the requirement in subsection (q)(2) of that section shall apply with respect to 25 percent of the procurements described in subsection (q)(2) (determined on the basis of amount).

(2) ENSUING 2 YEARS.—During the 2-year period beginning on the day after the expiration of the period described in paragraph (1), the requirement of subsection (q)(1) of section 15 of the Small Business Act (as added by subsection (a) of this section) shall apply with respect to 50 percent of the procurements described in that subsection (determined on the basis of amount), and the requirement in subsection (q)(2) of that section shall apply with respect to 50 percent of the procurements described in subsection (q)(2) (determined on the basis of amount).

(c) EFFECTIVE DATE.—Section 15(q) of the Small Business Act (as added by subsection (a) of this section) shall take effect on the first day of the first month that begins not less than 180 days after the date of enactment of this Act.

SEC. 303. SOLE SOURCE PROCUREMENTS OF PROPERTY AND SERVICES UNDER THE 2001 EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT FOR RECOVERY FROM AND RESPONSE TO TERRORIST ATTACKS ON THE UNITED STATES.

Notwithstanding the provisions of sections 8(a)(1)(D)(i)(II) and subclauses (I) and (II) of section 31(b)(2)(A)(ii) of the Small Business Act (15 U.S.C. 637(a)(1)(D)(i)(II), 658(b)(2)(A)(ii)(I), and 658(b)(2)(A)(ii)(II), respectively), a contracting officer may award non-competitive contracts with the budget authority provided by the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States (Public Law 107–38) or by subsequent emergency appropriations bill adopted pursuant thereto, if—

(a) such contracts are to be awarded to an eligible Program Participant under section 8(a) or to a qualified HUBZone small business concern under section 3(p)(5) of the Small Business Act (15 U.S.C. 637(a) and 632(p)(5)), and

(b) the head of the procuring agency certifies that the property or services needed by the agency are of such an unusual and compelling urgency that the United States would be seriously harmed by use of competitive procedures, pursuant to—

(1) section 2304(c)(2) of Title 10, United States Code, or

(2) section 303(c)(2) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)(2)).

S. 1493: SMALL BUSINESS LEADS TO ECONOMIC RECOVERY ACT OF 2001

DESCRIPTION OF PROVISIONS

TITLE I—SMALL BUSINESS EMERGENCY LOAN ASSISTANCE

Section 101. Short Title

This section sets forth the title, ''Small Business Leads to Economic Recovery Act of 2001.''

Section 102. Definitions

This section provides the definitions of key words used in Title I.

Section 103. Deferment of Disaster Loan Payments

In recognition that the small businesses eligible for Disaster Assistance Loans will not be able to begin repayment of the loans for up to two years, the bill provides that both principal and interest payment will be deferred for two years from the date of loan origination. Interest that accrues during the deferment period would be forgiven.

Section 104. Refinancing Existing Disaster Loans

As the result of the World Trade Center bombing in 1993, there are small businesses in the Presidentially-declared disaster area that have outstanding SBA disaster loans. This section will permit small businesses to refinance outstanding disaster loans in the new disaster loans with the two-year deferment provision.

Section 105. Emergency Relief Loan Program

This section creates a special one-year program at the SBA using key components of the 7(a) guaranteed business loan program to create a working capital loan program for small businesses suffering significant economic injury as the result of the September

11, 2001, terrorist attacks on the World Trade Center and the Pentagon. The loans would have a 95 percent guarantee, and there would be no up-front borrower fee. The interest rate would be the Prime Rate plus 1 percent. Banks would have the option to defer principal payments for up to one year.

This special working capital loan program recognizes there are small businesses nationwide that are experiencing serious cash flow difficulties as the result of the terrorist attacks, e.g., travel agencies, flight training and other commercial users of single-engine VFR aircraft.

Section 106. Economic Recovery Loan and Financing Programs

As the result of the deteriorating economy, which was experiencing a downturn prior to September 11, 2001, banks had initiated steps to tighten the availability of credit to small businesses. For Fiscal Year 2001, it is projected that new loan originations may drop as much as 25 percent from the projections on October 1, 2000.

This section will make significant changes for one year to the 7(a) guaranteed business loan program. Loans would be available for all qualified borrowers. The up-front loan origination fee paid by the borrower, which ranges from 2.0 percent to 3.5 percent depending on loan size, would be eliminated. The guarantee percentage for the general loan program would be increased from 75 percent to 85 percent. For the LowDoc program, the guarantee percentage would increase from 80 percent to 90 percent.

This section would also make similar changes to the 504 Certified Development Company Loan Program. For one year, the up-front fee paid by the bank making the loan in the first loss position would be eliminated. Further, the annual fee paid by the borrower would also be dropped.

Section 107. Small Business Investment Company Enhancement Program

The Administration and the SBIC industry has recommended that the SBIC/Participating Securities Program become a fee-based program, which would eliminate the need for an annual appropriation. This change would entail enacting legislation to increase the SBIC fee from 1 percent to at least 1.38 percent. This section would allow the SBA to increase the annual fee to no more than 1.50 percent, which would support a program level fo $3.5 billion in Fiscal Year 2002.

TITLE II—SMALL BUSINESS TAX PROVISIONS FOR ECONOMIC STIMULUS

Section 201. Amendment of 1986 Code

This section clarifies that all changes in the bill are to the Internal Revenue Code of 1986, as previously amended.

Section 202. Increase in Expense Treatment of Certain Depreciable Business Assets for Small Businesses.

The bill amends section 179 of the Internal Revenue Code to increase the amount of equipment purchases that small businesses may expense each year from the current $24,000 to $100,000. This change will eliminate the burdensome recordkeeping involved in depreciating such equipment and free up capital for small businesses to grow and create jobs.

The bill also increases the phase-out limitation for equipment expensing from the current $200,000 to $500,000, thereby expanding the type of equipment that can qualify for expensing treatment. This limitation along with the annual expensing amount will be indexed for inflation under the bill.

Following the recommendation of the National Taxpayer Advocate, the bill also amends section 179 to permit expensing in the year that the property is purchased or the year that the property is placed in service, whichever is earlier. This will eliminate the difficulty that many small enterprises have encountered when investing in new equipment in one tax year, e.g., 2001 that cannot be placed in service until the following year, e.g., 2002. The equipment-expensing provisions will be effective for taxable years beginning after December 31, 2000.

Section 203. Expensing of Computer Software

In connection with the expanded equipment-expensing limits, the bill also permits taxpayers to expense computer software up to the new $100,000 limit on annual equipment expensing. This provision will eliminate the compliance costs and burdens of depreciation software over a three-year period, which is often inconsistent with the product's actual useful life. This provision will be effective for taxable years beginning after December 31, 2000.

Section 204. Modification of Depreciation Rules for Computers and Software

For small business taxpayers who do not qualify for expensing treatment, the bill modifies the outdated depreciation rules to permit taxpayers to depreciate computer equipment and software over a two-year period. Under present law, computer equipment is generally depreciated over a five-year period and software is usually depreciated over three years. With the rapid advancements in technology, these depreciation periods are sorely out of date and can result in small businesses having to exhaust their depreciation deductions well after the equipment or software is obsolete. The bill makes the tax code in this area more consistent with the technological reality of the business world. This provision will be effective for computers and software placed in service in taxable years beginning after December 31, 2000.

Section 205. Adjustments to Depreciation Limits for Business Vehicles

The bill amends section 280F of the Internal Revenue Code, which limits the amount of depreciation that a business may claim with respect to a vehicle used for business purposes. Under the current thresholds, a business loses a portion of its depreciation deduction if the vehicle costs more than $14,460, for vehicles placed in service in 2000. Although these limitations have been subject to inflation adjustments, they have not kept pace with the actual cost of new cars, light trucks and vans in most cases. For many small businesses, the use of a car, light truck or van is an essential asset for transporting personnel to sales and service appointments and for delivering their products. Accordingly, the bill adjusts the thresholds so that a business will not lose any of its depreciation deduction for vehicles costing less than $25,000, which will continue to be indexed for inflation. This provision will be effective for vehicles placed in service in taxable years beginning after December 31, 2000.

Section 206. Increased Deduction for Business Meal Expenses

The bill increases the limitation on the deductibility of business meals from the current 50 percent to 100 percent beginning in 2001 to provide an incentive for businesses to return to their local restaurants. At the same time, this provision will assist non-restaurant businesses and self-employed individuals level the playing field. Unlike their large competitors, small enterprises often sell their products and services by word of mouth and close many business transactions on the road or in a local diner. In many ways the business breakfast with a potential customer is akin to formal advertising that larger businesses purchase in newspapers or on radio or television. While the newspaper ad is fully deductible, however, the business meal is only 50 percent deductible for the small business owner.

In addition, many self-employed individuals like sales representatives spend enormous amounts of time on the road with no choice but to eat in restaurants while away from home, further straining their cash flow. By increasing the deduction to 100 percent, the bill addresses these problems, as well as the lack of parity that small business owners face with respect to individuals subject to the Federal hours-of-service limitations of the Department of Transportation, such as truck drivers, who are currently able to deduct a larger portion of their business meals.

Section 207. Modification of Unrelated Business Income Limitation on Investments in Certain Debt-Financed Properties

With the recent contraction of the private-equity market, the Small Business Investment Company, SBIC program, which is overseen by the SBA, has taken on a significant role in providing venture capital to small businesses seeking investments in the range of $500,000 to $3 million. Debenture SBICs qualify for SBA-guaranteed borrowed capital, which subjects tax-exempt investors that would otherwise be inclined to invest in Debenture SBICs to tax liability for unrelated business taxable income, UBTI. When free to choose, tax-exempt investors generally opt to invest in venture capital funds that do not create UBTI. As a result, 60 percent of the private-capital potentially available to Debenture SBICs is effectively ''off limits.''

The bill would exclude government-guaranteed capital borrowed by Debenture SBICs from debt for purposes of the UBTI rules. This change would permit tax-exempt organizations to invest in Debenture SBICs without the burdens of UBTI recordkeeping or tax liability, thereby providing additional capital for investment in small businesses across the nation. This provision would be effective for acquisitions made on or after the date of enactment of this bill.

Section 208. Repeal of Alternative Minimum Tax on Individuals

The bill repeals the individual Alternative Minimum Tax, AMT effective for taxable years beginning after December 31, 2000. For individual taxpayers, the individual AMT has become an increasingly burdensome tax. For the sole proprietors, partners, and S corporation shareholders, the individual AMT increases their tax liability by, among other things, limiting depreciation and depletion deductions, net operating loss treatment, the deductibility of state and local taxes, and expensing of research and experimentation costs. In addition, because of its complexity, this tax forces small business owners to waste precious funds on tax professionals to determine whether the AMT even applies.

Section 209. Expansion of the Exemption From the Alternative Minimum Tax for Small Corporations

For small corporate taxpayers, the bill increases the current exemption from the corporate AMT, under section 55(e) of the Internal Revenue Code. Under the bill, a small corporation will initially qualify for the exemption if its average gross receipts are $7.5 million or less, up from the current $5 million, during its first three taxable years. Thereafter, a small corporation will continue to qualify for the AMT exemption for so long as its average gross receipts for the prior three-year period do not exceed $10 million, up from the current $7.5 million. The increased limits for the small-corporation exemption from the corporate AMT will be effective for taxable years beginning after December 31, 2000.

TITLE III—SMALL BUSINESS PROCUREMENTS

Section 301. Expansion of Opportunity for Small Businesses To Be Awarded Department of Defense Contracts for Architectural and Engineering Services and Construction Design

The Brooks Act was enacted in 1982 and prohibits any small businesses set asides for architectural and engineering contracts valued at $85,000 or more. No change in this ceiling has been made since enactment of the Brooks Act. This section would increase the ceiling to $300,000, which would create, almost immediately, new Federal contracting opportunities for small businesses.

Section 302. Procurements of Property and Services in Amounts Not in Excess of $100,000 From Small Businesses

This section would make more contracts valued at less than $100,000 available to small businesses. Under the Federal Supply Schedule, FSS, at GSA, all agency contracts, requirements, or procurements valued at less than $100,000 would be made from small businesses.

For contracts for property or services not on the GSA's FSS, the procuring agency would set aside such contracts, valued at less than $100,000, for competition among small businesses registered on the SBA's PRO-Net and the DoD's Centralized Contractor Registration, CCR, System. There would be a two-year phase-in period. After an initial six-month period, during the first year, 25 percent of the dollar value of all contracts less than $100,000 would be awarded to small businesses. This would increase to 50 percent in the second and subsequent years.

Section 303. HUBZone and 8(a) Sole-Source Contracts

Contracts for property and services made with funds from the ''2001 Emergency Supplemental Appropriations Act for Recovery From and Response to Terrorist Attacks on the United States'' will be exempt from the ceiling on sole-source contracts under the HUBZone and 8(a) programs. Currently, the ceilings are $3 million for service contracts and $5 million for manufacturing contracts.

By Mr. GRAHAM:

S. 1496. A bill to clarify the accounting treatment for Federal income tax purposes of deposits and similar amounts received by a tour operator for a tour arranged by such operator; to the Committee on Finance.

Mr. GRAHAM. Madam President, today I am introducing the Tour Operators Up-front Deposit Relief, TOUR, Act. This legislation codifies a long-standing practice used by the tour operator industry to account for prepaid deposits received in advance of a customers travel.

A tour operator puts together travel ''packages'' often involving a number of different elements: airlines, ground transportation, hotels, restaurants, local guides and other services for one or more destinations. Services often include the direct provision of tour components such as motor coaches. The packages are sold to the public, usually through travel agents. Approximately 70 percent of retail travel agent sales involve tour operator packages. A vacation package combines multiple travel elements into an all-inclusive price. A tour is a trip taken by a group of people who travel together and follow a pre-planned itinerary. In both instances, the travel has been planned by professionals whose group purchasing power insures substantial savings. In addition, prepayment covers all major expenses which minimizes budgeting concerns.

Tour operators employ a long standing, universally accepted method of accounting which recognizes deposits as income upon the date of departure of the passenger. This treatment defers income recognition while the customer still has the right to cancel the travel without substantial conditions and prior to the tour operator's performing many of the tasks and making many of the commitments required to insure a timely, safe and reliable trip.

Recently, the Internal Revenue Service, IRS, has adopted a position in selected tour operator audits which would, if generally applied, require virtually all tour operators to change their method of accounting for deposits. The IRS position is that tour operators must recognize deposits as income upon receipt even though they may not incur expenses for months, or in some cases, more than a year. This position is in direct contrast to guidance previously provided by the IRS. Revenue Procedure 71–21 acknowledges that accrual basis taxpayers should be allowed to defer advanced payment for services under certain circumstances but has improperly refused to interpret this ruling to apply to tour operators.

If the IRS continues to pursue its position, it will raise the cost of operations for tour operators. This added cost will be passed on to Americans seeking to travel. Given the difficulties facing this industry in light of the events of September 11, the IRS position is particularly misguided.

The legislation being introduced today clarifies that Revenue Procedure 71–21 applies to the tour operator industry. Under this Procedure, deposits become taxable income on the date the tour departs.

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

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

S. 1496

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Tour Operators Up-Front-Deposit Relief (TOUR) Act''.

SEC. 2. METHOD OF ACCOUNTING FOR DEPOSITS RECEIVED BY ACCRUAL BASIS TOUR OPERATORS.

In the case of a tour operator using an accrual method of accounting, amounts received from or on behalf of passengers in advance of the departure of a tour arranged by such operator—

(1) shall be treated as properly accounted for under the Internal Revenue Code of 1986 if they are accounted for under a method permitted by Section 3 of Revenue Procedure 71–21, and

(2) for purposes of Revenue Procedure 71–21, shall be deemed earned as of the date the tour departs.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 166—DESIGNATING THE WEEK OF OCTOBER 21, 2001, THROUGH OCTOBER 27, 2001, AND THE WEEK OF OCTOBER 20, 2002, THROUGH OCTOBER 26, 2002, AS ''NATIONAL CHILDHOOD LEAD POISONING PREVENTION WEEK''

Mr. REED (for himself, Ms. COLLINS, Mr. TORRICELLI, Mr. BOND, Mr. AKAKA, Mr. BAYH, Mrs. BOXER, Mr. BREAUX, Mrs. CARNAHAN, Mr. CARPER, Mr. CHAFEE, Mr. CLELAND, Mrs. CLINTON, Mr. CONRAD, Mr. CORZINE, Mr. DEWINE, Mr. DODD, Mr. DORGAN, Mr. DURBIN, Mr. EDWARDS, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. FRIST, Mr. GRAHAM, Mr. INOUYE, Mr. JEFFORDS, Mr. JOHNSON, Mr. KENNEDY, Mr. KERRY, Mr. KOHL, Ms. LANDRIEU, Mr. LEVIN, Mr. LIEBERMAN, Mrs. LINCOLN, Ms. MIKULSKI, Mr. REID, Mr. SARBANES, Mr. SCHUMER, Mr. SMITH of Oregon, Ms. STABENOW, and Mr. WELLSTONE) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 166

Whereas lead poisoning is a leading environmental health hazard to children in the United States;

Whereas according to the Centers for Disease Control and Prevention, 890,000 preschool children in the United States have harmful levels of lead in their blood;

Whereas lead poisoning may cause serious, long-term harm to children, including reduced intelligence and attention span, behavior problems, learning disabilities, and impaired growth;

Whereas children from low-income families are 8 times more likely to be poisoned by lead than those from high-income families;

Whereas children may become poisoned by lead in water, soil, or consumable products;

Whereas most children are poisoned in their homes through exposure to lead particles when lead-based paint deteriorates or is disturbed during home renovation and repainting; and

Whereas lead poisoning crosses all barriers of race, income, and geography: Now, therefore, be it

Resolved, That the Senate—

(1) designates the week of October 21, 2001, through October 27, 2001, and the week of October 20, 2002, through October 26, 2002, as ''National Childhood Lead Poisoning Prevention Week''; and

(2) requests that the President issue a proclamation calling upon the people of the United States to observe such weeks with appropriate programs and activities.

SENATE RESOLUTION 167—RECOGNIZING AMBASSADOR DOUGLAS ''PETE'' PETERSON FOR HIS SERVICE TO THE UNITED STATES AS THE FIRST AMERICAN AMBASSADOR TO VIETNAM SINCE THE VIETNAM WAR

Mr. MCCAIN (for himself, Mr. KERRY, Mr. GRAHAM, Mr. HAGEL, Mr. NELSON of Florida, Mr. CLELAND, and Mr. CARPER) submitted the following resolution; which was considered and agreed to:

S. RES. 167

Whereas while serving as a fighter pilot in the United States Air Force, Pete Peterson was shot down over North Vietnam in 1966 and captured by the Vietnamese military;

Whereas Pete Peterson was held for 6½ years as a prisoner of war in Vietnam;

Whereas after his return to the United States in 1973, Pete Peterson distinguished himself as a businessman and educator in his home State of Florida;

Whereas Pete Peterson was elected to Congress to represent the 2nd Congressional District of Florida in 1990 and went on to serve three terms;

Whereas Pete Peterson first returned to Vietnam in 1991 as a Member of Congress investigating Vietnamese progress on the POW/MIA issue;

Whereas President Reagan began the process of normalizing United States relations with Vietnam;

Whereas President Clinton lifted the trade embargo against Vietnam in 1994;

Whereas President Clinton normalized diplomatic relations with Vietnam in 1995;

Whereas in 1997 Pete Peterson was appointed the first United States ambassador to Vietnam in 22 years;

Whereas throughout Pete Peterson's tenure as United States Ambassador to Vietnam, the President certified annually that the Government of Vietnam was ''fully cooperating in good faith'' with the United States to obtain the fullest possible accounting of Americans missing from the Vietnam War;

Whereas Ambassador Peterson played a critical role in the process of building a new and normal relationship between the United States and Vietnam;

Whereas Ambassador Peterson worked tirelessly to encourage the Government of Vietnam to continue its efforts to reform and open Vietnam's economy;

Whereas thanks to Ambassador Peterson's leadership, Congress in 1998 approved a waiver of the Jackson-Vanik restrictions for Vietnam, thus enabling the Overseas Private Investment Corporation and the Export-Import Bank to operate in Vietnam;

Whereas completion of a United States-Vietnam trade agreement was Ambassador Peterson's top trade priority;

Whereas the United States and Vietnam began negotiations for a bilateral trade agreement in 1996;

Whereas Ambassador Peterson's diplomatic efforts throughout the process of negotiation were invaluable to the completion of the bilateral trade agreement;

Whereas in the agreement the Government of Vietnam agreed to a wide range of steps to open its markets to American trade and investment;

Whereas the agreement will pave the way for further reform of Vietnam's economy and Vietnam's integration into the world economy;

Whereas Ambassador Peterson witnessed the signing of the United States-Vietnam Bilateral Trade Agreement on July 13, 2000;

Whereas President Bush transmitted that trade agreement to Congress on June 8, 2001;

Whereas the United States House of Representatives approved the agreement on September 6, 2001; and

Whereas the United States Senate approved the agreement on October 3, 2001: Now, therefore, be it

Resolved, That Douglas ''Pete'' Peterson is recognized by the United States Senate for his outstanding and dedicated service to the United States as United States Ambassador to Vietnam from 1997–2001, and for his historic role in normalizing United States-Vietnam relations.

AMENDMENTS SUBMITTED AND PROPOSED

SA 1843. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill H.R. 2506, making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes; which was ordered to lie on the table.

SA 1844. Mr. REID (for Mr. KOHL) proposed an amendment to the bill H.R. 768, an act to amend the Improving America's Schools Act of 1994 to extend the favorable treatment of need-based educational aid under the antitrust laws, and for other purposes.

SA 1845. Mr. THOMPSON submitted an amendment intended to be proposed by him to the bill S. 1447, to improve aviation security, and for other purposes; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 1843. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill H.R. 2506, making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes; which was ordered to lie on the table; as follows:

On page 143, beginning on line 9, strike ''and (3)'' and all that follows through the colon and insert the following: ''(3) effective mechanisms are in place to evaluate claims of local citizens that their health was harmed or their licit agricultural crops were damaged by such aerial coca fumigation, and provide fair compensation for meritorious claims; and (4) alternative development programs and emergency aid plans have been developed, in consultation with communities and local authorities in the areas in which such aerial coca fumigation is planned, and in the areas in which such aerial coca fumigation has been conducted, such programs and plans are being implemented:''.

SA 1844. Mr. REID (for Mr. KOHL) proposed an amendment to the bill H.R. 768, an act to amend the Improving America's Schools Act of 1994 to extend the favorable treatment of need-based educational aid under the antitrust laws, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Need-Based Educational Aid Act of 2001''.

SEC. 2. AMENDMENT.

Section 568(d) of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note) is amended by striking ''2001'' and inserting ''2008''.

SEC. 3. GAO STUDY AND REPORT.

(a) STUDY.—

(1) IN GENERAL.—The Comptroller General shall conduct a study of the effect of the antitrust exemption on institutional student aid under section 568 of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note).

(2) CONSULTATION.—The Comptroller General shall have final authority to determine the content of the study under paragraph (1), but in determining the content of the study, the Comptroller General shall consult with—

(A) the institutions of higher education participating under the antitrust exemption under section 568 of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note) (referred to in this Act as the ''participating institutions'');

(B) the Antitrust Division of the Department of Justice; and

(C) other persons that the Comptroller General determines are appropriate.

(3) MATTERS STUDIED.—

(A) IN GENERAL.—The study under paragraph (1) shall—

(i) examine the needs analysis methodologies used by participating institutions;

(ii) identify trends in undergraduate costs of attendance and institutional undergraduate grant aid among participating institutions, including—

(I) the percentage of first-year students receiving institutional grant aid;

(II) the mean and median grant eligibility and institutional grant aid to first-year students; and

(III) the mean and median parental and student contributions to undergraduate costs of attendance for first year students receiving institutional grant aid;

(iii) to the extent useful in determining the effect of the antitrust exemption under section 568 of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note), examine—

(I) comparison data, identified in clauses (i) and (ii), from institutions of higher education that do not participate under the antitrust exemption under section 568 of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note); and

(II) other baseline trend data from national benchmarks; and

(iv) examine any other issues that the Comptroller General determines are appropriate, including other types of aid affected by section 568 of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note).

(B) ASSESSMENT.—

(i) IN GENERAL.—The study under paragraph (1) shall assess what effect the antitrust exemption on institutional student aid has had on institutional undergraduate grant aid and parental contribution to undergraduate costs of attendance.

(ii) CHANGES OVER TIME.—The assessment under clause (i) shall consider any changes in institutional undergraduate grant aid and parental contribution to undergraduate costs of attendance over time for institutions of higher education, including consideration of—

(I) the time period prior to adoption of the consensus methodologies at participating institutions; and

(II) the data examined pursuant to subparagraph (A)(iii).

(b) REPORT.—

(1) IN GENERAL.—Not later than September 30, 2006, the Comptroller General shall submit a report to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives that contains the findings and conclusions of the Comptroller General regarding the matters studied under subsection (a).

(2) IDENTIFYING INDIVIDUAL INSTITUTIONS.—The Comptroller General shall not identify an individual institution of higher education in information submitted in the report under paragraph (1) unless the information on the institution is available to the public.

(c) RECORDKEEPING REQUIREMENT.—

(1) IN GENERAL.—For the purpose of completing the study under subsection (a)(1), a participating institution shall—

(A) collect and maintain for each academic year until the study under subsection (a)(1) is completed—

(i) student-level data that is sufficient, in the judgment of the Comptroller General, to permit the analysis of expected family contributions, identified need, and undergraduate grant aid awards; and

(ii) information on formulas used by the institution to determine need; and

(B) submit the data and information under paragraph (1) to the Comptroller General at such time as the Comptroller General may reasonably require.

(2) NON-PARTICIPATING INSTITUTIONS.—Nothing in this subsection shall be construed to require an institution of higher education that does not participate under the antitrust exemption under section 568 of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note) to collect and maintain data under this subsection.

SEC. 4. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on September 30, 2001.

Amend the title so as to read: ''An Act to amend the Improving America's Schools Act of 1994 to extend the favorable treatment of need-based educational aid under the antitrust laws, and for other purposes.''.

SA 1845. Mr. THOMPSON submitted an amendment intended to be proposed by him to the bill S. 1447, to improve aviation security, and for other purposes; which was ordered to lie on the table; as follows:

On page 2, lines 20 and 21, strike ''The Government Accounting Office, as well as other independent'' and insert ''Independent''.

On page 4, lines 10 and 11, strike ''hiring and training'' and insert ''hiring, training, and evaluating''.

On page 4, line 19, before the semicolon, insert ''and for ensuring accountability of the officials (public or private) responsible for administering the operational aspects of aviation security, based on performance standards''.

On page 7, line 23, after the period, insert the following: ''The Administrator shall provide funding and permanent staff to the Council.''.

On page 18, lines 20 and 21, strike ''in accordance with the provisions of part III of title 5'' and insert ''notwithstanding the provisions of title 5''.

At the end of the bill, insert the following:

SEC. 15. HUMAN CAPITAL CHANGES TO REINFORCE RESULTS-BASED MANAGEMENT.

(a) IN GENERAL.—Subchapter II of chapter 449 of title 49, United States Code, is amended by adding at the end the following:

''§ 44939. Human capital changes to reinforce results-based management

''(a) AUTHORITY OF THE ADMINISTRATOR.—

''(1) The Administrator shall maintain responsibility for the development and promulgation of policy and regulations relating to aviation security.

''(2) The Deputy Administrator for Aviation Security shall be subject to the direction of the Administrator.

''(b) APPOINTMENT OF THE DEPUTY ADMINISTRATOR FOR AVIATION SECURITY.—

''(1) The Deputy Administrator for Aviation Security shall be appointed by the Administrator for a term of not less than 3 and not more than 5 years. The appointment shall be made on the basis of experience with law enforcement, national security, or intelligence.

''(2) The Deputy Administrator for Aviation Security may be removed by the Administrator or the President for misconduct or failure to meet performance goals as set forth in the performance agreement described in section 44940.

''(c) REAPPOINTMENT OF THE DEPUTY ADMINISTRATOR FOR AVIATION SECURITY.—The Administrator may reappoint the Deputy Administrator for Aviation Security to subsequent terms of not less than 3 and not more than 5 years, so long as the performance of the Deputy Administrator is satisfactory.

''(d) COMPENSATION.—

''(1) IN GENERAL.—The Deputy Administrator for Aviation Security is authorized to be paid at an annual rate of basic pay not to exceed the maximum rate of basic pay for the Senior Executive Service under section 5382 of title 5, United States Code, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(B) of such title.

''(2) BONUS.—In addition, the Deputy Administrator for Aviation Security may receive a bonus of up to 50 percent of base pay, based upon the Administrator's evaluation of the Deputy Administrator's performance in relation to the goals set forth in the agreement described in section 44940. The annual compensation of the Deputy Administrator may not exceed $200,000.

''(e) SENIOR MANAGEMENT.—

''(1) APPOINTMENT.—The Deputy Administrator for Aviation Security may appoint such senior managers as that Administrator determines necessary without regard to the provisions of title 5, United States Code.

''(2) COMPENSATION.—

''(A) IN GENERAL.—A senior manager, appointed pursuant to paragraph (1), may be paid at an annual rate of basic pay of not more than the maximum rate of basic pay for the Senior Executive Service under section 5382 of title 5, United States Code, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(C) of such title.

''(B) BONUS.—In addition, senior managers appointed pursuant to paragraph (1) may receive bonuses based on the Deputy Administrator's evaluation of their performance in relation to goals set forth in agreements described in section 44940. The annual compensation for a senior manager may not exceed 125 percent of the maximum rate of base pay for the Senior Executive Service.

''(3) REMOVAL.—Senior managers may be removed by the Deputy Administrator for Aviation Security for misconduct or failure to meet performance goals set forth in the performance agreements.

''(4) PERSONNEL CEILINGS.—The Deputy Administrator for Aviation Security shall not be subject to ceilings relating to the number or grade of employees.

''(5) AVIATION SECURITY OMBUDSMAN.—The Deputy Administrator for Aviation Security, in consultation with the Administrator, shall appoint an ombudsman to address the concerns of aviation security stakeholders, such as airport authorities air carriers, consumer groups, and the travel industry.

''§ 44940. Short-term transition; long-term results

''(a) SHORT-TERM TRANSITION.—

''(1) IN GENERAL.—Within 60 days after the date of enactment of the Aviation Security Act, the Deputy Administrator for Aviation Security shall, in consultation with Congress—

''(A) establish acceptable levels of performance for aviation security, including screening operations and access control; and

''(B) provide Congress with an action plan, containing measurable goals and milestones, that outlines how those levels of performance will be achieved.

''(2) BASICS OF ACTION PLAN.—The action plan shall clarify the responsibilities of the Department of Transportation, the Administrator, the Deputy Administrator for Aviation Security, and any other agency or organization that may have a role in ensuring the safety and security of the civil air transportation system.

''(b) LONG-TERM RESULTS-BASED MANAGEMENT.—

''(1) PERFORMANCE PLAN AND REPORT.—

''(A) PERFORMANCE PLAN.—

''(i) Each year, consistent with the requirements of the Government Performance and Results Act of 1993 (GPRA), the Administrator and the Deputy Administrator for Aviation Security shall agree on a performance plan for the succeeding 5 years that establishes measurable goals and objectives for aviation security. The plan shall identify action steps necessary to achieve such goals.

''(ii) In addition to meeting the requirements of GPRA, the performance plan shall clarify the responsibilities of the Department of Transportation, the Administrator, the Deputy Administrator for Aviation Security, and any other agency or organization that may have a role in ensuring safety and security of the civil air transportation system.

''(iii) The performance plan shall be available to the public. The Deputy Administrator for Aviation Security may prepare a nonpublic appendix covering performance goals and indicators that, if revealed to the public, would likely impede achievement of those goals and indicators.

''(B) PERFORMANCE REPORT.—

''(i) Each year, consistent with the requirements of GPRA, the Deputy Administrator for Aviation Security shall prepare and submit to Congress an annual report including an evaluation of the extent goals and objectives were met. The report shall include the results achieved during the year relative to the goals established in the performance plan.

''(ii) The performance report shall be available to the public. The Deputy Administrator for Aviation Security may prepare a nonpublic appendix covering performance goals and indicators that, if revealed to the public, would likely impede achievement of those goals and indicators.

''(2) PERFORMANCE MANAGEMENT.—

''(A) ESTABLISHING MANAGEMENT ACCOUNTABILITY FOR MEETING PERFORMANCE GOALS.—

''(i) Each year, the Administrator and the Deputy Administrator for Aviation Security shall enter into an annual performance agreement that shall set forth organizational and individual performance goals for the Deputy Administrator.

''(ii) Each year, the Deputy Administrator for Aviation Security and each senior manager shall enter into an annual performance agreement that sets forth organization and individual goals for those managers.

''(B) ESTABLISHING A FAIR AND EQUITABLE SYSTEM FOR MEASURING STAFF PERFORMANCE.—The Deputy Administrator for Aviation Security shall establish an annual performance management system, notwithstanding the provisions of title 5, which strengthens the organization's effectiveness by providing for the establishment of goals and objectives for individual, group, and organizational performance consistent with the performance plan.

''(3) PERFORMANCE-BASED SERVICE CONTRACTING.—In carrying out the aviation security program, the Deputy Administrator for Aviation Security shall, to the extent practicable, maximize the use of performance-based service contracts for any screening activities that may be out-sourced. These contracts should be consistent with guidelines published by the Office of Federal Procurement Policy.''.

(b) CONFORMING AMENDMENT.—The chapter analysis for subchapter II of chapter 449, of title 49, United States Code, is amended by inserting after the item relating to section 44938 the following new items:

''44939. Human capital changes to reinforce results-based management

''44940. Short-term transition; long-term results''.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. KERRY. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, October 3, at 9:30 a.m., to conduct a hearing. The Committee will receive testimony on the nominations of Jeffrey D. Jarrett to be Director of the Office of Surface Mining Reclamation and Enforcement, Department of the Interior, and Harold Craig Manson to be Assistant Secretary for Fish and Wildlife, Department of the Interior.

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

COMMITTEE ON FINANCE

Mr. KERRY. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Wednesday, October 3, 2001, at 11 a.m., to hear testimony on the need for an economic stimulus package and if one is needed, potential components.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. KERRY. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, October 3, 2001, at a time to be determined, to hold a business meeting.

The committee will consider and vote on the following matters:

Nominees: Mr. Robert W. Jordan of Texas, to be Ambassador to the Kingdom of Saudi Arabia.

Committee Organization: Approval of the creation of the Subcommittee on Central Asia and South Caucasus, as follows:

Membership

Robert G. Torricelli, Chairman
Joseph R. Biden, Jr.
John F. Kerry
Paul D. Wellstone
Barbara Boxer

Richard G. Lugar, Ranking Member
Chuck Hagel
Gordon H. Smith
Sam Brownback

(The Chairman and Ranking Member of the full committee are ex officio members of each subcommittee on which they do not serve as members.)

Jurisdiction of Subcommittee on Central Asia and South Caucasus

The subcommittee deals with matters concerning Central Asia and the South Caucasus, including the countries of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan, as well as Armenia, Azerbaijan and Georgia.

This subcommittee's responsibilities include all matters, problems and policies involving promotion of U.S. trade and export; terrorism, crime and the flow of illegal drugs; and oversight over U.S. foreign assistance programs that fall within this subcommittee's regional jurisdiction.

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

SUBCOMMITTEE ON CONSTITUTION, FEDERALISM, AND PROPERTY RIGHTS

Mr. KERRY. Mr. President, I ask unanimous consent that the Committee on the Judiciary Subcommittee on Constitution, Federalism, and Property Rights be authorized to meet to conduct a hearing on Wednesday, October 3, 2001, at 9:30 a.m., in Dirksen 226.

Tentative Witness List [Invited]: United States Department of Justice, Washington, DC; Mr. Jerry Berman, Executive Director, Center for Democracy & Technology, Washington, DC; Professor David D. Cole, Professor of Law, Georgetown University Law Center, Washington, DC; Dr. Morton H. Halperin, Chair, Advisory Board, Center for National Security Studies, Washington, DC; Dean Douglas W. Kmiec, Dean and St. Thomas More Professor, Columbus School of Law, The Catholic University of America, Washington, DC; Professor John O. McGinnis, Professor of Law, Benjamin N. Cardozo School of Law at Yeshiva University, New York, NY; Mr. Grover Norquist, President, Americans for Tax Reform, Washington, DC.

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

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2002

On October 2, 2001, the Senate passed S. 1438, as follows:

S. 1438

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National Defense Authorization Act for Fiscal Year 2002''.

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into three divisions as follows:

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

(3) Division C—Department of Energy National Security Authorizations and Other Authorizations.

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

SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

For purposes of this Act, the term ''congressional defense committees'' means—

(1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

(2) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.

SEC. 4. APPLICABILITY OF REPORT OF COMMITTEE ON ARMED SERVICES OF THE SENATE.

Senate Report 107–62, the report of the Committee on Armed Services of the Senate to accompany the bill S. 1416, 107th Congress, 1st session, shall apply to this Act with the exception of the portions of the report that relate to sections 221 through 224.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 2002 for procurement for the Army as follows:

(1) For aircraft, $2,123,391,000.

(2) For missiles, $1,807,384,000.

(3) For weapons and tracked combat vehicles, $2,276,746,000.

(4) For ammunition, $1,187,565,000.

(5) For other procurement, $4,024,486,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2002 for procurement for the Navy as follows:

(1) For aircraft, $8,169,043,000.

(2) For weapons, including missiles and torpedoes, $1,503,475,000.

(3) For shipbuilding and conversion, $9,522,121,000.

(4) For other procurement, $4,293,476,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2002 for procurement for the Marine Corps in the amount of $981,724,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2002 for procurement of ammunition for the Navy and the Marine Corps in the amount of $476,099,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 2002 for procurement for the Air Force as follows:

(1) For aircraft, $10,892,957,000.

(2) For ammunition, $885,344,000.

(3) For missiles, $3,286,136,000.

(4) For other procurement, $8,081,721,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2002 for Defense-wide procurement in the amount of $1,594,325,000.

SEC. 105. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 2002 for procurement for the Inspector General of the Department of Defense in the amount of $2,800,000.

SEC. 106. CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE.

There is hereby authorized to be appropriated for the Office of the Secretary of Defense for fiscal year 2002 the amount of $1,153,557,000 for—

(1) the destruction of lethal chemical agents and munitions in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521); and

(2) the destruction of chemical warfare materiel of the United States that is not covered by section 1412 of such Act.

SEC. 107. DEFENSE HEALTH PROGRAMS.

Funds are hereby authorized to be appropriated for fiscal year 2002 for the Department of Defense for procurement for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $267,915,000.

Subtitle B—Army Programs

(RESERVED)

Subtitle C—Navy Programs

SEC. 121. VIRGINIA CLASS SUBMARINE PROGRAM.

Section 123(b)(1) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–25) is amended—

(1) by striking ''five Virginia class submarines'' and inserting ''seven Virginia class submarines''; and

(2) by striking ''through 2006'' and inserting ''2007''.

SEC. 122. MULTIYEAR PROCUREMENT AUTHORITY FOR F/A–18E/F AIRCRAFT ENGINES.

Beginning with the 2002 program year, the Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract for the procurement of engines for F/A–18E/F aircraft.

SEC. 123. V–22 OSPREY AIRCRAFT PROGRAM.

The production rate for V–22 Osprey aircraft may not be increased above the minimum sustaining production rate for which funds are authorized to be appropriated by this Act until the Secretary of Defense certifies to Congress that successful operational testing of the aircraft demonstrates that—

(1) the solutions to the problems regarding the reliability of hydraulic system components and flight control software that were

identified by the panel appointed by the Secretary of Defense on January 5, 2001, to review the V–22 aircraft program are adequate to achieve low risk for crews and passengers aboard V–22 aircraft that are operating under operational conditions;

(2) the V–22 aircraft can achieve reliability and maintainability levels that are sufficient for the aircraft to achieve operational availability at the level required for fleet aircraft;

(3) the V–22 aircraft will be operationally effective—

(A) when employed in operations with other V–22 aircraft; and

(B) when employed in operations with other types of aircraft; and

(4) the V–22 aircraft can be operated effectively, taking into consideration the downwash effects inherent in the operation of the aircraft, when the aircraft—

(A) is operated in remote areas with unimproved terrain and facilities;

(B) is deploying and recovering personnel—

(i) while hovering within the zone of ground effect; and

(ii) while hovering outside the zone of ground effect; and

(C) is operated with external loads.

SEC. 124. ADDITIONAL MATTER RELATING TO V–22 OSPREY AIRCRAFT.

Not later than 30 days before the recommencement of flights of the V–22 Osprey aircraft, the Secretary of Defense shall submit to Congress notice of the waiver, if any, of any item capability or any other requirement specified in the Joint Operational Requirements Document for the V–22 Osprey aircraft, including a justification of each such waiver.

Subtitle D—Air Force Programs

SEC. 131. MULTIYEAR PROCUREMENT AUTHORITY FOR C–17 AIRCRAFT.

Beginning with the 2002 program year, the Secretary of the Air Force may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract for the procurement of up to 60 C–17 aircraft.

Subtitle E—Other Matters

SEC. 141. EXTENSION OF PILOT PROGRAM ON SALES OF MANUFACTURED ARTICLES AND SERVICES OF CERTAIN ARMY INDUSTRIAL FACILITIES WITHOUT REGARD TO AVAILABILITY FROM DOMESTIC SOURCES.

Section 141(a) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 10 U.S.C. 4543 note) is amended by striking ''through 2001'' and inserting ''through 2002''.

SEC. 142. PROCUREMENT OF ADDITIONAL M291 SKIN DECONTAMINATION KITS.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS FOR DEFENSE-WIDE PROCUREMENT.—(1) The amount authorized to be appropriated by section 104 for Defense-wide procurement is hereby increased by $2,400,000, with the amount of the increase available for the Navy for procurement of M291 skin decontamination kits.

(2) The amount available under paragraph (1) for procurement of M291 skin decontamination kits is in addition to any other amounts available under this Act for procurement of M291 skin decontamination kits.

(b) OFFSET.—The amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation, Defense-wide, is hereby decreased by $2,400,000, with the amount to be derived from the amount available for the Technical Studies, Support and Analysis program.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2002 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $6,899,170,000.

(2) For the Navy, $11,134,806,000.

(3) For the Air Force, $14,459,457,000.

(4) For Defense-wide activities, $14,099,702,000, of which $221,355,000 is authorized for the Director of Operational Test and Evaluation.

(5) For the Defense Health Program, $65,304,000.

SEC. 202. AMOUNT FOR BASIC AND APPLIED RESEARCH.

(a) FISCAL YEAR 2002.—Of the amounts authorized to be appropriated by section 201, $5,093,605,000 shall be available for basic research and applied research projects.

(b) BASIC RESEARCH AND APPLIED RESEARCH DEFINED.—For purposes of this section, the term ''basic research and applied research'' means work funded in program elements for defense research and development under Department of Defense category 6.1 or 6.2.

SEC. 203. AUTHORIZATION OF ADDITIONAL FUNDS.

(a) AUTHORIZATION.—The amount authorized to be appropriated in section 201(1) is increased by $2,500,000 in PE62303A214 for Enhanced Scramjet Mixing.

(b) OFFSET.—The amount authorized to be appropriated by section 301(5) is reduced by $2,500,000.

SEC. 204. FUNDING FOR SPECIAL OPERATIONS FORCES COMMAND, CONTROL, COMMUNICATIONS, COMPUTERS, AND INTELLIGENCE SYSTEMS THREAT WARNING AND SITUATIONAL AWARENESS PROGRAM.

(a) INCREASED AUTHORIZATION OF APPROPRIATIONS FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE.—The amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation, Defense-wide, is hereby increased by $2,800,000.

(b) AVAILABILITY.—Of the amount authorized to be appropriated by section 201(4), as increased by subsection (a), $2,800,000 may be available for the Special Operations Forces Command, Control, Communications, Computers, and Intelligence Systems Threat Warning and Situational Awareness (PRIVATEER) program (PE1160405BB).

(c) OFFSET.—The amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities is hereby reduced by $2,800,000.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. F–22 AIRCRAFT PROGRAM.

(a) REPEAL OF LIMITATIONS ON TOTAL COST OF ENGINEERING AND MANUFACTURING DEVELOPMENT.—The following provisions of law are repealed:

(1) Section 217(a) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1660).

(2) Section 8125 of the Department of Defense Appropriations Act, 2001 (Public Law 106–259; 114 Stat. 702).

(3) Section 219(b) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–38).

(b) CONFORMING AMENDMENTS.—(1) Section 217 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1660) is amended—

(A) in subsection (c)—

(i) by striking ''limitations set forth in subsections (a) and (b)'' and inserting ''limitation set forth in subsection (b)''; and

(ii) by striking paragraph (3); and

(B) in subsection (d)(2), by striking subparagraphs (D) and (E).

(2) Section 131 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 536) is amended—

(A) in subsection (a), by striking paragraph (2) and inserting the following:

''(2) That the production phase for that program can be executed within the limitation on total cost applicable to that program under section 217(b) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1660).''; and

(B) in subsection (b)(3), by striking ''for the remainder of the engineering and manufacturing development phase and''.

SEC. 212. C–5 AIRCRAFT RELIABILITY ENHANCEMENT AND REENGINING.

The Secretary of the Air Force shall ensure that engineering manufacturing and development under the C–5 aircraft reliability enhancement and reengining program includes kit development for an equal number of C–5A and C–5B aircraft.

SEC. 213. REVIEW OF ALTERNATIVES TO THE V–22 OSPREY AIRCRAFT.

(a) REQUIREMENT FOR REVIEW.—The Under Secretary of Defense for Acquisition, Technology, and Logistics shall conduct a review of the requirements of the Marine Corps and the Special Operations Command that the V–22 Osprey aircraft is intended to meet in order to identify the potential alternative means for meeting those requirements if the V–22 Osprey aircraft program were to be terminated.

(b) MATTERS TO BE INCLUDED.—The requirements reviewed shall include the following:

(1) The requirements to be met by an aircraft replacing the CH–46 medium lift helicopter.

(2) The requirements to be met by an aircraft replacing the MH–53 helicopter.

(c) FUNDING.—Of the amount authorized to be appropriated by section 201(2), $5,000,000 shall be available for carrying out the review required by this section.

SEC. 214. JOINT BIOLOGICAL DEFENSE PROGRAM.

Section 217(a) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–36) is amended by striking ''funds authorized to be appropriated by this Act may not'' and inserting ''no funds authorized to be appropriated to the Department of Defense for fiscal year 2002 may''.

SEC. 215. REPORT ON V–22 OSPREY AIRCRAFT BEFORE DECISION TO RESUME FLIGHT TESTING.

Not later than 30 days before the planned date to resume flight testing of the V–22 Osprey aircraft, the Under Secretary of Defense for Acquisition, Technology, and Logistics shall submit to Congress a report containing the following:

(1) A comprehensive description of the status of the hydraulics system and flight control software of the V–22 Osprey Aircraft, including—

(A) a description and analysis of any deficiencies in the hydraulics system and flight control software of the V–22 Osprey aircraft; and

(B) a description and assessment of the actions taken to redress such deficiencies.

(2) A description of the current actions, and any proposed actions, of the Department of Defense to implement the recommendations of the Panel to Review the V–22 Program.

(3) An assessment of the recommendations of the National Aeronautics and Space Administration in its report on tiltrotor aeromechanics.

SEC. 216. BIG CROW PROGRAM AND DEFENSE SYSTEMS EVALUATION PROGRAM.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE.—The amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation, Defense-wide, is hereby increased by $6,500,000, with the amount of the increase to be available for operational test and evaluation (PE605118D).

(b) AVAILABILITY OF FUNDS.—Of the amount authorized to be appropriated by section 201(4), as increased by subsection (a)—

(1) $5,000,000 may be available for the Big Crow program; and

(2) $1,500,000 may be available for the Defense Systems Evaluation (DSE) program.

(c) OFFSET.—The amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities is hereby reduced by $6,500,000.

Subtitle C—Other Matters

SEC. 231. TECHNOLOGY TRANSITION INITIATIVE.

(a) ESTABLISHMENT AND CONDUCT.—Chapter 139 of title 10, United States Code, is amended by inserting after section 2354 the following new section 2355:

"§ 2355. Technology Transition Initiative

''(a) REQUIREMENT FOR PROGRAM.—The Secretary of Defense shall carry out a Technology Transition Initiative to facilitate the rapid transition of new technologies from science and technology programs of the Department of Defense into acquisition programs for the production of the technologies.

''(b) OBJECTIVES.—The objectives of the Initiative are as follows:

''(1) To successfully demonstrate new technologies in relevant environments.

''(2) To ensure that new technologies are sufficiently mature for production.

''(c) MANAGEMENT.—(1) The Secretary of Defense shall designate a senior official in the Office of the Secretary of Defense to manage the Initiative.

''(2) In administering the Initiative, the Initiative Manager shall report directly to the Under Secretary of Defense for Acquisition, Technology, and Logistics.

''(3) The Initiative Manager shall—

''(A) in consultation with the Commander of the Joint Forces Command, identify promising technologies that have been demonstrated in science and technology programs of the Department of Defense;

''(B) identify potential sponsors in the Department of Defense to undertake the transition of such technologies into production;

''(C) work with the science and technology community and the acquisition community to develop memoranda of agreement, joint funding agreements, and other cooperative arrangements to provide for the transition of the technologies into production; and

''(D) provide funding support for selected projects as provided under subsection (d).

''(d) JOINTLY FUNDED PROJECTS.—(1) The senior procurement executive of each military department shall select technology projects of the military department to recommend for funding support under the Initiative and shall submit a list of the recommended projects, ranked in order of priority, to the Initiative Manager. The projects shall be selected, in a competitive process, on the basis of the highest potential benefits in areas of interest identified by the Secretary of that military department.

''(2) The Initiative Manager, in consultation with the Commander of the Joint Forces Command, shall select projects for funding support from among the projects on the lists submitted under paragraph (1). The Initiative Manager shall provide funds, out of the Technology Transition Fund, for each selected project. The total amount provided for a project shall be an amount that equals or exceeds 50 percent of the total cost of the project.

''(3) The senior procurement executive of the military department shall manage each project selected under paragraph (2) that is undertaken by the military department. Memoranda of agreement, joint funding agreements, and other cooperative arrangements between the science and technology community and the acquisition community shall be used in carrying out the project if the senior procurement executive determines that it is appropriate to do so to achieve the objectives of the project.

''(e) TECHNOLOGY TRANSITION FUND.—(1) There is established in the Treasury of the United States a fund to be known as the 'Technology Transition Fund'.

''(2) Subject to the authority, direction, and control of the Secretary of Defense, the Initiative Manager shall administer the Fund consistent with the provisions of this section.

''(3) Amounts appropriated for the Initiative shall be deposited in the Fund.

''(4) Amounts in the Fund shall be available, to the extent provided in appropriations Acts, for carrying out the Initiative.

''(5) The President shall specify in the budget submitted for a fiscal year pursuant to section 1105(a) of title 31 the amount provided in that budget for the Initiative.

''(f) DEFINITIONS.—In this section:

''(1) The term 'Initiative' means the Technology Transition Initiative carried out under this section.

''(2) The term 'Initiative Manager' means the official designated to manage the Initiative under subsection (c).

''(3) The term 'Fund' means the Technology Transition Fund established under subsection (e).

''(4) The term 'senior procurement executive', with respect to a military department, means the official designated as the senior procurement executive for that military department under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2354 the following new item:

''2355. Technology Transition Initiative.''.

SEC. 232. COMMUNICATION OF SAFETY CONCERNS BETWEEN OPERATIONAL TESTING AND EVALUATION OFFICIALS AND PROGRAM MANAGERS.

Section 139 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(c) The Director shall ensure that safety concerns developed during the operational test and evaluation of a weapon system under a major defense acquisition program are timely communicated to the program manager for consideration in the acquisition decisionmaking process.''.

SEC. 233. SUPPLEMENTAL AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 2001 FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION DEFENSE-WIDE.

Section 201(4) of Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–32) is amended by striking ''$10,873,712,000'' and inserting ''$10,874,712,000''.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 2002 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $21,134,982,000.

(2) For the Navy, $26,927,931,000.

(3) For the Marine Corps, $2,911,339,000.

(4) For the Air Force, $25,993,582,000.

(5) For Defense-wide activities, $12,482,532,000.

(6) For the Army Reserve, $1,803,146,000.

(7) For the Naval Reserve, $1,000,369,000.

(8) For the Marine Corps Reserve, $142,956,000.

(9) For the Air Force Reserve, $2,029,866,000.

(10) For the Army National Guard, $3,697,659,000.

(11) For the Air National Guard, $4,037,161,000.

(12) For the Defense Inspector General, $149,221,000.

(13) For the United States Court of Appeals for the Armed Forces, $9,096,000.

(14) For Environmental Restoration, Army, $389,800,000.

(15) For Environmental Restoration, Navy, $257,517,000.

(16) For Environmental Restoration, Air Force, $385,437,000.

(17) For Environmental Restoration, Defense-wide, $23,492,000.

(18) For Environmental Restoration, Formerly Used Defense Sites, $190,255,000.

(19) For Overseas Humanitarian, Disaster, and Civic Aid programs, $49,700,000.

(20) For Drug Interdiction and Counterdrug Activities, Defense-wide, $860,381,000.

(21) For the Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Trust Fund, $60,000,000.

(22) For the Defense Health Program, $17,546,750,000.

(23) For Cooperative Threat Reduction programs, $403,000,000.

(24) For Overseas Contingency Operations Transfer Fund, $2,844,226,000.

(25) For Support for International Sporting Competitions, Defense, $15,800,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 2002 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Working Capital Funds, $1,917,186,000.

(2) For the National Defense Sealift Fund, $506,408,000.

SEC. 303. ARMED FORCES RETIREMENT HOME.

(a) AMOUNT FOR FISCAL YEAR 2002.—There is hereby authorized to be appropriated for fiscal year 2002 from the Armed Forces Retirement Home Trust Fund the sum of $71,440,000 for the operation of the Armed Forces Retirement Home, including the United States Soldiers' and Airmen's Home and the Naval Home.

(b) AMOUNTS PREVIOUSLY AUTHORIZED.—Of amounts appropriated from the Armed Forces Retirement Home Trust Fund for fiscal years before fiscal year 2002 by Acts enacted before the date of the enactment of this Act, an amount of $22,400,000 shall be available for those fiscal years, to the same extent as is provided in appropriation Acts, for the development and construction of a blended use, multicare facility at the Naval Home and for the acquisition of a parcel of real property adjacent to the Naval Home, consisting of approximately 15 acres, more or less.

SEC. 304. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) CONTINUATION OF DEPARTMENT OF DEFENSE PROGRAM FOR FISCAL YEAR 2002.—Of the amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities, $35,000,000 shall be available only for the purpose of providing educational agencies assistance (as defined in subsection (d)(1)) to local educational agencies.

(b) NOTIFICATION.—Not later than June 30, 2002, the Secretary of Defense shall notify each local educational agency that is eligible for educational agencies assistance for fiscal year 2002 of—

(1) that agency's eligibility for educational agencies assistance; and

(2) the amount of the educational agencies assistance for which that agency is eligible.

(c) DISBURSEMENT OF FUNDS.—The Secretary of Defense shall disburse funds made available under subsection (a) not later than 30 days after the date on which notification to the eligible local educational agencies is provided pursuant to subsection (b).

(d) DEFINITIONS.—In this section:

(1) The term ''educational agencies assistance'' means assistance authorized under section 386(b) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 7703 note).

(2) The term ''local educational agency'' has the meaning given that term in section 8013(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(9)).

SEC. 305. AMOUNT FOR IMPACT AID FOR CHILDREN WITH SEVERE DISABILITIES.

Of the amount authorized to be appropriated under section 301(5), $5,000,000 shall be available for payments under section 363 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–77).

SEC. 306. IMPROVEMENTS IN INSTRUMENTATION AND TARGETS AT ARMY LIVE FIRE TRAINING RANGES.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS FOR OPERATION AND MAINTENANCE, ARMY.—The amount authorized to be appropriated by section 301(1) for the Army for operation and maintenance is hereby increased by $11,900,000 for improvements in instrumentation and targets at Army live fire training ranges.

(b) OFFSET.—The amount authorized to be appropriated by section 302(1) for the Department of Defense for the Defense Working Capital Funds is hereby decreased by $11,900,000, with the amount of the decrease to be allocated to amounts available under that section for fuel purchases.

SEC. 307. ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES.

Of the funds authorized to be appropriated for section 301, $230,255,000 shall be available for Environmental Restoration, Formerly Used Defense Sites.

SEC. 308. AUTHORIZATION OF ADDITIONAL FUNDS.

Of the amount authorized to be appropriated by section 301(5), $2,000,000 may be available for the replacement and refurbishment of air handlers and related control systems at Air Force medical centers.

SEC. 309. FUNDS FOR RENOVATION OF DEPARTMENT OF VETERANS AFFAIRS FACILITIES ADJACENT TO NAVAL TRAINING CENTER, GREAT LAKES, ILLINOIS.

(a) AVAILABILITY OF FUNDS FOR RENOVATION.—Subject to subsection (b), of the amount authorized to be appropriated by section 301(2) for operations and maintenance for the Navy, the Secretary of the Navy may make available to the Secretary of Veterans Affairs up to $2,000,000 for relocation of Department of Veterans Affairs activities and associated renovation of existing facilities at the North Chicago Department of Veterans Affairs Medical Center.

(b) LIMITATION.—The Secretary of the Navy may make funds available under subsection (a) only after the Secretary of the Navy and the Secretary of Veterans Affairs enter into an appropriate agreement for the use by the Secretary of the Navy of approximately 48 acres of real property at the North Chicago Department of Veterans Affairs property referred to in subsection (a) for expansion of the Naval Training Center, Great Lakes, Illinois.

Subtitle B—Environmental Provisions

SEC. 311. ESTABLISHMENT IN ENVIRONMENTAL RESTORATION ACCOUNTS OF SUB-ACCOUNTS FOR UNEXPLODED ORDNANCE AND RELATED CONSTITUENTS.

Section 2703 of title 10, United States Code, is amended—

(1) by redesignating subsections (b) through (f) as subsections (c) through (g), respectively; and

(2) by inserting after subsection (a) the following new subsection (b):

''(b) SUB-ACCOUNTS FOR UNEXPLODED ORDNANCE AND RELATED CONSTITUENTS.—There is hereby established within each environmental restoration account established under subsection (a) a sub-account to be known as the 'Environmental Restoration Sub-Account, Unexploded Ordnance and Related Constituents', for the account concerned.''.

SEC. 312. ASSESSMENT OF ENVIRONMENTAL REMEDIATION OF UNEXPLODED ORDNANCE AND RELATED CONSTITUENTS.

(a) REPORT REQUIRED.—The report submitted to Congress under section 2706(a) of title 10, United States Code, in 2002 shall include, in addition to the matters required by such section, a comprehensive assessment of the extent of unexploded ordnance and related constituents at current and former facilities of the Department of Defense.

(b) ELEMENTS.—The assessment included under subsection (a) in the report referred to in that subsection shall include, at a minimum—

(1) an estimate of the aggregate projected costs of the remediation of unexploded ordnance and related constituents at all active facilities of the Department;

(2) an estimate of the aggregate projected costs of the remediation of unexploded ordnance and related constituents at all installations that are being, or have been, closed or realigned under the base closure laws as of the date of the report under subsection (a);

(3) an estimate of the aggregate projected costs of the remediation of unexploded ordnance and related constituents at all formerly used defense sites;

(4) a comprehensive plan for addressing the unexploded ordinance and related constituents referred to in paragraphs (1) through (3), including an assessment of the funding required and the period of time over which such funding will be provided; and

(5) an assessment of the technology available for the remediation of unexploded ordnance and related constituents, an assessment of the impact of improved technology on the cost of remediation of such ordnance and constituents, and a plan for the development and utilization of such improved technology.

(c) REQUIREMENTS FOR ESTIMATES.—(1) The estimates of aggregate projected costs under each of paragraphs (1), (2), and (3) of subsection (b) shall—

(A) be stated as a range of aggregate projected costs, including a low estimate and a high estimate;

(B) set forth the differing assumptions underlying each such low estimate and high estimate, including—

(i) any public uses for the facilities, installations, or sites concerned that will be available after the remediation has been completed;

(ii) the extent of the cleanup required to make the facilities, installations, or sites concerned available for such uses; and

(iii) the technologies to be applied to utilized this purpose; and

(C) include, and identify separately, an estimate of the aggregate projected costs of the remediation of any ground water contamination that may be caused by unexploded ordnance and related constituents at the facilities, installations, or sites concerned.

(2) The high estimate of the aggregate projected costs for facilities and installations under paragraph (1)(A) shall be based on the assumption that all unexploded ordnance and related constituents at such facilities and installations will be addressed, regardless of whether there are any current plans to close such facilities or installations or discontinue training at such facilities or installations.

(3) The estimate of the aggregate projected costs of remediation of ground water contamination under paragraph (1)(C) shall be based on a comprehensive assessment of the risk of such contamination and of the actions required to protect the ground water supplies concerned.

SEC. 313. DEPARTMENT OF DEFENSE ENERGY EFFICIENCY PROGRAM.

(a) IN GENERAL.—The Secretary of Defense shall carry out a program to significantly improve the energy efficiency of Department of Defense facilities through 2010.

(b) RESPONSIBLE OFFICIALS.—The Secretary shall designate a senior official of the Department of Defense to be responsible for managing the program for the Department and a senior official of each military department to be responsible for managing the program for such department.

(c) ENERGY EFFICIENCY GOALS.—The goal of the program shall be to achieve reductions in energy consumption by Department facilities as follows:

(1) In the case of industrial and laboratory facilities, reductions in the average energy consumption per square foot of such facilities, per unit of production or other applicable unit, relative to energy consumption in 1990—

(A) by 20 percent by 2005; and

(B) by 25 percent by 2010.

(2) In the case of other facilities, reductions in average energy consumption per gross square foot of such facilities, relative to energy consumption per gross square foot in 1985—

(A) by 30 percent by 2005; and

(B) by 35 percent by 2010.

(d) STRATEGIES FOR IMPROVING ENERGY EFFICIENCY.—In order to achieve the goals set forth in subsection (c), the Secretary shall, to the maximum extent practicable—

(1) purchase energy-efficient products, as so designated by the Environmental Protection Agency and the Department of Energy, and other energy-efficient products;

(2) utilize energy savings performance contracts, utility energy-efficiency service contracts, and other contracts designed to achieve energy conservation;

(3) use life-cycle cost analysis, including assessment of life-cycle energy costs, in making decisions about investments in products, services, construction, and other projects;

(4) conduct energy efficiency audits for approximately 10 percent of all Department of Defense facilities each year;

(5) explore opportunities for energy efficiency in industrial facilities for steam systems, boiler operation, air compressor systems, industrial processes, and fuel switching; and

(6) retire inefficient equipment on an accelerated basis where replacement results in lower life-cycle costs.

(e) REPORTS.— Not later than January 1, 2002, and annually thereafter through 2010, the Secretary shall submit to the congressional defense committees a report on progress made toward achieving the goals set forth in subsection (c). Each report shall include, at a minimum—

(1) the percentage reduction in energy consumption accomplished as of the date of such report by the Department, and by each of the military departments, in facilities covered by the goals set forth in subsection (c)(1);

(2) the percentage reduction in energy consumption accomplished as of the date of such report by the Department, and by each of the military departments, in facilities covered by the goals set forth in subsection (c)(2); and

(3) the steps taken by the Department, and by each of the military departments, to implement the energy efficiency strategies required by subsection (d) in the preceding calendar year.

SEC. 314. EXTENSION OF PILOT PROGRAM FOR SALE OF AIR POLLUTION EMISSION REDUCTION INCENTIVES.

Section 351(a)(2) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 10 U.S.C. 2701 note) is amended by striking ''September 30, 2001'' and inserting ''September 30, 2003''.

SEC. 315. REIMBURSEMENT OF ENVIRONMENTAL PROTECTION AGENCY FOR CERTAIN RESPONSE COSTS IN CONNECTION WITH HOOPER SANDS SITE, SOUTH BERWICK, MAINE.

(a) AUTHORITY TO REIMBURSE.—Using amounts specified in subsection (c), the Secretary of the Navy may pay $1,005,478 to the Hooper Sands Special Account within the Hazardous Substance Superfund established by section 9507 of the Internal Revenue Code of 1986 (26 U.S.C. 9507) to reimburse the Environmental Protection Agency for the response costs incurred by the Environmental Protection Agency for actions taken between May 12, 1992, and July 31, 2000, pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) at the Hooper Sands site in South Berwick, Maine, in accordance with the Interagency Agreement entered into by the Department of the Navy and the Environmental Protection Agency in January 2001.

(b) TREATMENT OF REIMBURSEMENT.—Payment of the amount authorized by subsection (a) shall be in full satisfaction of amounts due from the Department of the Navy to the Environmental Protection Agency for the response costs described in that subsection.

(c) SOURCE OF FUNDS.—Payment under subsection (a) shall be made using amounts authorized to be appropriated by section 301(15) to the Environmental Restoration Account, Navy, established by section 2703(a)(3) of title 10, United States Code.

SEC. 316. CONFORMITY OF SURETY AUTHORITY UNDER ENVIRONMENTAL RESTORATION PROGRAM WITH SURETY AUTHORITY UNDER SUPERFUND.

Section 2701(j)(1) of title 10, United States Code, is amended by striking ''or after December 31, 1999''.

SEC. 317. PROCUREMENT OF ALTERNATIVE FUELED AND HYBRID ELECTRIC LIGHT DUTY TRUCKS.

(a) DEFENSE FLEETS NOT COVERED BY REQUIREMENT IN ENERGY POLICY ACT OF 1992.—(1) The Secretary of Defense shall coordinate with the Administrator of General Services to ensure that only hybrid electric vehicles are procured by the Administrator for the Department of Defense fleet of light duty trucks that is not in a fleet of vehicles to which section 303 of the Energy Policy Act of 1992 (42 U.S.C. 13212) applies.

(2) The Secretary, in consultation with the Administrator, may waive the policy regarding the procurement of hybrid electric vehicles in paragraph (1) to the extent that the Secretary determines necessary—

(A) in the case of trucks that are exempt from the requirements of section 303 of the Energy Policy Act of 1992 (42 U.S.C. 13212) for national security reasons under subsection (b)(3)(E) of such section, to meet specific requirements of the Department of Defense for capabilities of light duty trucks;

(B) to procure vehicles consistent with the standards applicable to the procurement of fleet vehicles for the Federal Government; or

(C) to adjust to limitations on the commercial availability of light duty trucks that are hybrid electric vehicles.

(3) This subsection applies with respect to procurements of light duty trucks in fiscal year 2005 and subsequent fiscal years.

(b) REQUIREMENT TO EXCEED REQUIREMENT IN ENERGY POLICY ACT OF 1992.—(1) The Secretary of Defense shall coordinate with the Administrator of General Services to ensure that, of the light duty trucks procured in fiscal years after fiscal year 2004 for the fleets of light duty vehicles of the Department of Defense to which section 303 of the Energy Policy Act of 1992 (42 U.S.C. 13212) applies—

(A) five percent of the total number of such trucks that are procured in each of fiscal years 2005 and 2006 are alternative fueled vehicles or hybrid electric vehicles; and

(B) ten percent of the total number of such trucks that are procured in each fiscal year after fiscal year 2006 are alternative fueled vehicles or hybrid electric vehicles.

(2) Light duty trucks acquired for the Department of Defense that are counted to comply with section 303 of the Energy Policy Act of 1992 (42 U.S.C. 13212) for a fiscal year shall be counted to determine the total number of light duty trucks procured for the Department of Defense for that fiscal year for the purposes of paragraph (1), but shall not be counted to satisfy the requirement in that paragraph.

(c) REPORT ON PLANS FOR IMPLEMENTATION.—At the same time that the President submits the budget for fiscal year 2003 to Congress under section 1105(a) of title 31, United States Code, the Secretary shall submit to Congress a report summarizing the plans for carrying out subsections (a) and (b).

(d) DEFINITIONS.—In this section:

(1) The term ''hybrid electric vehicle'' means a motor vehicle that draws propulsion energy from onboard sources of stored energy that are both—

(A) an internal combustion or heat engine using combustible fuel; and

(B) a rechargeable energy storage system.

(2) The term ''alternative fueled vehicle'' has the meaning given that term in section 301 of the Energy Policy Act of 1992 (43 U.S.C. 13211).

Subtitle C—Commissaries and Nonappropriated Fund Instrumentalities

SEC. 321. REBATE AGREEMENTS WITH PRODUCERS OF FOODS PROVIDED UNDER THE SPECIAL SUPPLEMENTAL FOOD PROGRAM.

Section 1060a(b) of title 10, United States Code, is amended—

(1) by striking ''(b) FUNDING MECHANISM.—'' and inserting ''(b) FUNDING.—(1); and

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

''(2)(A) In the administration of the program under this section, the Secretary of Defense may enter into a contract with a producer of a particular brand of food that provides for—

''(i) the Secretary of Defense to procure that particular brand of food, exclusive of other brands of the same or similar food, for the purpose of providing the food in commissary stores of the Department of Defense as a supplemental food under the program; and

''(ii) the producer to rebate to the Department of Defense amounts equal to agreed portions of the amounts paid by the department for the procurement of that particular brand of food for the program.

''(B) The Secretary shall use competitive procedures under chapter 137 of this title for entering into contracts under this paragraph.

''(C) The period covered by a contract entered into under this paragraph may not exceed one year. No such contract may be extended by a modification of the contract, by exercise of an option, or by any other means. Nothing in this subparagraph prohibits a contractor under a contract entered into under this paragraph for any year from submitting an offer for, and being awarded, a contract that is to be entered into under this paragraph for a successive year.

''(D) Amounts rebated under a contract entered into under subparagraph (A) shall be credited to the appropriation available for carrying out the program under this section in the fiscal year in which rebated, shall be merged with the other sums in that appropriation, and shall be available for the program for the same period as the other sums in the appropriation.''.

SEC. 322. REIMBURSEMENT FOR USE OF COMMISSARY FACILITIES BY MILITARY DEPARTMENTS FOR PURPOSES OTHER THAN COMMISSARY SALES.

(a) REQUIREMENT.—Chapter 147 of title 10, United States Code, is amended by inserting after section 2482a the following new section:

''§ 2483. Commissary stores: reimbursement for use of commissary facilities by military departments

''(a) PAYMENT REQUIRED.—The Secretary of a military department shall pay the Defense Commissary Agency the amount determined under subsection (b) for any use of a commissary facility by the military department for a purpose other than commissary sales or operations in support of commissary sales.

''(b) AMOUNT.—The amount payable under subsection (a) for use of a commissary facility by a military department shall be equal to the share of depreciation of the facility that is attributable to that use, as determined under regulations prescribed by the Secretary of Defense.

''(c) COVERED FACILITIES.—This section applies with respect to a commissary facility that is acquired, constructed, converted, expanded, installed, or otherwise improved (in whole or in part) with the proceeds of an adjustment or surcharge applied under section 2486(c) of this title.

''(d) CREDITING OF PAYMENTS.—The Director of the Defense Commissary Agency shall credit amounts paid under this section for use of a facility to an appropriate account to which proceeds of an adjustment or surcharge referred to in subsection (c) are credited.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2482a the following new item:

''2483. Commissary stores: reimbursement for use of commissary facilities by military departments.''.

SEC. 323. PUBLIC RELEASES OF COMMERCIALLY VALUABLE INFORMATION OF COMMISSARY STORES.

(a) LIMITATIONS AND AUTHORITY.—Section 2487 of title 10, United States Code, is amended to read as follows:

''§ 2487. Commissary stores: release of certain commercially valuable information to the public

''(a) AUTHORITY TO LIMIT RELEASE.—(1) The Secretary of Defense may limit the release to the public of any information described in paragraph (2) if the Secretary determines that it is in the best interest of the Department of Defense to limit the release of such information. If the Secretary determines to limit the release of any such information, the Secretary may provide for limited release of such information in accordance with subsection (b).

''(2) Paragraph (1) applies to the following:

''(A) Information contained in the computerized business systems of commissary stores or the Defense Commissary Agency that is collected through or in connection with the use of electronic scanners in commissary stores, including the following information:

''(i) Data relating to sales of goods or services.

''(ii) Demographic information on customers.

''(iii) Any other information pertaining to commissary transactions and operations.

''(B) Business programs, systems, and applications (including software) relating to commissary operations that were developed with funding derived from commissary surcharges.

''(b) RELEASE AUTHORITY.—(1) The Secretary of Defense may, using competitive procedures, enter into a contract to sell information described in subsection (a)(2).

''(2) The Secretary of Defense may release, without charge, information on an item sold in commissary stores to—

''(A) the manufacturer or producer of that item; or

''(B) the manufacturer or producer's agent when necessary to accommodate electronic ordering of the item by commissary stores.

''(3) The Secretary of Defense may, by contract entered into with a business, grant to the business a license to use business programs referred to in subsection (a)(2)(B), including software used in or comprising any such program. The fee charged for the license shall be based on the costs of similar programs developed and marketed by businesses in the private sector, determined by means of surveys.

''(4) Each contract entered into under this subsection shall specify the amount to be paid for information released or a license granted under the contract, as the case may be.

''(c) FORM OF RELEASE.—Information described in subsection (a)(2) may not be released, under subsection (b) or otherwise, in a form that identifies any customer or that provides information making it possible to identify any customer.

''(d) RECEIPTS.—Amounts received by the Secretary under this section shall be credited to funds derived from commissary surcharges, shall be merged with those funds, and shall be available for the same purposes as the funds with which merged.

''(e) DEFINITIONS.—In this section, the term 'commissary surcharge' means any adjustment or surcharge applied under section 2486(c) of this title.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 147 of such title is amended to read as follows:

''2487. Commissary stores: release of certain commercially valuable information to the public.''.

Subtitle D—Other Matters

SEC. 331. CODIFICATION OF AUTHORITY FOR DEPARTMENT OF DEFENSE SUPPORT FOR COUNTERDRUG ACTIVITIES OF OTHER GOVERNMENTAL AGENCIES.

(a) AUTHORITY.—(1) Chapter 18 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 383. Additional support for counterdrug activities of other agencies

''(a) SUPPORT TO OTHER AGENCIES.—The Secretary of Defense may provide support for the counterdrug activities of any other department or agency of the Federal Government or of any State, local, or foreign law enforcement agency for any of the purposes set forth in subsection (b) if such support is requested—

''(1) by the official who has responsibility for the counterdrug activities of the department or agency of the Federal Government, in the case of support for the department or agency;

''(2) by the appropriate official of a State or local government, in the case of support for the State or local law enforcement agency; or

''(3) by an appropriate official of a department or agency of the Federal Government that has counterdrug responsibilities, in the case of support for a foreign law enforcement agency.

''(b) TYPES OF SUPPORT.—The purposes for which the Secretary may provide support under subsection (a) are the following:

''(1) The maintenance and repair of equipment that has been made available to any department or agency of the Federal Government or to any State or local government by the Department of Defense for the purposes of—

''(A) preserving the potential future utility of such equipment for the Department of Defense; and

''(B) upgrading such equipment to ensure compatibility of that equipment with other equipment used by the Department of Defense.

''(2) The maintenance, repair, or upgrading of equipment (including computer software), other than equipment referred to in subparagraph (A) for the purpose of—

''(A) ensuring that the equipment being maintained or repaired is compatible with equipment used by the Department of Defense; and

''(B) upgrading such equipment to ensure the compatibility of that equipment with equipment used by the Department of Defense.

''(3) The transportation of personnel of the United States and foreign countries (including per diem expenses associated with such transportation), and the transportation of supplies and equipment, for the purpose of facilitating counterdrug activities within or outside the United States.

''(4) The establishment (including an unspecified minor military construction project) and operation of bases of operations or training facilities for the purpose of facilitating counterdrug activities of the Department of Defense or any Federal, State, or local law enforcement agency within or outside the United States or counterdrug activities of a foreign law enforcement agency outside the United States.

''(5) Counterdrug related training of law enforcement personnel of the Federal Government, of State and local governments, and of foreign countries, including associated support expenses for trainees and the provision of materials necessary to carry out such training.

''(6) The detection, monitoring, and communication of the movement of—

''(A) air and sea traffic within 25 miles of and outside the geographic boundaries of the United States; and

''(B) surface traffic outside the geographic boundary of the United States and within the United States not to exceed 25 miles of the boundary if the initial detection occurred outside of the boundary.

''(7) Construction of roads and fences and installation of lighting to block drug smuggling corridors across international boundaries of the United States.

''(8) Establishment of command, control, communications, and computer networks for improved integration of law enforcement, active military, and National Guard activities.

''(9) The provision of linguist and intelligence analysis services.

''(10) Aerial and ground reconnaissance.

''(c) LIMITATION ON COUNTERDRUG REQUIREMENTS.—The Secretary of Defense may not limit the requirements for which support may be provided under subsection (a) only to critical, emergent, or unanticipated requirements.

''(d) CONTRACT AUTHORITY.—In carrying out subsection (a), the Secretary of Defense may acquire services or equipment by contract for support provided under that subsection if the Department of Defense would normally acquire such services or equipment by contract for the purpose of conducting a similar activity for the Department of Defense.

''(e) LIMITED WAIVER OF PROHIBITION—Notwithstanding section 376 of this title, the Secretary of Defense may provide support pursuant to subsection (a) in any case in which the Secretary determines that the provision of such support would adversely affect the military preparedness of the United States in the short term if the Secretary determines that the importance of providing such support outweighs such short-term adverse effect.

''(f) CONDUCT OF TRAINING OR OPERATION TO AID CIVILIAN AGENCIES.—In providing support pursuant to subsection (a), the Secretary of Defense may plan and execute otherwise valid military training or operations (including training exercises undertaken pursuant to section 1206(a) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1564; 10 U.S.C. 124 note)) for the purpose of aiding civilian law enforcement agencies.

''(g) RELATIONSHIP TO OTHER LAWS.—(1) The authority provided in this section for the support of counterdrug activities by the Department of Defense is in addition to, and except as provided in paragraph (2), not subject to the requirements of any other provision of this chapter.

''(2) Support under this section shall be subject to the provisions of section 375 and, except as provided in subsection (e), section 376 of this title.

''(h) CONGRESSIONAL NOTIFICATION OF FACILITIES PROJECTS.—(1) When a decision is made to carry out a military construction project described in paragraph (2), the Secretary of Defense shall submit to the committees of Congress named in paragraph (3) a written notice of the decision, including the justification for the project and the estimated cost of the project. The project may be commenced only after the end of the 21-day period beginning on the date on which the written notice is received by the committees.

''(2) Paragraph (1) applies to an unspecified minor military construction project that—

''(A) is intended for the modification or repair of a Department of Defense facility for the purpose set forth in subsection (b)(4); and

''(B) has an estimated cost of more than $500,000.

''(3) The committees referred to in paragraph (1) are as follows:

''(A) The Committee on Armed Services and the Committee on Appropriations of the Senate.

''(B) The Committee on Armed Services and the Committee on Appropriations of the House of Representatives.''.

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

''383. Additional support for counterdrug activities of other agencies.''.

(b) REPEAL OF SUPERSEDED PROVISION.—Section 1004 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 374 note) is repealed.

(c) SAVINGS PROVISION.—The repeal of section 1004 of the National Defense Authorization Act for Fiscal Year 1991 by subsection (b) shall not affect any support provided under that section that is ongoing as of the date of the enactment of this Act. The support may be continued in accordance with section 383 of title 10, United States Code, as added by subsection (a).

SEC. 332. EXCLUSION OF CERTAIN EXPENDITURES FROM LIMITATION ON PRIVATE SECTOR PERFORMANCE OF DEPOT-LEVEL MAINTENANCE.

(a) AMOUNTS EXCLUDED.—Amounts expended out of funds described in subsection (b) for the performance of a depot-level maintenance and repair workload by non-Federal Government personnel at a Center of Industrial and Technical Excellence designated pursuant to section 2474(a) of title 10, United States Code, shall not be counted for purposes of section 2466(a) of such title if the personnel are provided by private industry pursuant to a public-private partnership undertaken by the Center under section 2474(b) of such title.

(b) FUNDS FOR FISCAL YEARS 2002 THROUGH 2004.—The funds referred to in subsection (a) are funds available to the military departments for depot-level maintenance and repair workloads for fiscal years 2002, 2003, and 2004.

SEC. 333. REPAIR, RESTORATION, AND PRESERVATION OF LAFAYETTE ESCADRILLE MEMORIAL, MARNES LA-COQUETTE, FRANCE.

(a) AUTHORITY TO MAKE GRANT.—The Secretary of the Air Force may, using amounts specified in subsection (d), make a grant to the Lafayette Escadrille Memorial Foundation, Inc., for purposes of the repair, restoration, and preservation of the structure, plaza, and surrounding grounds of the Lafayette Escadrille Memorial in Marnes la-Coquette, France.

(b) GRANT AMOUNT.—The amount of the grant under subsection (a) may not exceed $2,000,000.

(c) USE OF GRANT.—Amounts from the grant under this section shall be used solely for the purposes described in subsection (a). None of such amounts may be used for remuneration of any entity or individual associated with fundraising for any project for such purposes.

(d) FUNDS FOR GRANT.—Funds for the grant under this section shall be derived from amounts authorized to be appropriated by section 301(4) for operation and maintenance for the Air Force for fiscal year 2002.

SEC. 334. IMPLEMENTATION OF THE NAVY-MARINE CORPS INTRANET CONTRACT.

(a) ADDITIONAL PHASE-IN AUTHORITY.—Subsection (b) of section 814 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 1654A–215) is amended by adding at the end the following new paragraphs:

''(5)(A) The Secretary of the Navy may, before the submittal of the joint certification referred to in paragraph (3)(D), contract for one or more additional increments of work stations under the Navy-Marine Corps Intranet contract, with the number of work stations to be ordered in each additional increment to be determined by the Under Secretary of Defense for Acquisition, Technology, and Logistics.

''(B) Upon determining the number of work stations in an additional increment for purposes of subparagraph (A), the Under Secretary of Defense for Acquisition, Technology, and Logistics shall submit to the congressional defense committees a report, current as of the date of such determination, on the following:

''(i) The number of work stations operating on the Navy-Marine Corps Intranet.

''(ii) The status of testing and implementation of the Navy-Marine Corps Intranet program.

''(iii) The number of work stations to be contracted for in the additional increment.

''(C) The Under Secretary of Defense for Acquisition, Technology, and Logistics may not make a determination to order any number of work stations to be contracted for under subparagraph (A) in excess of the number permitted under paragraph (2) until—

''(i) the completion of a three-phase contractor test and user evaluation, observed by the Department of Defense, of the work stations operating on the Navy-Marine Corps Intranet at the first three sites under the Navy-Marine Corps Intranet program; and

''(ii) the Chief Information Officer of the Navy has certified to the Secretary of the Navy and the Chief Information Officer of the Department of Defense that the results of the test and evaluation referred to in clause (i) are acceptable.

''(D) The Under Secretary of Defense for Acquisition, Technology, and Logistics may not make a determination to order any number of work stations to be contracted for under subparagraph (A) in excess of the number provided for under subparagraph (C) until—

''(i) there has been a full transition of not less than 20,000 work stations to the Navy-Marine Corps Intranet;

''(ii) the work stations referred to in clause (i) have met service-level agreements specified in the Navy-Marine Corps Intranet contract for not less than 30 days, as determined by contractor performance measurement under oversight by the Department of the Navy; and

''(iii) the Chief Information Officer of the Department of Defense and the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence jointly certify to the congressional defense committees that the results of testing of the work stations referred to in clause (i) are acceptable.''.

(b) DEFINITIONS.—Subsection (f) of that section is amended to read as follows:

''(f) DEFINITIONS.—In this section:

''(1) The term 'Navy-Marine Corps Intranet contract' means a contract providing for a long-term arrangement of the Department of the Navy with the commercial sector that imposes on the contractor a responsibility for, and transfers to the contractor the risk of, providing and managing the significant majority of desktop, server, infrastructure, and communication assets and services of the Department of the Navy.

''(2) The term 'provide', in the case of a work station under the Navy-Marine Corps Intranet contract, means transfer of the legacy information infrastructure and systems of the user of the work station to Navy-Marine Corps Intranet infrastructure and systems of the work station under the Navy-Marine Corps Intranet contract and performance thereof consistent with the service-level agreements specified in the Navy-Marine Corps Intranet contract.''.

SEC. 335. REVISION OF AUTHORITY TO WAIVE LIMITATION ON PERFORMANCE OF DEPOT-LEVEL MAINTENANCE.

(a) IN GENERAL.—Section 2466(c) of title 10, United States Code, is amended to read as follows:

''(c) WAIVER OF LIMITATION.—(1) The Secretary of Defense may waive the limitation in subsection (a) for a fiscal year if—

''(A) the Secretary of Defense determines that the waiver is necessary for reasons of national security; and

''(B) the Secretary of Defense submits to Congress a notification of the waiver together with the reasons for the waiver; and

''(2) The Secretary of Defense may not delegate the authority to exercise the waiver authority under paragraph (1).''.

(b) REPORT.—The Secretary of Defense shall provide a report to Congress not later than January 31, 2002 that outlines the Secretary's strategy regarding the operations of the public depots.

SEC. 336. REAUTHORIZATION OF WARRANTY CLAIMS RECOVERY PILOT PROGRAM.

(a) EXTENSION OF AUTHORITY.—Subsection (f) of section 391 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1716; 10 U.S.C. 2304 note) is amended by striking ''September 30, 1999'' and inserting ''September 30, 2003''.

(b) REPORTING REQUIREMENTS.—Subsection (g) of such section is amended—

(1) in paragraph (1), by striking ''January 1, 2000'' and inserting ''January 1, 2003''; and

(2) in paragraph (2), by striking ''March 1, 2000'' and inserting ''March 1, 2003''.

SEC. 337. FUNDING FOR LAND FORCES READINESS-INFORMATION OPERATIONS SUSTAINMENT.

Of the amount authorized to be appropriated by section 301(6), $5,000,000 may be available for land forces readiness-information operations sustainment.

SEC. 338. DEFENSE LANGUAGE INSTITUTE FOREIGN LANGUAGE CENTER EXPANDED ARABIC LANGUAGE PROGRAM.

Of the amount authorized to be appropriated by section 301(1) for operation and maintenance for the Army, $650,000 may be available for the Defense Language Institute Foreign Language Center (DLIFLC) for an expanded Arabic language program.

SEC. 339. CONSEQUENCE MANAGEMENT TRAINING.

Of the amount authorized to be appropriated by section 301(5), $5,000,000 may be available for the training of members of the Armed Forces (including reserve component personnel) in the management of the consequences of an incident involving the use or threat of use of a weapon of mass destruction.

SEC. 340. CRITICAL INFRASTRUCTURE PROTECTION INITIATIVE OF THE NAVY.

Of the amount authorized to be appropriated by section 301(2), $6,000,000 shall be available for the critical infrastructure protection initiative of the Navy.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 2002, as follows:

(1) The Army, 480,000.

(2) The Navy, 376,000.

(3) The Marine Corps, 172,600.

(4) The Air Force, 358,800.

SEC. 402. AUTHORIZED DAILY AVERAGE ACTIVE DUTY STRENGTH FOR NAVY ENLISTED MEMBERS IN PAY GRADE E–8.

(a) IN GENERAL.—Section 517(a) of title 10, United States Code, is amended by inserting ''or the Navy'' after ''in the case of the Army''.

(b) APPLICABILITY.—The amendment made by subsection (a) shall take effect on October 1, 2001, and shall apply with respect to fiscal years beginning on or after that date.

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 2002, as follows:

(1) The Army National Guard of the United States, 350,000.

(2) The Army Reserve, 205,000.

(3) The Naval Reserve, 87,000.

(4) The Marine Corps Reserve, 39,558.

(5) The Air National Guard of the United States, 108,400.

(6) The Air Force Reserve, 74,700.

(7) The Coast Guard Reserve, 8,000.

(b) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year; and

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strengths of such units and by the total number of such individual members.

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 2002, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 23,698.

(2) The Army Reserve, 13,406.

(3) The Naval Reserve, 14,811.

(4) The Marine Corps Reserve, 2,261.

(5) The Air National Guard of the United States, 11,591.

(6) The Air Force Reserve, 1,437.

SEC. 413. END STRENGTHS FOR MILITARY TECHNICIANS (DUAL STATUS).

The minimum number of military technicians (dual status) as of the last day of fiscal year 2002 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army Reserve, 6,249.

(2) For the Army National Guard of the United States, 23,615.

(3) For the Air Force Reserve, 9,818.

(4) For the Air National Guard of the United States, 22,422.

SEC. 414. FISCAL YEAR 2002 LIMITATION ON NON-DUAL STATUS TECHNICIANS.

(a) LIMITATION.—The number of non-dual status technicians employed by the reserve components of the Army and the Air Force as of September 30, 2002, may not exceed the following:

(1) For the Army Reserve, 1,095.

(2) For the Army National Guard of the United States, 1,600.

(3) For the Air Force Reserve, 0.

(4) For the Air National Guard of the United States, 350.

(b) NON-DUAL STATUS TECHNICIANS DEFINED.—In this section, the term ''non-dual status technician'' has the meaning given the term in section 10217(a) of title 10, United States Code.

SEC. 415. LIMITATIONS ON NUMBERS OF RESERVE PERSONNEL SERVING ON ACTIVE DUTY OR FULL-TIME NATIONAL GUARD DUTY IN CERTAIN GRADES FOR ADMINISTRATION OF RESERVE COMPONENTS.

(a) OFFICERS.—The text of section 12011 of title 10, United States Code, is amended to read as follows:

''(a) LIMITATIONS.—(1) Of the total number of members of a reserve component who are serving on full-time reserve component duty at the end of any fiscal year, the number of those members who may be serving in each of the grades of major, lieutenant colonel, and colonel may not, as of the end of that fiscal year, exceed the number determined in accordance with the following table:

''Total number of members of a reserve component serving on full-time reserve component duty:	Number of officers of that reserve component who may be serving in the grade of:		
	Major	Lieutenant Colonel	Colonel
Army Reserve:			
10,000	1,390	740	230
11,000	1,529	803	242
12,000	1,668	864	252
13,000	1,804	924	262
14,000	1,940	984	272
15,000	2,075	1,044	282
16,000	2,210	1,104	291
17,000	2,345	1,164	300
18,000	2,479	1,223	309
19,000	2,613	1,282	318
20,000	2,747	1,341	327
21,000	2,877	1,400	336
Army National Guard:			
20,000	1,500	850	325
22,000	1,650	930	350
24,000	1,790	1,010	370
26,000	1,930	1,085	385
28,000	2,070	1,160	400
30,000	2,200	1,235	405
32,000	2,330	1,305	408
34,000	2,450	1,375	411
36,000	2,570	1,445	411
38,000	2,670	1,515	411
40,000	2,770	1,580	411
42,000	2,837	1,644	411
Marine Corps Reserve:			
1,100	106	56	20
1,200	110	60	21
1,300	114	63	22
1,400	118	66	23
1,500	121	69	24
1,600	124	72	25
1,700	127	75	26
1,800	130	78	27
1,900	133	81	28
2,000	136	84	29
2,100	139	87	30
2,200	141	90	31
2,300	143	92	32
2,400	145	94	33
2,500	147	96	34
2,600	149	98	35

''Total number of members of a reserve component serving on full-time reserve component duty:	Number of officers of that reserve component who may be serving in the grade of:		
	Major	Lieutenant Colonel	Colonel
Air Force Reserve:			
500	83	85	50
1,000	155	165	95
1,500	220	240	135
2,000	285	310	170
2,500	350	369	203
3,000	413	420	220
3,500	473	464	230
4,000	530	500	240
4,500	585	529	247
5,000	638	550	254
5,500	688	565	261
6,000	735	575	268
7,000	770	595	280
8,000	805	615	290
10,000	835	635	300
Air National Guard:			
5,000	333	335	251
6,000	403	394	260
7,000	472	453	269
8,000	539	512	278
9,000	606	571	287
10,000	673	630	296
11,000	740	688	305
12,000	807	742	314
13,000	873	795	323
14,000	939	848	332
15,000	1,005	898	341
16,000	1,067	948	350
17,000	1,126	998	359
18,000	1,185	1,048	368
19,000	1,235	1,098	377
20,000	1,283	1,148	380.

''(2) Of the total number of members of the Naval Reserve who are serving on full-time reserve component duty at the end of any fiscal year, the number of those members who may be serving in each of the grades of lieutenant commander, commander, and captain may not, as of the end of that fiscal year, exceed the number determined in accordance with the following table:

''Total number of members of Naval Reserve serving on full-time reserve component duty:	Number of officers who may be serving in the grade of:		
	Lieutenant commander	Commander	Captain
10,000	807	447	141
11,000	867	467	153
12,000	924	485	163
13,000	980	503	173
14,000	1,035	521	183
15,000	1,088	538	193
16,000	1,142	555	203
17,000	1,195	565	213
18,000	1,246	575	223
19,000	1,291	585	233
20,000	1,334	595	242
21,000	1,364	603	250
22,000	1,384	610	258
23,000	1,400	615	265
24,000	1,410	620	270.

''(b) DETERMINATIONS BY INTERPOLATION.—If the total number of members of a reserve component serving on full-time reserve component duty is between any two consecutive numbers in the first column of the appropriate table in paragraph (1) or (2) of subsection (a), the corresponding authorized strengths for each of the grades shown in that table for that component are determined by mathematical interpolation between the respective numbers of the two strengths. If the total number of members of a reserve component serving on full-time reserve component duty is more or less than the highest or lowest number, respectively, set forth in the first column of the appropriate table in paragraph (1) or (2) of subsection (a), the Secretary concerned shall fix the corresponding strengths for the grades shown in that table at the same proportion as is reflected in the nearest limit shown in the table.

''(c) REALLOCATIONS TO LOWER GRADES.—Whenever the number of officers serving in any grade for duty described in subsection (a) is less than the number authorized for that grade under this section, the difference between the two numbers may be applied to increase the number authorized under this section for any lower grade.

''(d) SECRETARIAL WAIVER.—Upon determining that it is in the national interest to do so, the Secretary of Defense may increase for a particular fiscal year the number of reserve officers that may be on full-time reserve component duty for a reserve component in a grade referred to in a table in subsection (a) by a number that does not exceed the number equal to 5 percent of the maximum number specified for the grade in that table.

''(e) FULL-TIME RESERVE COMPONENT DUTY DEFINED.—In this section, the term 'full-time reserve component duty' means the following duty:

''(1) Active duty described in sections 10211, 10302, 10303, 10304, 10305, 12310, or 12402 of this title.

''(2) Full-time National Guard duty (other than for training) under section 502(f) of title 32.

''(3) Active duty described in section 708 of title 32.''.

(b) SENIOR ENLISTED MEMBERS.—The text of section 12012 of title 10, United States Code, is amended to read as follows:

''(a) LIMITATIONS.—(1) Of the total number of members of a reserve component who are serving on full-time reserve component duty at the end of any fiscal year, the number of those members in each of pay grades of E–8 and E–9 who may be serving on active duty under section 10211 or 12310, or on full-time National Guard duty under the authority of section 502(f) of title 32 (other than for training) in connection with organizing, administering, recruiting, instructing, or training the reserve components or the National Guard may not, as of the end of that fiscal year, exceed the number determined in accordance with the following table:

''Total number of members of a reserve component serving on full-time reserve component duty:	Number of members of that reserve component who may be serving in the grade of:	
	E–8	E–9
Army Reserve:		
10,000	1,052	154
11,000	1,126	168
12,000	1,195	180
13,000	1,261	191
14,000	1,327	202
15,000	1,391	213
16,000	1,455	224
17,000	1,519	235
18,000	1,583	246
19,000	1,647	257
20,000	1,711	268
21,000	1,775	278
Army National Guard:		
20,000	1,650	550
22,000	1,775	615
24,000	1,900	645
26,000	1,945	675
28,000	1,945	705
30,000	1,945	725
32,000	1,945	730
34,000	1,945	735
36,000	1,945	738
38,000	1,945	741
40,000	1,945	743
42,000	1,945	743
Naval Reserve:		
10,000	340	143
11,000	364	156
12,000	386	169
13,000	407	182
14,000	423	195
15,000	435	208
16,000	447	221
17,000	459	234
18,000	471	247
19,000	483	260
20,000	495	273
21,000	507	286
22,000	519	299
23,000	531	312
24,000	540	325
Marine Corps Reserve:		
1,100	50	11
1,200	55	12
1,300	60	13
1,400	65	14
1,500	70	15
1,600	75	16
1,700	80	17
1,800	85	18
1,900	89	19
2,000	93	20
2,100	96	21
2,200	99	22
2,300	101	23
2,400	103	24
2,500	105	25
2,600	107	26
Air Force Reserve:		
500	75	40
1,000	145	75
1,500	208	105
2,000	270	130
2,500	325	150
3,000	375	170
3,500	420	190
4,000	460	210
4,500	495	230
5,000	530	250
5,500	565	270
6,000	600	290
7,000	670	330
8,000	740	370
10,000	800	400
Air National Guard		
5,000	1,020	405
6,000	1,070	435
7,000	1,120	465
8,000	1,170	490
9,000	1,220	510
10,000	1,270	530
11,000	1,320	550
12,000	1,370	570
13,000	1,420	589
14,000	1,470	608
15,000	1,520	626
16,000	1,570	644
17,000	1,620	661
18,000	1,670	678
19,000	1,720	695
20,000	1,770	712.

''(b) DETERMINATIONS BY INTERPOLATION.—If the total number of members of a reserve component serving on full-time reserve component duty is between any two consecutive numbers in the first column of the appropriate table in paragraph (1) or (2) of subsection (a), the corresponding authorized strengths for each of the grades shown in that table for that component are determined by mathematical interpolation between the respective numbers of the two strengths. If the total number of members of a reserve component serving on full-time reserve component duty is more or less than the highest or lowest number, respectively, set forth in the first column of the table in subsection (a), the Secretary concerned shall fix the corresponding strengths for the grades shown in the table at the same proportion as is reflected in the nearest limit shown in the table.

''(c) REALLOCATIONS TO LOWER GRADE.—Whenever the number of officers serving in pay grade E–9 for duty described in subsection (a) is less than the number authorized for that grade under this section, the difference between the two numbers may be applied to increase the number authorized under this section for pay grade E–8.

''(d) SECRETARIAL WAIVER.—Upon determining that it is in the national interest to do so, the Secretary of Defense may increase for a particular fiscal year the number of reserve enlisted members that may be on active duty or full-time National Guard duty as described in subsection (a) for a reserve component in a pay grade referred to in a table in subsection (a) by a number that does not exceed the number equal to 5 percent of the maximum number specified for that grade and reserve component in the table.

''(e) FULL-TIME RESERVE COMPONENT DUTY DEFINED.—In this section, the term 'full-time reserve component duty' has the meaning given the term in section 12011(e) of this title.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2001.

SEC. 416. STRENGTH AND GRADE LIMITATION ACCOUNTING FOR RESERVE COMPONENT MEMBERS ON ACTIVE DUTY IN SUPPORT OF A CONTINGENCY OPERATION.

(a) ACTIVE DUTY STRENGTH ACCOUNTING.—Section 115(c)(1) of title 10, United States Code, is amended to read as follows:

''(1) increase the end strength authorized pursuant to subsection (a)(1)(A) for a fiscal year for any of the armed forces by—

''(A) a number equal to not more than 1 percent of that end strength; and

''(B) the number (if any) of the members of the reserve components that, as determined by the Secretary, are on active duty under section 12301(d) of this title in support of a contingency operation.''.

(b) LIMITATION ON AUTHORIZED DAILY AVERAGE FOR MEMBERS IN PAY GRADES E–8 AND E–9 ON ACTIVE DUTY.—Section 517 of such title is amended by adding at the end the following new paragraph:

''(d) The Secretary of Defense may increase the authorized daily average number of enlisted members on active duty in an armed force in pay grade E–8 or E–9 in a fiscal year, as determined under subsection (a), by the number (if any) of enlisted members of a reserve component of that armed force in that pay grade who, as determined by the Secretary, are on active duty under section 12301(d) of this title in support of a contingency operation.''.

(c) LIMITATION ON AUTHORIZED STRENGTHS FOR COMMISSIONED OFFICERS IN PAY GRADES O–4, O–5, AND O–6 ON ACTIVE DUTY.—Section 523(b) of such title is amended—

(1) in paragraphs (1) and (2) of subsection (a), by striking ''Except as provided in subsection (c)'' and inserting ''Except as provided in subsections (c) and (e)''; and

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

''(e) The Secretary of Defense may increase the limitation on the total number of commissioned officers of an armed force authorized to be serving on active duty at the end of any fiscal year in the grade of O–4, O–5, or O–6, determined under subsection (a), by the number (if any) of commissioned officers of a reserve component of that armed force in that grade who, as determined by the Secretary, are serving on active duty under section 12301(d) of this title in support of a contingency operation.''.

(d) LIMITATION ON AUTHORIZED STRENGTHS FOR GENERAL AND FLAG OFFICERS ON ACTIVE DUTY.—Section 526(a) of such title is amended—

(1) by striking ''LIMITATIONS.—The'' and inserting ''LIMITATIONS.—(1) Except as provided in paragraph (2), the'';

(2) by redesignating paragraphs (1), (2), (3), and (4) as subparagraphs (A), (B), (C), and (D), respectively; and

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

''(2) The Secretary of Defense may increase the limitation on the number of general and flag officers on active duty, determined under paragraph (1), by the number (if any) of reserve component general and flag officers who, as determined by the Secretary, are serving on active duty under section 12301(d) of this title in support of a contingency operation.''.

Subtitle C—Authorization of Appropriations

SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2002 a total of $82,396,900,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 2002.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

SEC. 501. GENERAL OFFICER POSITIONS.

(a) INCREASED GRADE FOR VICE CHIEF OF NATIONAL GUARD BUREAU.—Section 10505(c) of title 10, United States Code, is amended by striking ''major general'' and inserting ''lieutenant general''.

(b) INCREASED GRADE FOR HEADS OF NURSE CORPS OF THE ARMED FORCES.—(1) Section 3069(b) of title 10, United States Code, is amended by striking ''brigadier general'' in the second sentence and inserting ''major general''.

(2) The first sentence of section 5150(c) of such title is amended—

(A) by inserting ''rear admiral (upper half) in the case of an officer in the Nurse Corps or'' after ''for promotion to the grade of''; and

(B) by inserting ''in the case of an officer in the Medical Service Corps'' after ''rear admiral (lower half)''.

(3) Section 8069(b) of such title is amended by striking ''brigadier general'' in the second sentence and inserting ''major general''.

(c) APPOINTMENT AND GRADE OF CHIEF OF ARMY VETERINARY CORPS.—(1) Chapter 307 of title 10, United States Code, is amended by inserting after section 3070 the following new section 3071:

''§ 3071. Veterinary Corps: composition; Chief and assistant chief; appointment; grade

''(a) COMPOSITION.—The Veterinary Corps consists of the Chief and assistant chief of that corps and other officers in grades prescribed by the Secretary of the Army.

''(b) CHIEF.—The Secretary of the Army shall appoint the Chief from the officers of the Regular Army in that corps whose regular grade is above lieutenant colonel and who are recommended by the Surgeon General. An appointee who holds a lower regular grade shall be appointed in the regular grade of brigadier general. The Chief serves during the pleasure of the Secretary, but not for more than four years, and may not be reappointed to the same position.

''(c) ASSISTANT CHIEF.—The Surgeon General shall appoint the assistant chief from the officers of the Regular Army in that corps whose regular grade is above lieutenant colonel. The assistant chief serves during the pleasure of the Surgeon General, but not for more than four years and may not be reappointed to the same position.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3070 the following new item:

''3071. Veterinary Corps: composition; Chief and assistant chief; appointment; grade.''.

(d) EXCLUSIONS FROM LIMITATION OF ACTIVE DUTY OFFICERS IN GRADES ABOVE MAJOR GENERAL.—Section 525(b) of title 10, United States Code, is amended—

(1) in paragraph (2)(B), by striking ''16.2 percent'' and inserting ''17.5 percent'';

(2) in paragraph (3)—

(A) by inserting ''(A)'' after ''(3)''; and

(B) by adding at the end the following new subparagraph:

''(B) An officer while serving as the Senior Military Assistant to the Secretary of Defense, if serving in the grade of general or lieutenant general, or admiral or vice admiral, is in addition to the number that would otherwise be permitted for his armed force for that grade under paragraph (1) or (2).''; and

(3) by striking paragraph (6) and inserting the following:

''(6)(A) An officer while serving in a position named in subparagraph (B) is in addition to the number that would otherwise be permitted for that officer's armed force for officers serving on active duty in grades above major general under paragraph (1).

''(B) Subparagraph (A) applies with respect to the following positions:

''(i) Chief of the National Guard Bureau.

''(ii) Vice Chief of the National Guard Bureau.''.

(e) REPEAL OF LIMITATION ON NUMBER OF OFFICERS ON ACTIVE DUTY IN THE GRADES OF GENERAL OR ADMIRAL.—(1) Section 528 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 32 of such title is amended by striking the item relating to section 528.

SEC. 502. REDUCTION OF TIME-IN-GRADE REQUIREMENT FOR ELIGIBILITY FOR PROMOTION OF FIRST LIEUTENANTS AND LIEUTENANTS (JUNIOR GRADE).

Paragraph (1) of section 619(a) of title 10, United States Code, is amended by striking ''the following period of service'' and all that follows through the end of the paragraph and inserting ''eighteen months of service in the grade in which he holds a permanent appointment.''.

SEC. 503. PROMOTION OF OFFICERS TO THE GRADE OF CAPTAIN IN THE ARMY, AIR FORCE, OR MARINE CORPS OR TO THE GRADE OF LIEUTENANT IN THE NAVY WITHOUT SELECTION BOARD ACTION.

(a) ACTIVE-DUTY LIST PROMOTIONS.—(1) Section 611(a) of title 10, United States Code, is amended by striking ''Under'' and inserting ''Except in the case of promotions recommended under section 624(a)(3) of this title, under''.

(2) Section 624(a) of such title is amended by adding at the end the following new paragraph (3):

''(3) The President may, upon a recommendation of the Secretary of the military department concerned approved by the President, promote to the grade of captain (for officers of the Regular Army, Regular Air Force, or Regular Marine Corps) or lieutenant (for officers of the Regular Navy) all fully qualified officers on the active-duty list in the permanent or temporary grade of first lieutenant or lieutenant (junior grade), respectively, who would be eligible for consideration for promotion to the next higher grade by a selection board convened under section 611(a) of this title. The Secretary of a military department may make such a recommendation whenever the Secretary determines that all such officers are needed in the next higher grade to accomplish mission objectives. Promotions under this paragraph shall be effectuated under regulations prescribed by the Secretary of the military department concerned.''.

(3) Section 631 of such title is amended by adding at the end the following new subsection (d):

''(d) For the purposes of this chapter—

''(1) a recommendation made by the Secretary of the military department concerned under section 624(a)(3) of this title that is approved by the President shall be treated in the same manner as a report of a promotion selection board convened under section 611(a) of this title that is approved by the President; and

''(2) an officer of the Regular Army, Regular Air Force, or Regular Marine Corps who holds the regular grade of first lieutenant, and an officer of the Regular Navy who holds the regular grade of lieutenant (junior grade), shall be treated as having failed of selection for promotion if the Secretary of the military department concerned determines that the officer would be eligible for consideration for promotion to the next higher grade by a selection board convened under section 611(a) of this title but is not fully qualified for promotion when recommending for promotion under section 624(a)(3) of this title all fully qualified officers of the officer's armed force in such grade who would be eligible for such consideration.''.

(b) RESERVE ACTIVE-STATUS LIST PROMOTIONS.—(1) Section 14101(a) of such title is amended by striking ''Whenever'' and inserting ''Except in the case of promotions recommended under section 14308(b)(4) of this title, whenever''.

(2) Section 14308(b) of such title is amended by adding at the end the following new paragraph (4):

''(4) The President may, upon a recommendation of the Secretary of the military department concerned approved by the President, promote to the grade of captain (for officers of a reserve component of the Army, Air Force, or Marine Corps) or lieutenant (for officers of the Naval Reserve) all fully qualified officers on the reserve active-status list in the permanent grade of first lieutenant or lieutenant (junior grade), respectively, who would be eligible for consideration for promotion to the next higher grade by a selection board convened under section 14101(a) of this title. The Secretary of a military department may make such a recommendation whenever the Secretary determines that all such officers are needed in the next higher grade to accomplish mission objectives. Promotions under this paragraph shall be effectuated under regulations prescribed by the Secretary of the military department concerned.''.

(3) Section 14504 of such title is amended by adding at the end the following new subsection (c):

''(c) For the purposes of this chapter—

''(1) a recommendation made by the Secretary of the military department concerned under section 14308(b)(4) of this title that is approved by the President shall be treated the same as a report of a promotion selection board convened under section 14101(a) of this title that is approved by the President; and

''(2) an officer on a reserve active-status list who holds the grade of first lieutenant (in the case of an officer in a reserve component of the Army, Air Force, or Marine Corps) or the grade of lieutenant (junior grade) (in the case of an officer of the Naval Reserve) shall be treated as having failed of selection for promotion if the Secretary of the military department concerned determines that the officer would be eligible for consideration for promotion to the next higher grade by a selection board convened under section 14101(a) of this title but is not fully qualified for promotion when recommending for promotion under section 14308(b)(4) of this title all fully qualified officers of that officer's reserve component in such grade who would be eligible for such consideration.''.

SEC. 504. AUTHORITY TO ADJUST DATE OF RANK.

(a) ACTIVE DUTY OFFICERS.—Subsection 741(d) of title 10, United States Code, is amended, by adding at the end the following new paragraph (4):

''(4)(A) The Secretary concerned may adjust the date of rank of an officer appointed to a higher grade under section 624(a) of this title if the appointment is to a grade below O–7 and is delayed by reason of unusual circumstances that cause an unintended delay in the processing or approval of—

''(i) a report of a selection board recommending the appointment of the officer to that grade; or

''(ii) the promotion list established on the basis of that report.

''(B) The adjusted date of rank applicable to the grade of an officer under subparagraph (A) shall be consistent with the officer's position on the promotion list for that grade and competitive category when additional officers in that grade and competitive category were needed and shall also be consistent with compliance with the applicable authorized strengths for officers in that grade and competitive category.

''(C) The adjusted date of rank applicable to the grade of an officer under subparagraph (A) shall be the effective date for the officer's pay and allowances for the grade and for the officer's position on the active-duty list.

''(D) In the case of an officer whose appointment to a higher grade under this section is made by and with the advice and consent of the Senate, the Secretary concerned shall transmit to the Committee on Armed Services of the Senate a notification of any adjustment of a date of rank for the appointment of an officer to a higher grade under subparagraph (A) to a date that is prior to the date of the advice and consent of the Senate on the appointment. The notification shall include the name of the officer and a discussion of the reasons for the adjustment.''.

(b) RESERVE OFFICERS.—Section 14308(c) of such title is amended—

(1) by redesignating paragraph (2) as paragraph (3);

(2) by inserting after paragraph (1) the following new paragraph (2):

''(2)(A) The Secretary concerned may adjust the date of rank of an officer appointed to a higher grade under this section if the appointment is to a grade below O–7 and is delayed by reason of unusual circumstances that cause an unintended delay in the processing or approval of—

''(i) a report of a selection board recommending the appointment of the officer to that grade; or

''(ii) the promotion list established on the basis of that report.

''(B) The adjusted date of rank applicable to the grade of an officer under subparagraph (A) shall be consistent with the officer's position on the promotion list for that grade and competitive category when additional officers in that grade and competitive category were needed and shall also be consistent with compliance with the applicable authorized strengths for officers in that grade and competitive category.

''(C) The adjusted date of rank applicable to the grade of an officer under subparagraph (A) shall be the effective date for the officer's pay and allowances for the grade and for the officer's position on the active-duty list.

''(D) In the case of an officer whose appointment to a higher grade under this section is made by and with the advice and consent of the Senate, the Secretary concerned shall transmit to the Committee on Armed Services of the Senate a notification of any adjustment of a date of rank for the appointment of an officer to a higher grade under subparagraph (A) to a date that is prior to the date of the advice and consent of the Senate on the appointment. The notification shall include the name of the officer and a discussion of the reasons for the adjustment.''; and

(3) in paragraph (3), as redesignated by paragraph (1), by inserting ''provided in paragraph (2) or as otherwise'' after ''Except as''.

SEC. 505. EXTENSION OF DEFERMENTS OF RETIREMENT OR SEPARATION FOR MEDICAL REASONS.

Section 640 of title 10, United States Code, is amended—

(1) by inserting ''(a) DEFERMENT.—'' before ''The Secretary''; and

(b) by adding at the end the following new subsection:

''(b) AUTHORITY TO EXTEND.—In the case of an officer whose retirement or separation under any of sections 632 through 638, or section 1251, of this title is deferred under subsection (a), the Secretary of the military department concerned may extend the deferment by an additional period of not more than 30 days following the completion of the evaluation of the officer's physical condition if the Secretary determines that continuation of the officer would facilitate the officer's transition to civilian life.''.

SEC. 506. EXEMPTION FROM ADMINISTRATIVE LIMITATIONS OF RETIRED MEMBERS ORDERED TO ACTIVE DUTY AS DEFENSE AND SERVICE ATTACHÉS.

(a) LIMITATION OF PERIOD OF RECALLED SERVICE.—Section 688(e)(2) of title 10, United States Code, is amended by adding at the end the following new subparagraph (D):

''(D) An officer who is assigned to duty as a defense attaché or service attaché for the period of active duty to which ordered.''.

(b) LIMITATION ON NUMBER OF RECALLED OFFICERS ON ACTIVE DUTY.—Section 690(b)(2) of such title is amended by adding at the end the following new subparagraph (E):

''(E) An officer who is assigned to duty as a defense attaché or service attaché for the period of active duty to which ordered.''.

(c) APPLICABILITY.—The amendments made by subsections (a) and (b) shall apply with respect to officers serving on active duty as a defense attaché or service attaché on or after the date of the enactment of this Act.

SEC. 507. CERTIFICATIONS OF SATISFACTORY PERFORMANCE FOR RETIREMENTS OF OFFICERS IN GRADES ABOVE MAJOR GENERAL AND REAR ADMIRAL.

Section 1370(c) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(3)(A) The Secretary of Defense may delegate authority to make a certification for an officer under paragraph (1) to the Under Secretary of Defense for Personnel and Readiness or the Deputy Under Secretary of Defense for Personnel and Readiness. The certification authority may not be delegated to any other official.

''(B) If an official to whom authority is delegated under subparagraph (A) determines in the case of an officer that there is potentially adverse information on the officer and that the information has not previously been reported to the Senate in connection with the action of the Senate on a previous appointment of that officer under section 601 of this title, the official may not exercise the authority in that case, but shall refer the case to the Secretary of Defense. The Secretary of Defense shall personally issue or withhold a certification for an officer under paragraph (1) in any case referred to the Secretary under the preceding sentence.''.

SEC. 508. EFFECTIVE DATE OF MANDATORY SEPARATION OR RETIREMENT OF REGULAR OFFICER DELAYED BY A SUSPENSION OF CERTAIN LAWS UNDER EMERGENCY AUTHORITY OF THE PRESIDENT.

Section 12305 of title 10, United States Code, is amended by adding at the end the following new subsection (c):

''(c) In the case of an officer of the Regular Army, Regular Navy, Regular Air Force, or Regular Marine Corps whose mandatory separation or retirement under section 632, 633, 634, 635, 636, 637, or 1251 of this title is delayed by reason of a suspension under this section, the separation or retirement of the officer upon termination of the suspension shall take effect on the date elected by the officer, but not later than 90 days after the date of the termination of the suspension.''.

SEC. 509. DETAIL AND GRADE OF OFFICER IN CHARGE OF THE UNITED STATES NAVY BAND.

Section 6221 of title 10, United States Code, is amended—

(1) by inserting ''(a) ESTABLISHMENT.—''; and

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

''(b) OFFICER IN CHARGE.—(1) An officer serving in a grade above lieutenant may be detailed as Officer in Charge of the United States Navy Band.

''(2) While serving as Officer in Charge of the United States Navy Band, an officer holds the grade of captain if appointed to that grade by the President, by and with the advice and consent of the Senate, notwithstanding the limitation in section 5596(d) of this title.''.

Subtitle B—Reserve Component Personnel Policy

SEC. 511. REAUTHORIZATION AND EXPANSION OF TEMPORARY WAIVER OF THE REQUIREMENT FOR A BACCALAUREATE DEGREE FOR PROMOTION OF CERTAIN RESERVE OFFICERS OF THE ARMY.

(a) REAUTHORIZATION.—Subsection (b) of section 516 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2008; 10 U.S.C. 12205 note) is amended by striking ''September 30, 2000'' and inserting ''September 30, 2003''.

(b) EXPANSION OF ELIGIBILITY.—Subsection (a) of such section is amended by striking ''before the date of the enactment of this Act''.

SEC. 512. STATUS LIST OF RESERVE OFFICERS ON ACTIVE DUTY FOR A PERIOD OF THREE YEARS OR LESS.

(a) CLARIFICATION.—Section 641(1)(D) of title 10, United States Code, is amended to read as follows:

''(D) on active duty under section 12301(d) of this title, other than as provided under subparagraph (C), under a call or order to active duty specifying a period of three years or less and continuation (pursuant to regulations prescribed by the Secretary concerned) on the reserve active-status list;''.

(b) RETROACTIVE ADJUSTMENTS.—(1) The Secretary of the military department concerned—

(A) may place on the active-duty list of the armed force concerned any officer under the jurisdiction of the Secretary who was placed on the reserve active-status list under subparagraph (D) of section 641(1) of title 10, United States Code, as added by section 521(2) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–108); and

(B) for the purposes of chapter 36 of such title (other than section 640 of such title and, in the case of a warrant officer, section 628 of such title), shall treat an officer placed on the active-duty list under subparagraph (A) as having been on the active-duty list continuously from the date on which the officer was placed on the reserve active-status list as described in that subparagraph.

(2) The Secretary of the military department concerned may place on the reserve active-status list of the armed force concerned, effective as of the date of the enactment of this Act, any officer who was placed on the active-duty list before that date and after October 29, 1997, while on active duty under section 12301(d) of title 10, United States

Code, other than as described under section 641(1)(C) of such title, under a call or order to active duty specifying a period of three years or less.

SEC. 513. EQUAL TREATMENT OF RESERVES AND FULL-TIME ACTIVE DUTY MEMBERS FOR PURPOSES OF MANAGING DEPLOYMENTS OF PERSONNEL.

(a) RESIDENCE OF RESERVES AT HOME STATION.—Section 991(b)(2) of title 10, United States Code, is amended to read as follows:

''(2) In the case of a member of a reserve component who is performing active service pursuant to orders that do not establish a permanent change of station, the housing referred to in paragraph (1) is any housing (which may include the member's residence) that the member usually occupies for use during off-duty time when on garrison duty at the member's permanent duty station or homeport, as the case may be.''.

(b) EFFECTIVE DATE.—This section and the amendment made by this section shall take effect on October 1, 2001, and shall apply with respect to duty performed on or after that date.

SEC. 514. MODIFICATION OF PHYSICAL EXAMINATION REQUIREMENTS FOR MEMBERS OF THE INDIVIDUAL READY RESERVE.

Section 10206 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) in the first sentence—

(i) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(ii) by striking ''his'' and inserting ''the member's''; and

(B) in the second sentence, by striking ''Each Reserve'' and inserting the following: ''(c) Each Reserve'';

(2) by redesignating subsection (b) as subsection (d); and

(3) by inserting after subsection (a) the following new subsection (b):

''(b) A member of the Individual Ready Reserve or inactive National Guard shall be examined for physical fitness as necessary to determine the member's physical fitness for military duty or for promotion, attendance at a school of the armed forces, or other action related to career progression.''.

SEC. 515. MEMBERS OF RESERVE COMPONENTS AFFLICTED WHILE REMAINING OVERNIGHT AT DUTY STATION WITHIN COMMUTING DISTANCE OF HOME.

(a) MEDICAL AND DENTAL CARE FOR MEMBERS.—Section 1074a(a)(3) of title 10, United States Code, is amended by inserting before the period at the end the following: ''or if the member remained overnight for another reason authorized under applicable regulations''.

(b) MEDICAL AND DENTAL CARE FOR DEPENDENTS.—Section 1076(a)(2)(C) of title 10, United States Code, is amended by inserting before the period at the end the following: ''or if the member remained overnight for another reason authorized under applicable regulations''.

(c) ELIGIBILITY FOR DISABILITY RETIREMENT OR SEPARATION.—(1) Section 1204(2)(B)(iii) of title 10, United States Code, is amended by inserting before the semicolon at the end the following: ''or if the member remained overnight for another reason authorized under applicable regulations''.

(2) Section 1206(2)(A)(iii) of title 10, United States Code, is amended by inserting before the semicolon the following: ''or if the member remained overnight for another reason authorized under applicable regulations''.

(d) RECOVERY, CARE, AND DISPOSITION OF REMAINS.—Section 1481(a)(2)(D) of title 10, United States Code, is amended by inserting before the semicolon at the end the following: ''or if the member remained overnight for another reason authorized under applicable regulations''.

(e) ENTITLEMENT TO BASIC PAY.—Section 204 of title 37, United States Code, is amended—

(1) in subsection (g)(1)(D), by inserting before the semicolon the following: ''or if the member remained overnight for another reason authorized under applicable regulations''; and

(2) in subsection (h)(1)(D), by inserting before the semicolon the following: ''or if the member remained overnight for another reason authorized under applicable regulations''.

(f) COMPENSATION FOR INACTIVE-DUTY TRAINING.—Section 206(a)(3)(C) of title 37, United States Code, is amended by inserting before the period at the end the following: ''or if the member remained overnight for another reason authorized under applicable regulations''.

SEC. 516. RETIREMENT OF RESERVE PERSONNEL WITHOUT REQUEST.

(a) RETIRED RESERVE.—Section 10154(2) of title 10, United States Code, is amended by striking ''upon their request''.

(b) RETIREMENT FOR FAILURE OF SELECTION OF PROMOTION.—(1) Paragraph (2) of section 14513 of such title is amended by striking '', if the officer is qualified and applies for such transfer'' and inserting ''if the officer is qualified for the transfer and does not request (in accordance with regulations prescribed by the Secretary concerned) not to be transferred to the Retired Reserve''.

(2)(A) The heading for such section is amended to read as follows:

''§ 14513. Transfer, retirement, or discharge for failure of selection of promotion''.

(B) The item relating to such section in the table of sections at the beginning of chapter 1407 of title 10, United States Code, is amended to read as follows:

''14513. Transfer, retirement, or discharge for failure of selection for promotion.''.

(c) RETIREMENT FOR YEARS OF SERVICE OR AFTER SELECTION FOR EARLY REMOVAL.—Section 14514 of such title is amended—

(1) in paragraph (1), by striking '', if the officer is qualified and applies for such transfer'' and inserting ''if the officer is qualified for the transfer and does not request (in accordance with regulations prescribed by the Secretary concerned) not to be transferred to the Retired Reserve''; and

(2) by striking paragraph (2) and inserting the following:

''(2) be discharged from the officer's reserve appointment if the officer is not qualified for transfer to the Retired Reserve or has requested (in accordance with regulations prescribed by the Secretary concerned) not to be so transferred.''.

(d) RETIREMENT FOR AGE.—Section 14515 of such title is amended—

(1) in paragraph (1), by striking '', if the officer is qualified and applies for such transfer'' and inserting ''if the officer is qualified for the transfer and does not request (in accordance with regulations prescribed by the Secretary concerned) not to be transferred to the Retired Reserve''; and

(2) by striking paragraph (2) and inserting the following:

''(2) be discharged from the officer's reserve appointment if the officer is not qualified for transfer to the Retired Reserve or has requested (in accordance with regulations prescribed by the Secretary concerned) not to be so transferred.''.

(e) DISCHARGE OR RETIREMENT OF WARRANT OFFICERS FOR YEARS OF SERVICE OR AGE.—(1) Chapter 1207 of such title is amended by adding at the end the following new section:

''§ 12244. Warrant officers: discharge or retirement for years of service or for age

''Each reserve warrant officer of the Army, Navy, Air Force, or Marine Corps who is in an active status and has reached the maximum years of service or age prescribed by the Secretary concerned shall—

''(1) be transferred to the Retired Reserve if the warrant officer is qualified for the transfer and does not request (in accordance with regulations prescribed by the Secretary concerned) not to be transferred to the Retired Reserve; or

''(2) be discharged if the warrant officer is not qualified for transfer to the Retired Reserve or has requested (in accordance with regulations prescribed by the Secretary concerned) not to be so transferred.''.

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

''12244. Warrant officers: discharge or retirement for years of service or for age.''.

(f) DISCHARGE OR RETIREMENT OF ENLISTED MEMBERS FOR YEARS OF SERVICE OR AGE.—(1) Chapter 1203 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 12108. Enlisted members: discharge or retirement for years of service or for age

''Each reserve enlisted member of the Army, Navy, Air Force, or Marine Corps who is in an active status and has reached the maximum years of service or age prescribed by the Secretary concerned shall—

''(1) be transferred to the Retired Reserve if the member is qualified for the transfer and does not request (in accordance with regulations prescribed by the Secretary concerned) not to be transferred to the Retired Reserve; or

''(2) be discharged if the member is not qualified for transfer to the Retired Reserve or has requested (in accordance with regulations prescribed by the Secretary concerned) not to be so transferred.''.

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

''12108. Enlisted members: discharge or retirement for years of service or for age.''.

(g) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the first day of the first month that is more than 180 days after the date of the enactment of this Act.

SEC. 517. SPACE-REQUIRED TRAVEL BY RESERVES ON MILITARY AIRCRAFT.

(a) CORRECTION OF IMPAIRMENT TO AUTHORIZED TRAVEL WITH ALLOWANCES.—Section 18505(a) of title 10, United States Code, is amended by striking ''annual training duty or'' each place it appears.

(b) CONFORMING AMENDMENTS.—(1) The heading for such section is amended to read as follows:

''§ 18505. Reserves traveling for inactive-duty training: space-required travel on military aircraft''.

(2) The item relating to such section in the table of contents at the beginning of chapter 1805 of title 10, United States Code, is amended to read as follows:

''18505. Reserves traveling for inactive-duty training: space-required travel on military aircraft.''.

Subtitle C—Education and Training

SEC. 531. IMPROVED BENEFITS UNDER THE ARMY COLLEGE FIRST PROGRAM.

(a) INCREASED MAXIMUM PERIOD OF DELAYED ENTRY.—Section 573 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 623; 10 U.S.C. 513 note) is amended—

(1) in subsection (b)—

(A) by striking the matter preceding paragraph (1) and inserting the following:

''(b) DELAYED ENTRY WITH ALLOWANCE FOR HIGHER EDUCATION.—Under the pilot program, the Secretary may—

''(1) exercise the authority under section 513 of title 10, United States Code—'';

(B) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and realigning those subparagraphs four ems from the left margin;

(C) in subparagraph (A), as so redesignated, by inserting ''and'' after the semicolon; and

(D) in subparagraph (B), as so redesignated, by striking ''two years after the date of such enlistment as a Reserve under paragraph (1)'' and inserting ''the maximum period of delay determined for the person under subsection (c)''; and

(2) in subsection (c)—

(A) by striking ''paragraph (2)'' and inserting ''paragraph (1)(B)'';

(B) by striking ''two-year period'' and inserting ''30-month period''; and

(C) by striking ''paragraph (1)'' and inserting ''paragraph (1)(A)''.

(b) ALLOWANCE ELIGIBILITY AND AMOUNT.—(1) Such section is further amended—

(A) in subsection (b), by striking paragraph (3) and inserting the following:

''(2) subject to paragraph (2) of subsection (d) and except as provided in paragraph (3) of such subsection, pay an allowance to the person for each month of that period during which the member is enrolled in and pursuing such a program''; and

(B) in subsection (d)—

(i) by redesignating paragraph (2) as paragraph (4);

(ii) by striking paragraph (1) and inserting the following new paragraphs:

''(1) The monthly allowance paid under subsection (b)(2) shall be equal to the amount of the subsistence allowance provided for certain members of the Senior Reserve Officers' Training Corps under section 209(a) of title 37, United States Code.

''(2) An allowance may not be paid to a person under this section for more than 24 months.

''(3) A member of the Selected Reserve of a reserve component may be paid an allowance under this section only for months during which the member performs satisfactorily as a member of a unit of the reserve component that trains as prescribed in section 10147(a)(1) of title 10, United States Code, or section 502(a) of title 32, United States Code. Satisfactory performance shall be determined under regulations prescribed by the Secretary.''

(2) The heading for such subsection is amended by striking ''AMOUNT OF''.

(c) INELIGIBILITY FOR LOAN REPAYMENTS.—Such section is further amended—

(1) by redesignating subsections (e), (f), and (g) as subsections (g), (h), and (i), respectively; and

(2) by inserting after subsection (d) the following new subsection:

''(e) INELIGIBILITY FOR LOAN REPAYMENTS.—A person who has received an allowance under this section is not eligible for any benefits under chapter 109 of title 10, United States Code.

(d) RECOUPMENT OF ALLOWANCE.—Such section, as amended by subsection (c), is further amended by inserting after subsection (e) the following new subsection:

''(f) RECOUPMENT OF ALLOWANCE.—(1) A person who, after receiving an allowance under this section, fails to complete the total period of service required of that person in connection with delayed entry authorized for the person under section 513 of title 10, United States Code, shall repay the United States the amount which bears the same ratio to the total amount of that allowance paid to the person as the unserved part of the total required period of service bears to the total period.

''(2) An obligation to repay the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

''(3) A discharge of a person in bankruptcy under title 11, United States Code, that is entered less than five years after the date on which the person was, or was to be, enlisted in the regular Army pursuant to the delayed entry authority under section 513 of title 10, United States Code, does not discharge that person from a debt arising under paragraph (1).

''(4) The Secretary of the Army may waive, in whole or in part, a debt arising under paragraph (1) in any case for which the Secretary determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2001, and shall apply with respect to persons who, on or after that date, are enlisted as described in subsection (a) of section 513 of title 10, United States Code, with delayed entry authorized under that section.

SEC. 532. REPEAL OF LIMITATION ON NUMBER OF JUNIOR RESERVE OFFICERS' TRAINING CORPS UNITS.

Section 2031(a)(1) of title 10, United States Code, is amended by striking the second sentence.

SEC. 533. ACCEPTANCE OF FELLOWSHIPS, SCHOLARSHIPS, OR GRANTS FOR LEGAL EDUCATION OF OFFICERS PARTICIPATING IN THE FUNDED LEGAL EDUCATION PROGRAM.

(a) FLEP DETAIL.—Section 2004 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(g) Acceptance of a fellowship, scholarship, or grant as financial assistance for training described in subsection (a) in accordance with section 2603(a) of this title does not disqualify the officer accepting it from also being detailed at a law school for that training under this section. Service obligations incurred under subsection (b)(2)(C) and section 2603(b) of this title with respect to the same training shall be served consecutively.''.

(b) FELLOWSHIPS, SCHOLARSHIPS, OR GRANTS.—Section 2603 of such title is amended by adding at the end the following new subsection:

''(c) A detail of an officer for training at a law school under section 2004 of this title does not disqualify the officer from also accepting a fellowship, scholarship, or grant under this section as financial assistance for that training. Service obligations incurred under subsection (b) and section 2004(b)(2)(C) of this title with respect to the same training shall be served consecutively.''.

SEC. 534. GRANT OF DEGREE BY DEFENSE LANGUAGE INSTITUTE FOREIGN LANGUAGE CENTER.

(a) AUTHORITY.—Chapter 108 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2167. Defense Language Institute: associate of arts

''Under regulations prescribed by the Secretary of Defense, the Commandant of the Foreign Language Center of the Defense Language Institute may confer an associate of arts degree in foreign language upon graduates of the Institute who fulfill the requirements for the degree, as certified by the Provost of the Institute.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''2167. Defense Language Institute: associate of arts.''.

SEC. 535. AUTHORITY FOR THE MARINE CORPS UNIVERSITY TO AWARD THE DEGREE OF MASTER OF STRATEGIC STUDIES.

(a) AUTHORITY.—(1) Subsection (a) of section 7102 of title 10, United States Code, is amended to read as follows:

''(a) AUTHORITY.—Upon the recommendation of the Director and faculty of a college of the Marine Corps University, the President of the Marine Corps University may confer a degree upon graduates of the college who fulfill the requirements for the degree, as follows:

''(1) For the Marine Corps War College, the degree of master of strategic studies.

''(2) For the Command and Staff College, the degree of master of military studies.''.

(2)(A) The heading for such section is amended to read as follows:

''§ 7102. Marine Corps University: masters degrees''.

(B) The item relating to such section in the table of sections at the beginning of chapter 609 of title 10, United States Code, is amended to read as follows:

''7102. Marine Corps University: masters degrees.''.

(b) CONDITION FOR INITIAL EXERCISE OF AUTHORITY.—(1) The President of the Marine Corps University may exercise the authority provided under section 7102(a)(1) of title 10, United States Code, only after the Secretary of Education has notified the Secretary of the Navy of a determination made under paragraph (2) that the requirements established by the Marine Corps War College of the Marine Corps University for the degree of master of strategic studies are in accordance with the requirements typically imposed for awards of the degree of master of arts by institutions of higher education in the United States.

(2) The Secretary of Education shall review the requirements established by the Marine Corps War College of the Marine Corps University for the degree of master of strategic studies, determine whether the requirements are in accordance with the requirements typically imposed for awards of the degree of master of arts by institutions of higher education in the United States, and notify the Secretary of the Navy of the determination.

SEC. 536. FOREIGN PERSONS ATTENDING THE SERVICE ACADEMIES.

(a) UNITED STATES MILITARY ACADEMY.—(1) Subsection (a)(1) of section 4344 of title 10, United States Code, is amended by striking ''not more than 40 persons'' and inserting ''not more than 60 persons''.

(2) Subsection (b) of such section is amended—

(A) in paragraph (2), by striking ''unless a written waiver of reimbursement is granted by the Secretary of Defense'' in the first sentence; and

(B) by striking paragraph (3) and inserting the following:

''(3) The Secretary of Defense may waive, in whole or in part, the requirement for reimbursement of the cost of instruction for a cadet under paragraph (2). In the case of a partial waiver, the Secretary shall establish the amount waived.''.

(b) UNITED STATES NAVAL ACADEMY.—(1) Subsection (a)(1) of section 6957 of such title is amended by striking ''not more than 40 persons'' and inserting ''not more than 60 persons''.

(2) Subsection (b) of such section is amended—

(A) in paragraph (2), by striking ''unless a written waiver of reimbursement is granted by the Secretary of Defense'' in the first sentence; and

(B) by striking paragraph (3) and inserting the following:

''(3) The Secretary of Defense may waive, in whole or in part, the requirement for reimbursement of the cost of instruction for a midshipman under paragraph (2). In the case of a partial waiver, the Secretary shall establish the amount waived.''.

(c) UNITED STATES AIR FORCE ACADEMY.—(1) Subsection (a)(1) of section 9344 of such title is amended by striking ''not more than 40 persons'' and inserting ''not more than 60 persons''.

(2) Subsection (b) of such section is amended—

(A) in paragraph (2), by striking ''unless a written waiver of reimbursement is granted by the Secretary of Defense'' in the first sentence; and

(B) by striking paragraph (3) and inserting the following:

''(3) The Secretary of Defense may waive, in whole or in part, the requirement for reimbursement of the cost of instruction for a cadet under paragraph (2). In the case of a partial waiver, the Secretary shall establish the amount waived.''.

(d) APPLICABILITY.—The amendments made by this section shall apply with respect to academic years that begin after October 1, 2001.

SEC. 537. EXPANSION OF FINANCIAL ASSISTANCE PROGRAM FOR HEALTH-CARE PROFESSIONALS IN RESERVE COMPONENTS TO INCLUDE STUDENTS IN PROGRAMS OF EDUCATION LEADING TO INITIAL DEGREE IN MEDICINE OR DENTISTRY.

(a) MEDICAL AND DENTAL STUDENT STIPEND.—Section 16201 of title 10, United States Code, is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following new subsection (e):

''(e) PROGRAMS LEADING TO INITIAL MEDICAL OR DENTAL DEGREE.—(1) Under the stipend program under this chapter, the Secretary of the military department concerned may enter into an agreement with a person who—

''(A) is eligible to be appointed as an officer in a reserve component of the armed forces; and

''(B) is enrolled or has been accepted for enrollment in an accredited medical or dental school in a program of education and training that results in an initial degree in medicine or dentistry.

''(2) Under the agreement—

''(A) the Secretary of the military department concerned shall agree to pay the participant a stipend, in the amount determined under subsection (f), for the period or the remainder of the period that the student is satisfactorily progressing toward an initial degree in medicine or dentistry in a program of an accredited medical or dental school;

''(B) the participant shall not be eligible to receive such stipend before appointment, designation, or assignment as an officer for service in the Ready Reserve;

''(C) the participant shall be subject to such active duty requirements as may be specified in the agreement and to active duty in time of war or national emergency as provided by law for members of the Ready Reserve; and

''(D) the participant shall agree—

''(i) to complete the program of education and training in which enrolled or accepted for enrollment as described in paragraph (1)(B);

''(ii) to accept an appointment or designation in the participant's reserve component, if tendered, based upon the participant's health profession, following satisfactory completion of the educational and internship components of the program of education and training;

''(iii) if required by regulations prescribed by the Secretary of Defense, to apply for (if eligible) and accept (if offered) residency training in a health profession skill that has been designated by the Secretary of Defense as a skill critically needed by the armed forces in wartime; and

''(iv) to serve in the Selected Reserve, upon successful completion of the program, for the period of service applicable under paragraph (3).

''(3)(A) Except as provided in subparagraph (B), the minimum period for which a participant shall serve in the Selected Reserve under the agreement pursuant to paragraph (2)(D)(iv) shall be one year in the Selected Reserve for each six months, or part thereof, for which the participant is provided a stipend pursuant to the agreement.

''(B) If a participant referred to in subparagraph (A) enters into an agreement under subsection (b) and, after completing a program of education and training for which a stipend was provided under this subsection, successfully completes residency training in the specialty covered by the agreement, the minimum period for which the participant shall serve in the Selected Reserve under that agreement and the agreement under this subsection shall be one year for each year, or part thereof, for which a stipend was provided under this chapter.''.

(b) AMOUNT OF STIPEND.—Subsection (f) of such section, as redesignated by subsection (a), is amended by striking ''or (c)'' and inserting '', (c), or (e)''.

(c) ELIGIBILITY FOR ASSISTANCE FOR GRADUATE MEDICAL OR DENTAL TRAINING.—Subsection (b) of such section is amended—

(1) by striking ''SPECIALTIES.—'' and inserting ''WARTIME SPECIALTIES.—''; and

(2) in paragraph (1)(B), by inserting '', or has been appointed,'' after ''assignment''.

(d) SERVICE OBLIGATION FOR STIPEND FOR OTHER PROFESSIONAL PROGRAMS.—(1) Subsection (b)(2)(D) of such section by striking ''agree to serve, upon successful completion of the program, two years in the Ready Reserve for each year,'' and inserting ''agree (subject to subsection (e)(3)(B)) to serve, upon successful completion of the program, one year in the Ready Reserve for each six months,''.

(2) Subsection (c)(2)(D) of such section is amended by striking ''two years in the Ready Reserve for each year,'' and inserting ''one year in the Ready Reserve for each six months,''.

(e) CONFORMING AMENDMENTS.—(1) Subsection (a) of such section is amended—

(A) in the first sentence—

(i) by inserting ''in health professions and'' after ''qualified''; and

(ii) by striking ''training in such'' and inserting ''education and training in such professions and''; and

(B) in the second sentence, by striking ''training in certain'' and inserting ''education and training in certain health professions and''.

(2) Subsections (b)(2)(A) and (c)(2)(A) of such section are amended by striking ''subsection (e)'' and inserting ''subsection (f)''.

SEC. 538. PILOT PROGRAM FOR DEPARTMENT OF VETERANS AFFAIRS SUPPORT FOR GRADUATE MEDICAL EDUCATION AND TRAINING OF MEDICAL PERSONNEL OF THE ARMED FORCES.

(a) REQUIREMENT FOR PROGRAM.—The Secretary of Defense and the Secretary of Veterans Affairs may jointly carry out a pilot program of graduate medical education and training for medical personnel of the Armed Forces.

(b) DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTERS.—Under any pilot program carried out under this section, the Secretary of Defense and the Secretary of Veterans Affairs shall provide for medical personnel of the Armed Forces to pursue one or more programs of graduate medical education and training in one or more medical centers of the Department of Veterans Affairs.

(c) AGREEMENT.—The Secretary of Defense and the Secretary of Veterans Affairs shall enter into an agreement for carrying out any pilot program under this section. The agreement shall provide a means for the Secretary of Defense to defray the costs incurred by the Secretary of Veterans Affairs in providing the graduate medical education and training in, or the use of, the facility or facilities of the Department of Veterans Affairs participating in the pilot program.

(d) USE OF EXISTING AUTHORITIES.—To carry out the pilot program, the Secretary of Defense and the Secretary of Veterans Affairs shall exercise authorities provided to the Secretaries, respectively, under other laws relating to the furnishing or support of medical education and the cooperative use of facilities.

(e) PERIOD OF PROGRAM.—Any pilot program carried out under this section shall begin not later than August 1, 2002, and shall terminate on July 31, 2007.

(f) ANNUAL REPORT.—(1) Not later than January 31, 2003, and January 31 of each year thereafter, the Secretary of Defense and the Secretary of Veterans Affairs shall jointly submit to Congress a report on the conduct of any pilot program carried out under this section. The report shall cover the preceding year and shall include the Secretaries' assessment of the efficacy of providing for medical personnel of the Armed Forces to pursue programs of graduate medical education and training in medical centers of the Department of Veterans Affairs.

(2) The reporting requirement under this subsection shall terminate upon the submittal of the report due on January 31, 2008.

SEC. 539. TRANSFER OF ENTITLEMENT TO EDUCATIONAL ASSISTANCE UNDER MONTGOMERY GI BILL BY MEMBERS OF THE ARMED FORCES WITH CRITICAL MILITARY SKILLS.

(a) AUTHORITY TO TRANSFER TO FAMILY MEMBERS.—(1) Subchapter II of chapter 30 of title 38, United States Code, is amended by adding at the end the following new section:

''§ 3020. Transfer of entitlement to basic educational assistance: members of the Armed Forces with critical military skills

''(a) IN GENERAL.—Subject to the provisions of this section, each Secretary concerned may, for the purpose of enhancing recruitment and retention of members of the Armed Forces with critical military skills and at such Secretary's sole discretion, permit an individual described in subsection (b) who is entitled to basic educational assistance under this subchapter to elect to transfer, in whole or in part, up to 18 months of such individual's entitlement to such assistance to the dependents specified in subsection (c).

''(b) ELIGIBLE INDIVIDUALS.—An individual referred to in subsection (a) is any member of the Armed Forces who, at the time of the approval by the Secretary concerned of the member's request to transfer entitlement to basic educational assistance under this section—

''(1) has completed six years of service in the Armed Forces;

''(2) either—

''(A) has a critical military skill designated by the Secretary concerned for purposes of this section; or

''(B) is in a military specialty designated by the Secretary concerned for purposes of this section as requiring critical military skills; and

''(3) enters into an agreement to serve at least four more years as a member of the Armed Forces.

''(c) ELIGIBLE DEPENDENTS.—An individual approved to transfer an entitlement to basic educational assistance under this section may transfer the individual's entitlement as follows:

''(1) To the individual's spouse.

''(2) To one or more of the individual's children.

''(3) To a combination of the individuals referred to in paragraphs (1) and (2).

''(d) LIMITATION ON MONTHS OF TRANSFER.—The total number of months of entitlement transferred by an individual under this section may not exceed 18 months.

''(e) DESIGNATION OF TRANSFEREE.—An individual transferring an entitlement to basic educational assistance under this section shall—

''(1) designate the dependent or dependents to whom such entitlement is being transferred and the percentage of such entitlement to be transferred to each such dependent; and

''(2) specify the period for which the transfer shall be effective for each dependent designated under paragraph (1).

''(f) TIME FOR TRANSFER; REVOCATION AND MODIFICATION.—(1) Subject to the time limitation for use of entitlement under section 3031 of this title, an individual approved to transfer entitlement to basic educational assistance under this section may transfer such entitlement at any time after the approval of individual's request to transfer such entitlement without regard to whether the individual is a member of the Armed Forces when the transfer is executed.

''(2)(A) An individual transferring entitlement under this section may modify or revoke at any time the transfer of any unused portion of the entitlement so transferred.

''(B) The modification or revocation of the transfer of entitlement under this paragraph shall be made by the submittal of written notice of the action to both the Secretary concerned and the Secretary of Veterans Affairs.

''(g) COMMENCEMENT OF USE.—A dependent to whom entitlement to basic educational assistance is transferred under this section may not commence the use of the transferred entitlement until the following:

''(1) In the case of entitlement transferred to a spouse, the completion by the individual making the transfer of 6 years of service in the Armed Forces.

''(2) In the case of entitlement transferred to a child, both—

''(A) the completion by the individual making the transfer of 10 years of service in the Armed Forces; and

''(B) either—

''(i) the completion by the child of the requirements of a secondary school diploma (or equivalency certificate); or

''(ii) the attainment by the child of 18 years of age.

''(h) ADDITIONAL ADMINISTRATIVE MATTERS.—(1) The use of any entitlement to basic educational assistance transferred under this section shall be charged against the entitlement of the individual making the transfer at the rate of one month for each month of transferred entitlement that is used.

''(2) Except as provided under subsection (e)(2) and subject to paragraphs (4) and (5), a dependent to whom entitlement is transferred under this section is entitled to basic educational assistance under this subchapter in the same manner and at the same rate as the individual from whom the entitlement was transferred.

''(3) The death of an individual transferring an entitlement under this section shall not affect the use of the entitlement by the individual to whom the entitlement is transferred.

''(4) Notwithstanding section 3031 of this title, a child to whom entitlement is transferred under this section may not use any entitlement so transferred after attaining the age of 26 years.

''(5) The administrative provisions of this chapter (including the provisions set forth in section 3034(a)(1) of this title) shall apply to the use of entitlement transferred under this section, except that the dependent to whom the entitlement is transferred shall be treated as the eligible veteran for purposes of such provisions.

''(6) The purposes for which a dependent to whom entitlement is transferred under this section may use such entitlement shall include the pursuit and completion of the requirements of a secondary school diploma (or equivalency certificate).

''(i) OVERPAYMENT.—(1) In the event of an overpayment of basic educational assistance with respect to a dependent to whom entitlement is transferred under this section, the dependent and the individual making the transfer shall be jointly and severally liable to the United States for the amount of the overpayment for purposes of section 3685 of this title.

''(2) Except as provided in paragraph (3), if an individual transferring entitlement under this section fails to complete the service agreed to by the individual under subsection (b)(3) in accordance with the terms of the agreement of the individual under that subsection, the amount of any transferred entitlement under this section that is used by a dependent of the individual as of the date of such failure shall be treated as an overpayment of basic educational assistance under paragraph (1).

''(3) Paragraph (2) shall not apply in the case of an individual who fails to complete service agreed to by the individual—

''(A) by reason of the death of the individual; or

''(B) for a reason referred to in section 3011(a)(1)(A)(ii)(I) of this title.

''(j) APPROVALS OF TRANSFER SUBJECT TO AVAILABILITY OF APPROPRIATIONS.—The Secretary concerned may approve transfers of entitlement to basic educational assistance under this section in a fiscal year only to the extent that appropriations for military personnel are available in the fiscal year for purposes of making deposits in the Department of Defense Education Benefits Fund under section 2006 of title 10 in the fiscal year to cover the present value of future benefits payable from the Fund for the Department of Defense portion of payments of basic educational assistance attributable to increased usage of benefits as a result of such transfers of entitlement in the fiscal year.

''(k) REGULATIONS.—The Secretary of Defense shall prescribe regulations for purposes of this section. Such regulations shall specify the manner and effect of an election to modify or revoke a transfer of entitlement under subsection (f)(2), and shall specify the manner of the applicability of the administrative provisions referred to in subsection (h)(5) to a dependent to whom entitlement is transferred under this section.

''(l) ANNUAL REPORTS.—(1) Not later than January 31, 2003, and each year thereafter, each Secretary concerned shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the transfers of entitlement to basic educational assistance under this section that were approved by such Secretary during the preceding year.

''(2) Each report shall set forth—

''(A) the number of transfers of entitlement under this section that were approved by such Secretary during the preceding year; or

''(B) if no transfers of entitlement under this section were approved by such Secretary during that year, a justification for such Secretary's decision not to approve any such transfers of entitlement during that year.

''(m) SECRETARY CONCERNED DEFINED.—Notwithstanding section 101(25) of this title, in this section, the term 'Secretary concerned' means—

''(1) the Secretary of the Army with respect to matters concerning the Army;

''(2) the Secretary of the Navy with respect to matters concerning the Navy or the Marine Corps;

''(3) the Secretary of the Air Force with respect to matters concerning the Air Force; and

''(4) the Secretary of the Defense with respect to matters concerning the Coast Guard, or the Secretary of Transportation when it is not operating as a service in the Navy.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3019 the following new item:

''3020. Transfer of entitlement to basic educational assistance: members of the Armed Forces with critical military skills.''.

(b) TREATMENT UNDER DEPARTMENT OF DEFENSE EDUCATION BENEFITS FUND.—Section 2006(b)(2) of title 10, United States Code, is amended by adding at the end the following:

''(D) The present value of future benefits payable from the Fund for the Department of Defense portion of payments of educational assistance under subchapter II of chapter 30 of title 38 attributable to increased usage of benefits as a result of transfers of entitlement to basic educational assistance under section 3020 of that title during such period.''.

(c) PLAN FOR IMPLEMENTATION.—Not later than June 30, 2002, the Secretary of Defense shall submit to Congress a report describing the manner in which the Secretaries of the military departments and the Secretary of Transportation propose to exercise the authority granted by section 3020 of title 38, United States Code, as added by subsection (a). The report shall include the regulations prescribed under subsection (k) of that section for purposes of the exercise of the authority.

(d) FUNDING FOR FISCAL YEAR 2002.—Of the amount authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2002 by section 421, $30,000,000 may be available in fiscal year 2002 for deposit into the Department of Defense Education Benefits Fund under section 2006 of title 10, United States Code, for purposes of covering payments of amounts under subparagraph (D) of section 2006(b)(2) of title 10, United States Code (as added by subsection (b)), as a result of transfers of entitlement to basic educational assistance under section 3020 of title 38, United States Code (as added by subsection (a)).

SEC. 540. PARTICIPATION OF REGULAR MEMBERS OF THE ARMED FORCES IN THE SENIOR RESERVE OFFICERS' TRAINING CORPS.

(a) ELIGIBILITY.—Section 2104(b)(3) of title 10, United States Code, is amended by inserting ''the regular component or'' after ''enlist in''.

(b) PAY RATE WHILE ON FIELD TRAINING OR PRACTICE CRUISE.—Section 209(c) of title 37, United States Code, is amended by inserting before the period at the end the following: '', except that the rate for a cadet or midshipmen who is a member of the regular component of an armed force shall be the

rate of basic pay applicable to the member under section 203 of this title''.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001.

Subtitle D—Decorations, Awards, and Commendations

SEC. 551. AUTHORITY FOR AWARD OF THE MEDAL OF HONOR TO HUMBERT R. VERSACE FOR VALOR DURING THE VIETNAM WAR.

(a) WAIVER OF TIME LIMITATIONS.—Notwithstanding the time limitations specified in section 3744 of title 10, United States Code, or any other time limitation with respect to the awarding of certain medals to persons who served in the military service, the President may award the Medal of Honor under section 3741 of that title to Humbert R. Versace for the acts of valor referred to in subsection (b).

(b) ACTION DESCRIBED.—The acts of valor referred to in subsection (a) are the actions of Humbert R. Versace between October 29, 1963, and September 26, 1965, while interned as a prisoner of war by the Vietnamese Communist National Liberation Front (Viet Cong) in the Republic of Vietnam.

SEC. 552. REVIEW REGARDING AWARD OF MEDAL OF HONOR TO CERTAIN JEWISH AMERICAN WAR VETERANS.

(a) REVIEW REQUIRED.—The Secretary of each military department shall review the service records of each Jewish American war veteran described in subsection (b) to determine whether or not that veteran should be awarded the Medal of Honor.

(b) COVERED JEWISH AMERICAN WAR VETERANS.—The Jewish American war veterans whose service records are to be reviewed under subsection (a) are the following:

(1) Any Jewish American war veteran who was previously awarded the Distinguished Service Cross, the Navy Cross, or the Air Force Cross.

(2) Any other Jewish American war veteran whose name is submitted to the Secretary concerned for such purpose by the Jewish War Veterans of the United States of America before the end of the one-year period beginning on the date of the enactment of this Act.

(c) CONSULTATIONS.—In carrying out the review under subsection (a), the Secretary of each military department shall consult with the Jewish War Veterans of the United States of America and with such other veterans service organizations as the Secretary considers appropriate.

(d) RECOMMENDATION BASED ON REVIEW.—If the Secretary concerned determines, based upon the review under subsection (a) of the service records of any Jewish American war veteran, that the award of the Medal of Honor to that veteran is warranted, the Secretary shall submit to the President a recommendation that the President award the Medal of Honor to that veteran.

(e) AUTHORITY TO AWARD MEDAL OF HONOR.—A Medal of Honor may be awarded to a Jewish American war veteran in accordance with a recommendation of the Secretary concerned under subsection (d).

(f) WAIVER OF TIME LIMITATIONS.—An award of the Medal of Honor may be made under subsection (e) without regard to—

(1) section 3744, 6248, or 8744 of title 10, United States Code, as applicable; and

(2) any regulation or other administrative restriction on—

(A) the time for awarding the Medal of Honor; or

(B) the awarding of the Medal of Honor for service for which a Distinguished Service Cross, Navy Cross, Air Force Cross, or any other decoration has been awarded.

(g) JEWISH AMERICAN WAR VETERAN DEFINED.—In this section, the term ''Jewish American war veteran'' means any person who served in the Armed Forces during World War II or a later period of war and who identified himself or herself as Jewish on his or her military personnel records.

SEC. 553. ISSUANCE OF DUPLICATE AND REPLACEMENT MEDALS OF HONOR.

(a) ARMY.—(1)(A) Chapter 357 of title 10, United States Code, is amended by inserting after section 3747 the following new section:

''§ 3747a. Medal of honor: issuance of duplicate

''(a) ISSUANCE.—Upon written application by a person to whom a medal of honor has been awarded under this chapter, the Secretary of the Army may issue to the person one duplicate medal of honor, with ribbons and appurtenances. No charge may be imposed for the issuance of the duplicate medal.

''(b) SPECIAL MARKING.—A duplicate medal of honor issued under this section shall be marked as a duplicate or for display purposes only. The Secretary shall prescribe the manner in which the duplicate medal is marked.

''(c) ISSUANCE NOT TO BE CONSIDERED ADDITIONAL AWARD.—The issuance of a duplicate medal of honor under of this section may not be considered an award of more than one medal of honor prohibited by section 3744(a) of this title.''.

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3747 the following:

''3747a. Medal of honor: issuance of duplicate.''.

(2) Section 3747 of title 10, United States Code, is amended by striking ''lost'' and inserting ''stolen, lost,''.

(b) NAVY AND MARINE CORPS.—(1)(A) Chapter 567 of such title is amended by inserting after section 6253 the following new section:

''§ 6253a. Medal of honor: issuance of duplicate

''(a) ISSUANCE.—Upon written application by a person to whom a medal of honor has been awarded under this chapter, the Secretary of the Navy may issue to the person one duplicate medal of honor, with ribbons and appurtenances. No charge may be imposed for the issuance of the duplicate medal.

''(b) SPECIAL MARKING.—A duplicate medal of honor issued under this section shall be marked as a duplicate or for display purposes only. The Secretary shall prescribe the manner in which the duplicate medal is marked.

''(c) ISSUANCE NOT TO BE CONSIDERED ADDITIONAL AWARD.—The issuance of a duplicate medal of honor under this section may not be considered an award of more than one medal of honor prohibited by section 6247 of this title.''.

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 6253 the following:

''6253a. Medal of honor: issuance of duplicate.''.

(2) Section 6253 of title 10, United States Code, is amended by striking ''lost'' and inserting ''stolen, lost,''.

(c) AIR FORCE.—(1)(A) Chapter 857 of such title is amended by inserting after section 8747 the following new section:

''§ 8747a. Medal of honor: issuance of duplicate

''(a) ISSUANCE.—Upon written application by a person to whom a medal of honor has been awarded under this chapter, the Secretary of the Air Force may issue to the person one duplicate medal of honor, with ribbons and appurtenances. No charge may be imposed for the issuance of the duplicate medal.

''(b) SPECIAL MARKING.—A duplicate medal of honor issued under this section shall be marked as a duplicate or for display purposes only. The Secretary shall prescribe the manner in which the duplicate medal is marked.

''(c) ISSUANCE NOT TO BE CONSIDERED ADDITIONAL AWARD.—The issuance of a duplicate medal of honor under this section may not be considered an award of more than one medal of honor prohibited by section 8744(a) of this title.''.

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 8747 the following:

''8747a. Medal of honor: issuance of duplicate.''.

(2) Section 8747 of title 10, United States Code, is amended by striking ''lost'' and inserting ''stolen, lost,''.

SEC. 554. WAIVER OF TIME LIMITATIONS FOR AWARD OF CERTAIN DECORATIONS TO CERTAIN PERSONS.

(a) WAIVER.—Any limitation established by law or policy for the time within which a recommendation for the award of a military decoration or award must be submitted shall not apply to awards of decorations described in this section, the award of each such decoration having been determined by the Secretary concerned to be warranted in accordance with section 1130 of title 10, United States Code.

(b) SILVER STAR.—Subsection (a) applies to the award of the Silver Star to Wayne T. Alderson, of Glassport, Pennsylvania, for gallantry in action from March 15 to March 18, 1945, while serving as a member of the Army.

(c) DISTINGUISHED FLYING CROSS.—Subsection (a) applies to the award of the Distinguished Flying Cross for service during World War II (including multiple awards to the same individual) in the case of each individual concerning whom the Secretary of the Navy (or an officer of the Navy acting on behalf of the Secretary) submitted to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate, during the period beginning on October 30, 2000, and ending on the day before the date of the enactment of this Act, a notice as provided in section 1130(b) of title 10, United States Code, that the award of the Distinguished Flying Cross to that individual is warranted and that a waiver of time restrictions prescribed by law for recommendation for such award is recommended.

SEC. 555. SENSE OF SENATE ON ISSUANCE OF KOREA DEFENSE SERVICE MEDAL.

It is the sense of the Senate that the Secretary of Defense should consider authorizing the issuance of a campaign medal, to be known as the Korea Defense Service Medal, to each person who while a member of the Armed Forces served in the Republic of Korea, or the waters adjacent thereto, during the period beginning on July 28, 1954, and ending on such date after that date as the Secretary considers appropriate.

SEC. 556. RETROACTIVE MEDAL OF HONOR SPECIAL PENSION.

(a) ENTITLEMENT.—Notwithstanding any other provision of law, Robert R. Ingram of Jacksonville, Florida, who was awarded the Medal of Honor pursuant to Public Law 105–103 (111 Stat. 2218), shall be entitled to the special pension provided for under section 1562 of title 38, United States Code (and antecedent provisions of law), for months that begin after March 1966.

(b) AMOUNT.—The amount of special pension payable under subsection (a) for a month beginning before the date of the enactment of this Act shall be the amount of special pension provided for by law for that

month for persons entered and recorded in the Army, Navy, Air Force, and Coast Guard Medal of Honor Roll (or antecedent Medal of Honor Roll required by law).

Subtitle E—Funeral Honors Duty

SEC. 561. ACTIVE DUTY END STRENGTH EXCLUSION FOR RESERVES ON ACTIVE DUTY OR FULL-TIME NATIONAL GUARD DUTY FOR FUNERAL HONORS DUTY.

Section 115(d) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(10) Members of reserve components on active duty or full-time National Guard duty to prepare for and to perform funeral honors functions under section 1491 of this title.''.

SEC. 562. PARTICIPATION OF RETIREES IN FUNERAL HONORS DETAILS.

(a) AUTHORITY.—(1) Subsection (b)(2) of section 1491 of title 10, United States Code, is amended by inserting '', members or former members of the armed forces in a retired status,'' in the second sentence after ''members of the armed forces''.

(2) Subsection (h) of such section is amended to read as follows:

''(h) DEFINITIONS.—In this section:

''(1) The term 'retired status', with respect to a member or former member of the armed forces, means that the member or former member—

''(A) is on a retired list of an armed force;

''(B) is entitled to receive retired or retainer pay; or

''(C) except for not having attained 60 years of age, would be entitled to receive retired pay upon application under chapter 1223 of this title.

''(2) The term 'veteran' means a decedent who—

''(A) served in the active military, naval, or air service (as defined in section 101(24) of title 38) and who was discharged or released therefrom under conditions other than dishonorable; or

''(B) was a member or former member of the Selected Reserve described in section 2301(f) of title 38.''.

(b) FUNERAL HONORS DUTY ALLOWANCE.—Section 435(a) of title 37, United States Code, is amended—

(1) by inserting ''(1)'' after ''(a) ALLOWANCE AUTHORIZED.—''; and

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

''(2)(A) The Secretary concerned may authorize payment of an allowance to a member or former member of the armed forces in a retired status (as defined in section 1491(h) of title 10) for participating as a member of a funeral honors detail under section 1491 of title 10 for a period of at least two hours, including time for preparation.

''(B) An allowance paid to a member or former member under subparagraph (A) shall be in addition to any retired or retainer pay or other compensation to which the member or former member is entitled under this title or title 10 or 38.''.

SEC. 563. BENEFITS AND PROTECTIONS FOR MEMBERS IN A FUNERAL HONORS DUTY STATUS.

(a) FUNERAL HONORS DUTY DEFINED.—Section 101(d) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(8) The term 'funeral honors duty' means duty under section 12503 of this title or section 115 of title 32.''.

(b) APPLICABILITY OF UNIFORM CODE OF MILITARY JUSTICE.—Section 802 of title 10, United States Code, is amended—

(1) in subsection (a)(3), by inserting ''or engaged in funeral honors duty'' after ''on inactive-duty training''; and

(2) in subsection (d)(2)(B), by inserting ''or engaged in funeral honors duty'' after ''on inactive-duty training''.

(c) COMMISSARY STORES PRIVILEGES FOR DEPENDENTS OF A DECEASED RESERVE COMPONENT MEMBER.—Section 1061(b) of such title is amended—

(1) in paragraph (1)—

(A) by striking ''or'' the first place it appears; and

(B) by inserting '', or funeral honors duty'' before the semicolon; and

(2) in paragraph (2)—

(A) by striking ''or'' the third place it appears; and

(B) by inserting '', or funeral honors duty'' before the period.

(d) PAYMENT OF A DEATH GRATUITY.—(1) Section 1475(a) of such title is amended—

(A) in paragraph (2), by inserting ''or while engaged in funeral honors duty'' after ''Public Health Service)''; and

(B) in paragraph (3)—

(i) by striking ''or inactive duty training'' the first place it appears and inserting ''inactive-duty training'';

(ii) by inserting ''or funeral honors duty,'' after ''Public Health Service),''; and

(iii) by striking ''or inactive duty training'' the second place it appears and inserting '', inactive-duty training, or funeral honors duty''.

(2) Section 1476(a) of such title is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking ''or'';

(ii) in subparagraph (B), by striking the period at the end and inserting ''; or''; and

(iii) by adding at the end the following new subparagraph:

''(C) funeral honors duty.''; and

(B) in paragraph (2)(A), by striking ''or inactive-duty training'' and inserting '', inactive-duty training, or funeral honors duty''.

(e) MILITARY AUTHORITY FOR MEMBERS OF THE COAST GUARD RESERVE.—(1) Section 704 of title 14, United States Code, is amended by striking ''or inactive-duty training'' in the second sentence and inserting '', inactive-duty training, or funeral honors duty''.

(2) Section 705(a) of such title is amended by inserting ''on funeral honors duty,'' after ''on inactive-duty training,''.

(f) VETERANS BENEFITS.—Section 101(24) of title 38, United States Code, is amended—

(1) by striking ''and'' at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C)(ii) and inserting ''; and''; and

(3) by adding at the end the following new subparagraph (D):

''(D) any period of funeral honors duty (as defined in section 101(d) of title 10) during which the individual concerned was disabled or died from an injury incurred or aggravated in line of duty.''.

(g) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001.

SEC. 564. MILITARY LEAVE FOR CIVILIAN EMPLOYEES SERVING AS MILITARY MEMBERS OF FUNERAL HONORS DETAIL.

Section 6323(a) of title 5, United States Code, is amended—

(1) in the first sentence of paragraph (1), by striking ''active duty, inactive duty training'' and all that follows through ''National Guard'' and inserting ''military duty or training described in paragraph (4)''; and

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

''(4) The entitlement under paragraph (1) applies to the performance of duty or training as a Reserve of the armed forces or member of the National Guard, as follows:

''(A) Active duty.

''(B) Inactive duty training (as defined in section 101 of title 37).

''(C) Field or coast defense training under sections 502 through 505 of title 32.

''(D) Funeral honors duty under section 12503 of title 10 or section 115 of title 32.''.

Subtitle F—Uniformed Services Overseas Voting

SEC. 571. SENSE OF THE SENATE REGARDING THE IMPORTANCE OF VOTING BY MEMBERS OF THE UNIFORMED SERVICES.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that each administrator of a Federal, State, or local election should—

(1) be aware of the importance of the ability of each uniformed services voter to exercise their right to vote; and

(2) perform their duties with the intent to ensure that—

(A) each uniformed services voter receives the utmost consideration and cooperation when voting;

(B) each valid ballot cast by such a voter is duly counted; and

(C) all eligible American voters, regardless of race, ethnicity, disability, the language they speak, or the resources of the community in which they live should have an equal opportunity to cast a vote and have that vote counted.

(b) UNIFORMED SERVICES VOTER DEFINED.—In this section, the term ''uniformed services voter'' means—

(1) a member of a uniformed service (as defined in section 101(a)(5) of title 10, United States Code) in active service;

(2) a member of the merchant marine (as defined in section 107 of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–6)); and

(3) a spouse or dependent of a member referred to in subparagraph (A) or (B) who is qualified to vote.

SEC. 572. STANDARD FOR INVALIDATION OF BALLOTS CAST BY ABSENT UNIFORMED SERVICES VOTERS IN FEDERAL ELECTIONS.

(a) IN GENERAL.—Section 102 of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–1) is amended—

(1) by striking ''Each State'' and inserting ''(a) IN GENERAL.—Each State''; and

(2) by adding at the end the following:

''(c) STANDARDS FOR INVALIDATION OF CERTAIN BALLOTS.—

''(1) IN GENERAL.—A State may not refuse to count a ballot submitted in an election for Federal office by an absent uniformed services voter solely—

''(A) on the grounds that the ballot lacked a notarized witness signature, an address, other than on a Federal write-in absentee ballot (SF186) or a postmark: *Provided*, That there are other indicia that the vote was cast in a timely manner; or

''(B) on the basis of a comparison of signatures on ballots, envelopes, or registration forms unless there is a lack of reasonable similarity between the signatures.

''(2) NO EFFECT ON FILING DEADLINES UNDER STATE LAW.—Nothing in this subsection may be construed to affect the application to ballots submitted by absent uniformed services voters of any ballot submission deadline applicable under State law.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to ballots described in section 102(c) of the Uniformed and Overseas Citizens Absentee Voting Act (as added by such subsection) that are submitted with respect to elections that occur after the date of enactment of this Act.

SEC. 573. GUARANTEE OF RESIDENCY FOR MILITARY PERSONNEL.

Article VII of the Soldiers' and Sailors' Civil Relief Act of 1940 (50 U.S.C. App. 590 et seq.) is amended by adding at the end the following:

''SEC. 704. (a) For purposes of voting for any Federal office (as defined in section 301

of the Federal Election Campaign Act of 1971 (2 U.S.C. 431)) or a State or local office, a person who is absent from a State in compliance with military or naval orders shall not, solely by reason of that absence—

''(1) be deemed to have lost a residence or domicile in that State, without regard to whether or not the person intends to return to that State;

''(2) be deemed to have acquired a residence or domicile in any other State; or

''(3) be deemed to have become a resident in or a resident of any other State.

''(b) In this section, the term 'State' includes a territory or possession of the United States, a political subdivision of a State, territory, or possession, and the District of Columbia.''.

SEC. 574. EXTENSION OF REGISTRATION AND BALLOTING RIGHTS FOR ABSENT UNIFORMED SERVICES VOTERS TO STATE AND LOCAL ELECTIONS.

(a) IN GENERAL.—Section 102 of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–1), as amended by section 572(a)(1), is further amended by inserting after subsection (a) the following new subsection:

''(b) ELECTIONS FOR STATE AND LOCAL OFFICES.—Each State shall—

''(1) permit absent uniformed services voters to use absentee registration procedures and vote by absentee ballot in general, special, primary, and runoff elections for State and local offices; and

''(2) accept and process, with respect to any election described in paragraph (1), any otherwise valid voter registration application from an absent uniformed services voter if the application is received by the appropriate State election official not less than 30 days before the date of the election.''.

(b) CONFORMING AMENDMENT.—The heading for title I of such Act is amended by striking ''**FOR FEDERAL OFFICE**''.

SEC. 575. USE OF SINGLE APPLICATION AS A SIMULTANEOUS ABSENTEE VOTER REGISTRATION APPLICATION AND ABSENTEE BALLOT APPLICATION.

Subsection (a) of section 102 of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–1), as redesignated by section 572(a)(1), is amended—

(1) by striking ''and'' at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting a semicolon; and

(3) by inserting after paragraph (3) the following new paragraph (4):

''(4) accept and process the official post card form (prescribed under section 101) as a simultaneous absentee voter registration application and absentee ballot application; and''.

SEC. 576. USE OF SINGLE APPLICATION FOR ABSENTEE BALLOTS FOR ALL FEDERAL ELECTIONS.

Subsection (a) of section 102 of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–1), as amended by section 575, is further amended by inserting after paragraph (4) the following new paragraph (5):

''(5) accept and process, with respect to all general, special, primary, and runoff elections for Federal office occurring during a year, any otherwise valid absentee ballot application from an absent uniformed services voter or overseas voter if a single application for any such election is received by the appropriate State election official not less than 30 days before the first election for Federal office occurring during the year.''.

SEC. 577. ELECTRONIC VOTING DEMONSTRATION PROJECT.

(a) ESTABLISHMENT OF DEMONSTRATION PROJECT.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary of Defense shall carry out a demonstration project under which absent uniformed services voters (as defined in section 107(1) of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–6(1))) are permitted to cast ballots in the regularly scheduled general election for Federal office for November 2002, through an electronic voting system.

(2) AUTHORITY TO DELAY IMPLEMENTATION.—If the Secretary of Defense determines that the implementation of the demonstration project under paragraph (1) with respect to the regularly scheduled general election for Federal office for November 2002 may adversely affect the national security of the United States, the Secretary may delay the implementation of such demonstration project until the regularly scheduled general election for Federal office for November 2004. The Secretary shall notify the Armed Services Committees of the Senate and the House of Representatives of any decision to delay implementation of the demonstration project.

(b) COORDINATION WITH STATE ELECTION OFFICIALS.—To the greatest extent practicable, the Secretary of Defense shall carry out the demonstration project under this section through cooperative agreements with State election officials.

(c) REPORT TO CONGRESS.—Not later than June 1, 2003, the Secretary of Defense shall submit a report to Congress analyzing the demonstration project conducted under this section, and shall include in the report any recommendations the Secretary of Defense considers appropriate for continuing the project on an expanded basis for absent uniformed services voters during the next regularly scheduled general election for Federal office.

SEC. 578. FEDERAL VOTING ASSISTANCE PROGRAM.

(a) IN GENERAL.—The Secretary of Defense shall promulgate regulations to require each of the Armed Forces to ensure their compliance with any directives issued by the Secretary of Defense in implementing the Federal Voting Assistance Program (referred to in this section as the ''Program'') or any similar program.

(b) REVIEW AND REPORT.—(1) The Inspector General of each of the Armed Forces shall—

(A) conduct an annual review of the effectiveness of the Program or any similar program;

(B) conduct an annual review of the compliance with the Program or any similar program of the branch; and

(C) submit an annual report to the Inspector General of the Department of Defense on the results of the reviews under subparagraphs (A) and (B).

(2) Not later than March 31, 2003, and annually thereafter, the Inspector General of the Department of Defense shall submit a report to Congress on—

(A) the effectiveness of the Program or any similar program; and

(B) the level of compliance with the Program or any similar program of the branches of the Armed Forces.

SEC. 579. MAXIMIZATION OF ACCESS OF RECENTLY SEPARATED UNIFORMED SERVICES VOTERS TO THE POLLS.

(a) ABSENTEE REGISTRATION.—For purposes of voting in any primary, special, general, or runoff election for Federal office (as defined in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431)), each State shall, with respect to any uniformed services voter (as defined in section 571(b)) requesting to vote in the State accept and process, with respect to any primary, special, general, or runoff election, any otherwise valid voter registration application submitted by such voter.

(b) VOTING BY RECENTLY SEPARATED UNIFORMED SERVICES VOTERS.—Each State shall permit each recently separated uniformed services voter to vote in any election for which a voter registration application has been accepted and processed under subsection (a) if that voter—

(1) has registered to vote under such subsection; and

(2) is eligible to vote in that election under State law.

(c) DEFINITIONS.—In this section:

(1) The term ''State'' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States.

(2) The term ''recently separated uniformed services voter'' means any individual who was a uniformed services voter (as defined in section 571(b)) on the date that is 60 days before the date on which the individual seeks to vote and who—

(A) presents to the election official Department of Defense form 214 evidencing their former status as such a voter, or any other official proof of such status; and

(B) is no longer such a voter; and

(C) is otherwise qualified to vote.

SEC. 580. GOVERNORS' REPORTS ON IMPLEMENTATION OF FEDERAL VOTING ASSISTANCE PROGRAM RECOMMENDATIONS.

(a) REPORTS.—Not later than 90 days after the date on which a State receives a legislative recommendation, the State shall submit a report on the status of the implementation of that recommendation to the Presidential designee and to each Member of Congress that represents that State.

(b) PERIOD OF APPLICABILITY.—This section applies with respect to legislative recommendations received by States during the period beginning on the date of enactment of this Act and ending three years after such date.

(c) DEFINITIONS.—In this section:

(1) The term ''legislative recommendation'' means a recommendation of the Presidential designee suggesting a modification in the laws of a State for the purpose of maximizing the access to the polls of absent uniformed services voters and overseas voters, including each recommendation made under section 104 of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–3).

(2) The term ''Presidential designee'' means the head of the executive department designated under section 101 of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff).

Subtitle G—Other Matters

SEC. 581. PERSONS AUTHORIZED TO BE INCLUDED IN SURVEYS OF MILITARY FAMILIES REGARDING FEDERAL PROGRAMS.

(a) ADDITION OF CERTAIN FAMILY MEMBERS AND SURVIVORS.—Subsection (a) of section 1782 of title 10, United States Code, is amended to read as follows:

''(a) AUTHORITY.—The Secretary of Defense may conduct surveys of persons to determine the effectiveness of Federal programs relating to military families and the need for new programs, as follows:

''(1) Members of the armed forces on active duty or in an active status.

''(2) Retired members of the armed forces.

''(3) Members of the families of such members and retired members of the armed forces (including surviving members of the families of deceased members and deceased retired members).''.

(b) FEDERAL RECORDKEEPING REQUIREMENTS.—Subsection (c) of such section is amended to read as follows:

''(c) FEDERAL RECORDKEEPING REQUIREMENTS.—With respect to a survey authorized under subsection (a) that includes a person referred to in that subsection who is not an

employee of the United States or is not considered an employee of the United States for the purposes of section 3502(3)(A)(i) of title 44, the person shall be considered as being an employee of the United States for the purposes of that section.''.

SEC. 582. CORRECTION AND EXTENSION OF CERTAIN ARMY RECRUITING PILOT PROGRAM AUTHORITIES.

(a) CONTRACT RECRUITING INITIATIVES.—Subsection (d)(2) of section 561 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–130) is amended—

(1) in subparagraphs (A) and (D), by inserting ''and Army Reserve'' after ''Regular Army''; and

(2) in subparagraph (B), by striking ''and chain of command''.

(b) EXTENSION OF AUTHORITY.—Subsection (e) of such section is amended by striking ''December 31, 2005'' and inserting ''September 30, 2007''.

(c) EXTENSION OF TIME FOR REPORTS.—Subsection (g) of such section is amended by striking ''February 1, 2006'' and inserting ''February 1, 2008''.

SEC. 583. OFFENSE OF DRUNKEN OPERATION OF A VEHICLE, AIRCRAFT, OR VESSEL UNDER THE UNIFORM CODE OF MILITARY JUSTICE.

(a) LOWER STANDARD OF ALCOHOL CONCENTRATION.—Section 911 of title 10, United States Code (article 111 of the Uniform Code of Military Justice), is amended by striking ''0.10 grams'' both places it appears in paragraph (2) and inserting ''0.08 grams''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act and shall apply to acts described in paragraph (2) of section 911 of title 10, United States Code, that are committed on or after that date.

SEC. 584. AUTHORITY OF CIVILIAN EMPLOYEES TO ACT AS NOTARIES.

(a) CLARIFICATION OF STATUS OF CIVILIAN ATTORNEYS ELIGIBLE TO ACT AS NOTARIES.—Subsection (b) of section 1044a of title 10, United States Code, is amended by striking ''legal assistance officers'' in paragraph (2) and inserting ''legal assistance attorneys''.

(b) OTHER CIVILIAN EMPLOYEES DESIGNATED TO ACT AS NOTARIES ABROAD.—Such subsection is further amended by adding at the end the following new paragraph:

''(5) For the performance of notarial acts at locations outside the United States, all employees of a military department or the Coast Guard who are designated by regulations of the Secretary concerned or by statute to have those powers for exercise outside the United States.''.

SEC. 585. REVIEW OF ACTIONS OF SELECTION BOARDS.

(a) IN GENERAL.—(1) Chapter 79 of title 10, United States Code, is amended by adding at the end the following:

''§ 1558. Exclusive remedies in cases involving selection boards

''(a) CORRECTION OF MILITARY RECORDS.—The Secretary concerned may correct a person's military records in accordance with a recommendation made by a special board. Any such correction shall be effective, retroactively, as of the effective date of the action taken on a report of a previous selection board that resulted in the action corrected in the person's military records.

''(b) RELIEF ASSOCIATED WITH CORRECTIONS OF CERTAIN ACTIONS.—(1) The Secretary concerned shall ensure that a person receives relief under paragraph (2) or (3), as the person may elect, if the person—

''(A) was separated or retired from an armed force, or transferred to the retired reserve or to inactive status in a reserve component, as a result of a recommendation of a selection board; and

''(B) becomes entitled to retention on or restoration to active duty or active status in a reserve component as a result of a correction of the person's military records under subsection (a).

''(2)(A) With the consent of a person referred to in paragraph (1), the person shall be retroactively and prospectively restored to the same status, rights, and entitlements (less appropriate offsets against back pay and allowances) in the person's armed force as the person would have had if the person had not been selected to be separated, retired, or transferred to the retired reserve or to inactive status in a reserve component, as the case may be, as a result of an action corrected under subsection (a). An action under this subparagraph is subject to subparagraph (B).

''(B) Nothing in subparagraph (A) shall be construed to permit a person to be on active duty or in an active status in a reserve component after the date on which the person would have been separated, retired, or transferred to the retired reserve or to inactive status in a reserve component if the person had not been selected to be separated, retired, or transferred to the retired reserve or to inactive status in a reserve component, as the case may be, in an action of a selection board that is corrected under subsection (a).

''(3) If the person does not consent to a restoration of status, rights, and entitlements under paragraph (2), the person shall receive back pay and allowances (less appropriate offsets) and service credit for the period beginning on the date of the person's separation, retirement, or transfer to the retired reserve or to inactive status in a reserve component, as the case may be, and ending on the earlier of—

''(A) the date on which the person would have been so restored under paragraph (2), as determined by the Secretary concerned; or

''(B) the date on which the person would otherwise have been separated, retired, or transferred to the retired reserve or to inactive status in a reserve component, as the case may be.

''(c) FINALITY OF UNFAVORABLE ACTION.—If a special board makes a recommendation not to correct the military records of a person regarding action taken in the case of that person on the basis of a previous report of a selection board, the action previously taken on that report shall be considered as final as of the date of the action taken on that report.

''(d) REGULATIONS.—(1) The Secretary concerned may prescribe regulations to carry out this section (other than subsection (e)) with respect to the armed force or armed forces under the jurisdiction of the Secretary.

''(2) The Secretary may prescribe in the regulations the circumstances under which consideration by a special board may be provided for under this section, including the following:

''(A) The circumstances under which consideration of a person's case by a special board is contingent upon application by or for that person.

''(B) Any time limits applicable to the filing of an application for consideration.

''(3) Regulations prescribed by the Secretary of a military department under this subsection shall be subject to the approval of the Secretary of Defense.

''(e) JUDICIAL REVIEW.—(1) A person challenging for any reason the action or recommendation of a selection board, or the action taken by the Secretary concerned on the report of a selection board, is not entitled to relief in any judicial proceeding unless the person has first been considered by a special board under this section or the Secretary concerned has denied such consideration.

''(2) A court of the United States may review a determination by the Secretary concerned not to convene a special board in the case of any person. In any such case, a court may set aside the Secretary's determination only if the court finds the determination to be arbitrary or capricious, not based on substantial evidence, or otherwise contrary to law. If a court sets aside a determination not to convene a special board, it shall remand the case to the Secretary concerned, who shall provide for consideration of the person by a special board.

''(3) A court of the United States may review a recommendation of a special board or an action of the Secretary concerned on the report of a special board convened for consideration of a person. In any such case, a court may set aside the recommendation or action, as the case may be, only if the court finds that the recommendation or action was contrary to law or involved a material error of fact or a material administrative error. If a court sets aside the recommendation of a special board, it shall remand the case to the Secretary concerned, who shall provide for reconsideration of the person by another special board. If a court sets aside the action of the Secretary concerned on the report of a special board, it shall remand the case to the Secretary concerned for a new action on the report of the special board.

''(4)(A) If, not later than six months after receiving a complete application for consideration by a special board in any case, the Secretary concerned has not convened a special board and has not denied consideration by a special board in that case, the Secretary shall be deemed to have denied the consideration of the case for the purposes of this subsection.

''(B) If, not later than one year after the convening of a special board in any case, the Secretary concerned has not taken final action on the report of the special board, the Secretary shall be deemed to have denied relief in such case for the purposes of this subsection.

''(C) Under regulations prescribed under subsection (d), the Secretary concerned may waive the applicability of subparagraph (A) or (B) in a case if the Secretary determines that a longer period for consideration of the case is warranted. The Secretary of a military department may not delegate authority to make a determination under this subparagraph.

''(f) EXCLUSIVITY OF REMEDIES.—Notwithstanding any other provision of law, but subject to subsection (g), the remedies provided under this section are the only remedies available to a person for correcting an action or recommendation of a selection board regarding that person or an action taken on the report of a selection board regarding that person.

''(g) EXISTING JURISDICTION.—(1) Nothing in this section limits the jurisdiction of any court of the United States under any provision of law to determine the validity of any statute, regulation, or policy relating to selection boards, except that, in the event that any such statute, regulation, or policy is held invalid, the remedies prescribed in this section shall be the sole and exclusive remedies available to any person challenging the recommendation of a special board on the basis of the invalidity.

''(2) Nothing in this section limits authority to correct a military record under section 1552 of this title.

''(h) INAPPLICABILITY TO COAST GUARD.—This section does not apply to the Coast Guard when it is not operating as a service in the Navy.

''(i) DEFINITIONS.—In this section:

''(1) The term 'special board'—

''(A) means a board that the Secretary concerned convenes under any authority to consider whether to recommend a person for appointment, enlistment, reenlistment, assignment, promotion, retention, separation, retirement, or transfer to inactive status in a reserve component instead of referring the records of that person for consideration by a previously convened selection board which considered or should have considered that person;

''(B) includes a board for the correction of military or naval records convened under section 1552 of this title, if designated as a special board by the Secretary concerned; and

''(C) does not include a promotion special selection board convened under section 628 or 14502 of this title.

''(2) The term 'selection board'—

''(A) means a selection board convened under section 573(c), 580, 580a, 581, 611(b), 637, 638, 638a, 14101(b), 14701, 14704, or 14705 of this title, and any other board convened by the Secretary concerned under any authority to recommend persons for appointment, enlistment, reenlistment, assignment, promotion, or retention in the armed forces or for separation, retirement, or transfer to inactive status in a reserve component for the purpose of reducing the number of persons serving in the armed forces; and

''(B) does not include—

''(i) a promotion board convened under section 573(a), 611(a), or 14101(a) of this title;

''(ii) a special board;

''(iii) a special selection board convened under section 628 of this title; or

''(iv) a board for the correction of military records convened under section 1552 of this title.''.

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

''1558. Exclusive remedies in cases involving selection boards .''.

(b) SPECIAL SELECTION BOARDS.—Section 628 of such title is amended—

(1) by redesignating subsection (g) as subsection (j); and

(2) by inserting after subsection (f) the following:

''(g) JUDICIAL REVIEW.—(1) A court of the United States may review a determination by the Secretary concerned under subsection (a)(1) or (b)(1) not to convene a special selection board in the case of an officer or former officer of the armed forces. If the court finds the determination to be arbitrary or capricious, not based on substantial evidence, or otherwise contrary to law, it shall remand the case to the Secretary concerned, who shall provide for consideration of the officer or former officer by a special selection board under this section.

''(2) A court of the United States may review the action of a special selection board convened under this section upon the request of an officer or former officer of the armed forces and any action taken by the President on the report of the board. If the court finds that the action was contrary to law or involved a material error of fact or a material administrative error, it shall remand the case to the Secretary concerned, who shall provide for reconsideration of the officer or former officer by another special selection board.

''(3)(A) For the purposes of this subsection, the Secretary concerned shall be deemed to have determined not to convene a special selection board under subsection (a)(1) or (b)(1) in the case of an officer or former officer of the armed forces upon a failure of the Secretary to make a determination on the convening of a special selection board in that case within six months after receiving a properly completed request to convene a special selection board under that authority in that case.

''(B) Under regulations prescribed by the Secretary concerned, the Secretary may waive the applicability of subparagraph (A) in the case of a request for the convening of a special selection board if the Secretary determines that a longer period for consideration of the request is warranted. The Secretary concerned may not delegate authority to make a determination under this subparagraph.

''(h) LIMITATIONS OF OTHER JURISDICTION.—(1) No official or court of the United States may, with respect to a claim based to any extent on the failure of an officer or former officer of the armed forces to be selected for promotion by a promotion board—

''(A) consider the claim unless the officer or former officer has first been referred by the Secretary concerned to a special selection board convened under this section and acted upon by that board and the report of the board has been approved by the President; or

''(B) except as provided in subsection (g), grant any relief on the claim unless the officer or former officer has been selected for promotion by a special selection board convened under this section to consider the officer for recommendation for promotion and the report of the board has been approved by the President.

''(i) EXISTING JURISDICTION.—(1) Nothing in this section limits the jurisdiction of any court of the United States under any provision of law to determine the validity of any statute, regulation, or policy relating to selection boards, except that, in the event that any such statute, regulation, or policy is held invalid, the remedies prescribed in this section shall be the sole and exclusive remedies available to any person challenging the recommendation of a selection board on the basis of the invalidity.

''(2) Nothing in this section limits authority to correct a military record under section 1552 of this title.''.

(c) EFFECTIVE DATE AND APPLICABILITY.—(1) The amendments made by this section shall take effect on the date of the enactment of this Act and, except as provided in paragraph (2), shall apply with respect to any proceeding pending on or after that date without regard to whether a challenge to an action of a selection board of any of the Armed Forces being considered in such proceeding was initiated before, on, or after that date.

(2) The amendments made by this section shall not apply with respect to any action commenced in a court of the United States before the date of the enactment of this Act.

SEC. 586. ACCEPTANCE OF VOLUNTARY LEGAL ASSISTANCE FOR THE CIVIL AFFAIRS OF MEMBERS AND FORMER MEMBERS OF THE UNIFORMED SERVICES AND THEIR DEPENDENTS.

(a) AUTHORITY.—Subsection (a) of section 1588 of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(5) Legal services voluntarily provided as legal assistance under section 1044 of this title.''.

(b) DEFENSE OF LEGAL MALPRACTICE.—Subsection (d)(1) of that section is amended by adding at the end the following new subparagraph:

''(E) Section 1054 of this title (relating to legal malpractice), for a person voluntarily providing legal services accepted under subsection (a)(5), as if the person were providing the services as an attorney of a legal staff within the Department of Defense.''.

SEC. 587. EXTENSION OF DEFENSE TASK FORCE ON DOMESTIC VIOLENCE.

Section 591(j) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 641, 10 U.S.C. 1562 note) is amended by striking ''three years after the date of the enactment of this Act'' and inserting ''April 24, 2003''.

SEC. 588. TRANSPORTATION TO ANNUAL MEETING OF NEXT-OF-KIN OF PERSONS UNACCOUNTED FOR FROM CONFLICTS AFTER WORLD WAR II.

(a) IN GENERAL.—(1) Chapter 157 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2647. Transportation to annual meeting of next-of-kin of persons unaccounted for from conflicts after World War II

''The Secretary of Defense may provide transportation for the next-of-kin of persons who are unaccounted for from the Korean conflict, the Cold War, Vietnam War era, or the Persian Gulf War to and from those annual meetings sanctioned by the Department of Defense in the United States. Such transportation shall be provided under such regulations as the Secretary of Defense may prescribe.''.

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

''2647. Transportation to annual meeting of next-of-kin of persons unaccounted for from conflicts after World War II.''.

(b) EFFECTIVE DATE.—Section 2647 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 2001, or the date of the enactment of this Act, whichever is later.

SEC. 589. REPORT ON HEALTH AND DISABILITY BENEFITS FOR PRE-ACCESSION TRAINING AND EDUCATION PROGRAMS.

(a) STUDY.—The Secretary of Defense shall conduct a review of the health and disability benefit programs available to recruits and officer candidates engaged in training, education, or other types of programs while not yet on active duty and to cadets and midshipmen attending the service academies. The review shall be conducted with the participation of the Secretaries of the military departments.

(b) REPORT.—Not later than March 1, 2002, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the findings of the review. The report shall include the following with respect to persons described in subsection (a):

(1) A statement of the process and detailed procedures followed by each of the Armed Forces under the jurisdiction of the Secretary of a military department to provide health care and disability benefits to all such persons injured in training, education, or other types of programs conducted by the Secretary of a military department.

(2) Information on the total number of cases of such persons requiring health care and disability benefits and the total number of cases and average value of health care and disability benefits provided under the authority for each source of benefits available to those persons.

(3) A discussion of the issues regarding health and disability benefits for such persons that are encountered by the Secretary during the review, to include discussions with individuals who have received those benefits.

(4) A statement of the processes and detailed procedures followed by each of the Armed Forces under the jurisdiction of the

Secretary of a military department to provide recruits and officer candidates with succinct information on the eligibility requirements (including information on when they become eligible) for health care benefits under the Defense health care program, and the nature and availability of the benefits under the program.

(5) A discussion of the necessity for legislative changes and specific legislative proposals needed to improve the benefits provided those persons.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2002.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment to become effective during fiscal year 2002 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

(b) INCREASE IN BASIC PAY.—Effective on January 1, 2002, the rates of monthly basic pay for members of the uniformed services within each pay grade are as follows:

COMMISSIONED OFFICERS[1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–10[2] ...	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	7,180.20	7,415.40	7,571.10	7,614.90	7,809.30
O–7	5,966.40	6,371.70	6,371.70	6,418.20	6,657.90
O–6	4,422.00	4,857.90	5,176.80	5,176.80	5,196.60
O–5	3,537.00	4,152.60	4,440.30	4,494.30	4,673.10
O–4	3,023.70	3,681.90	3,927.60	3,982.50	4,210.50
O–3[3]	2,796.60	3,170.40	3,421.80	3,698.70	3,875.70
O–2[3]	2,416.20	2,751.90	3,169.50	3,276.30	3,344.10
O–1[3]	2,097.60	2,183.10	2,638.50	2,638.50	2,638.50
	Over 8	Over 10	Over 12	Over 14	Over 16
O–10[2] ...	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	8,135.10	8,210.70	8,519.70	8,608.50	8,874.30
O–7	6,840.30	7,051.20	7,261.80	7,472.70	8,135.10
O–6	5,418.90	5,448.60	5,448.60	5,628.60	6,305.70
O–5	4,673.10	4,813.50	5,073.30	5,413.50	5,755.80
O–4	4,395.90	4,696.20	4,930.20	5,092.50	5,255.70
O–3[3]	4,070.10	4,232.40	4,441.20	4,549.50	4,549.50
O–2[3]	3,344.10	3,344.10	3,344.10	3,344.10	3,344.10
O–1[3]	2,638.50	2,638.50	2,638.50	2,638.50	2,638.50
	Over 18	Over 20	Over 22	Over 24	Over 26
O–10[2] ...	$0.00	11,601.90	11,659.20	11,901.30	12,324.00
O–9	0.00	10,147.50	10,293.60	10,504.80	10,873.80
O–8	9,259.50	9,614.70	9,852.00	9,852.00	9,852.00
O–7	8,694.90	8,694.90	8,694.90	8,694.90	8,738.70
O–6	6,627.00	6,948.30	7,131.00	7,316.10	7,675.20
O–5	5,919.00	6,079.80	6,262.80	6,262.80	6,262.80
O–4	5,310.60	5,310.60	5,310.60	5,310.60	5,310.60
O–3[3]	4,549.50	4,549.50	4,549.50	4,549.50	4,549.50
O–2[3]	3,344.10	3,344.10	3,344.10	3,344.10	3,344.10
O–1[3]	2,638.50	2,638.50	2,638.50	2,638.50	2,638.50

[1] Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for commissioned officers in pay grades 0–7 through O–10 may not exceed the rate of pay for level III of the Executive Schedule and the actual rate of basic pay for all other officers may not exceed the rate of pay for level V of the Executive Schedule.

[2] Subject to the preceding footnote, while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, the rate of basic pay for this grade is $13,598.10, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[3] This table does not apply to commissioned officers in pay grade O–1, O–2, or O–3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–3E	$0.00	$0.00	$0.00	3,698.70	3,875.70
O–2E	0.00	0.00	0.00	3,276.30	3,344.10
O–1E	0.00	0.00	0.00	2,638.50	2,818.20
	Over 8	Over 10	Over 12	Over 14	Over 16
O–3E	4,070.10	4,232.40	4,441.20	4,617.00	4,717.50
O–2E	3,450.30	3,630.00	3,768.90	3,872.40	3,872.40
O–1E	2,922.30	3,028.50	3,133.20	3,276.30	3,276.30
	Over 18	Over 20	Over 22	Over 24	Over 26
O–3E	4,855.20	4,855.20	4,855.20	4,855.20	4,855.20
O–2E	3,872.40	3,872.40	3,872.40	3,872.40	3,872.40
O–1E	3,276.30	3,276.30	3,276.30	3,276.30	3,276.30

WARRANT OFFICERS[1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	2,889.60	3,108.60	3,198.00	3,285.90	3,437.10
W–3	2,638.80	2,862.00	2,862.00	2,898.90	3,017.40
W–2	2,321.40	2,454.00	2,569.80	2,654.10	2,726.40
W–1	2,049.90	2,217.60	2,330.10	2,402.70	2,511.90
	Over 8	Over 10	Over 12	Over 14	Over 16
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	3,586.50	3,737.70	3,885.30	4,038.00	4,184.40

WARRANT OFFICERS [1]—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–3	3,152.40	3,330.90	3,439.50	3,558.30	3,693.90
W–2	2,875.20	2,984.40	3,093.90	3,200.40	3,318.00
W–1	2,624.70	2,737.80	2,850.00	2,963.70	3,077.10
	Over 18	Over 20	Over 22	Over 24	Over 26
W–5	$0.00	4,965.60	5,136.00	5,307.00	5,478.60
W–4	4,334.40	4,480.80	4,632.60	4,782.00	4,935.30
W–3	3,828.60	3,963.60	4,098.30	4,233.30	4,368.90
W–2	3,438.90	3,559.80	3,680.10	3,801.30	3,801.30
W–1	3,189.90	3,275.10	3,275.10	3,275.10	3,275.10

[1] Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for warrant officers may not exceed the rate of pay for level V of the Executive Schedule.

ENLISTED MEMBERS [1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–9 [2]	$0.00	$0.00	$0.00	$0.00	$0.00
E–8	0.00	0.00	0.00	0.00	0.00
E–7	1,986.90	2,169.00	2,251.50	2,332.50	2,417.40
E–6	1,701.00	1,870.80	1,953.60	2,033.70	2,117.40
E–5	1,561.50	1,665.30	1,745.70	1,828.50	1,912.80
E–4	1,443.60	1,517.70	1,599.60	1,680.30	1,752.30
E–3	1,303.50	1,385.40	1,468.50	1,468.50	1,468.50
E–2	1,239.30	1,239.30	1,239.30	1,239.30	1,239.30
E–1	[3] 1,105.50	1,105.50	1,105.50	1,105.50	1,105.50
	Over 8	Over 10	Over 12	Over 14	Over 16
E–9 [2]	$0.00	$3,423.90	3,501.30	3,599.40	3,714.60
E–8	2,858.10	2,940.60	3,017.70	3,110.10	3,210.30
E–7	2,562.90	2,645.10	2,726.40	2,808.00	2,892.60
E–6	2,254.50	2,337.30	2,417.40	2,499.30	2,558.10
E–5	2,030.10	2,110.20	2,193.30	2,193.30	2,193.30
E–4	1,752.30	1,752.30	1,752.30	1,752.30	1,752.30
E–3	1,468.50	1,468.50	1,468.50	1,468.50	1,468.50
E–2	1,239.30	1,239.30	1,239.30	1,239.30	1,239.30
E–1	1,105.50	1,105.50	1,105.50	1,105.50	1,105.50
	Over 18	Over 20	Over 22	Over 24	Over 26
E–9 [2]	$3,830.40	3,944.10	4,098.30	4,251.30	4,467.00
E–8	3,314.70	3,420.30	3,573.00	3,724.80	3,937.80
E–7	2,975.10	3,057.30	3,200.40	3,292.80	3,526.80
E–6	2,602.80	2,602.80	2,602.80	2,602.80	2,602.80
E–5	2,193.30	2,193.30	2,193.30	2,193.30	2,193.30
E–4	1,752.30	1,752.30	1,752.30	1,752.30	1,752.30
E–3	1,468.50	1,468.50	1,468.50	1,468.50	1,468.50
E–2	1,239.30	1,239.30	1,239.30	1,239.30	1,239.30
E–1	1,105.50	1,105.50	1,105.50	1,105.50	1,105.50

[1] Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for enlisted members may not exceed the rate of pay for level V of the Executive Schedule.
[2] Subject to the preceding footnote, while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, basic pay for this grade is $5,382.90, regardless of cumulative years of service computed under section 205 of title 37, United States Code.
[3] In the case of members in pay grade E–1 who have served less than 4 months on active duty, the rate of basic pay is $1,022.70.

SEC. 602. BASIC PAY RATE FOR CERTAIN RESERVE COMMISSIONED OFFICERS WITH PRIOR SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER.

(a) SERVICE CREDIT.—Section 203(d) of title 37, United States Code, is amended—

(1) by inserting ''(1)'' after ''(d)'';

(2) by striking ''active service as a warrant officer or as a warrant officer and an enlisted member'' and inserting ''service described in paragraph (2)''; and

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

''(2) Service to be taken into account for purposes of computing basic pay under paragraph (1) is as follows:

''(A) Active service as a warrant officer or as a warrant officer and an enlisted member, in the case of—

''(i) a commissioned officer on active duty who is paid from funds appropriated for active-duty personnel; or

''(ii) a commissioned officer on active Guard and Reserve duty.

''(B) In the case of a commissioned officer (not referred to in subparagraph (A)(ii)) who is paid from funds appropriated for reserve personnel, service as a warrant officer, or as a warrant officer and enlisted member, for which at least 1,460 points have been credited to the officer for the purposes of section 12732(a)(2) of title 10.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2001, and shall apply with respect to months beginning on or after that date.

SEC. 603. RESERVE COMPONENT COMPENSATION FOR DISTRIBUTED LEARNING ACTIVITIES PERFORMED AS INACTIVE-DUTY TRAINING.

(a) COMPENSATION AUTHORIZED.—Section 206(d) of title 37, United States Code, is amended to read as follows:

''(d)(1) Compensation is payable under this section to a member in a grade below E–7 for a period of instruction or duty in pursuit of the satisfaction of educational requirements imposed on members of the uniformed services by law or regulations if—

''(A) the particular activity in pursuit of the satisfaction of such requirements is an activity approved for that period of instruction or duty by the commander who prescribes the instruction or duty for the member for that period; and

''(B) the member attains the learning objectives required for the period of instruction or duty, as determined under regulations prescribed by the Secretary concerned.

''(2) Acceptable means of pursuit of the satisfaction of educational requirements for the purposes of compensation under this section include any means (which may include electronic, documentary, or distributed learning) that is authorized for the attainment of educational credit toward the satisfaction of those requirements in regulations prescribed by the Secretary concerned.''.

(b) DEFINITION OF INACTIVE-DUTY TRAINING.—Section 101(22) of title 37, United States Code, is amended by striking ''but does not include work or study in connection with a correspondence course of a uniformed service''.

SEC. 604. CLARIFICATIONS FOR TRANSITION TO REFORMED BASIC ALLOWANCE FOR SUBSISTENCE.

(a) BASELINE AMOUNT FOR CALCULATING ALLOWANCE FOR ENLISTED MEMBERS.—For the purposes of section 402(b)(2) of title 37, United States Code, the monthly rate of basic allowance for subsistence that is in effect for an enlisted member for the year ending December 31, 2001, is $233.

(b) RATE FOR ENLISTED MEMBERS WHEN MESSING FACILITIES NOT AVAILABLE.—(1)

Notwithstanding section 402 of title 37, United States Code, the Secretary of Defense, or the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, may prescribe a rate of basic allowance for subsistence to apply to enlisted members of the uniformed services when messing facilities of the United States are not available. The rate may be higher than the rate of basic allowance for subsistence that would otherwise be applicable to the members under that section, but may not be higher than the highest rate that was in effect for enlisted members of the uniformed services under those circumstances before the date of the enactment of this Act.

(2) Paragraph (1) shall cease to be effective on the first day of the first month for which the basic allowance for subsistence calculated for enlisted members of the uniformed services under section 402 of title 37, United States Code, exceeds the rate of the basic allowance for subsistence prescribed under that paragraph.

(c) DATE FOR EARLY TERMINATION OF BAS TRANSITIONAL AUTHORITY.—Section 603(c) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–145) is amended by striking ''October 1, 2001,'' and inserting ''January 1, 2002,''.

SEC. 605. INCREASE IN BASIC ALLOWANCE FOR HOUSING IN THE UNITED STATES.

(a) ACCELERATION OF INCREASE.—Subsection 403(b)(1) of title 37, United States Code, is amended by adding at the end the following: ''After September 30, 2002, the rate prescribed for a grade and dependency status for a military housing area in the United States may not be less than the median cost of adequate housing for members in that grade and dependency status in that area, as determined on the basis of the costs of adequate housing determined for the area under paragraph (2).''.

(b) FISCAL YEAR 2002 RATES.—(1) Subject to subsection (b)(3) of section 403 of title 37, United States Code, in the administration of such section 403 for fiscal year 2002, the monthly amount of a basic allowance for housing for an area of the United States for a member of a uniformed service shall be equal to 92.5 percent of the monthly cost of adequate housing in that area, as determined by the Secretary of Defense, for members of the uniformed services serving in the same pay grade and with the same dependency status as the member.

(2) In addition to the amount determined by the Secretary of Defense under section 403(b)(3) of title 37, United States Code, to be the total amount to be paid during fiscal year 2002 for the basic allowance for housing for military housing areas inside the United States, $232,000,000 of the amount authorized to be appropriated by section 421 for military personnel may be used by the Secretary to further increase the total amount available for the basic allowance for housing for military housing areas inside the United States.

SEC. 606. CLARIFICATION OF ELIGIBILITY FOR SUPPLEMENTAL SUBSISTENCE ALLOWANCE.

Section 402a(b)(1) of title 37, United States Code, is amended by inserting ''with dependents'' after ''a member of the armed forces''.

SEC. 607. CORRECTION OF LIMITATION ON ADDITIONAL UNIFORM ALLOWANCE FOR OFFICERS.

Section 416(b)(1) of title 37, United States Code, is amended by striking ''$200'' and inserting ''$400''.

SEC. 608. PAYMENT FOR UNUSED LEAVE IN EXCESS OF 60 DAYS ACCRUED BY MEMBERS OF RESERVE COMPONENTS ON ACTIVE DUTY FOR ONE YEAR OR LESS.

(a) ELIGIBILITY.—Section 501(b)(5) of title 37, United States Code, is amended by—

(1) striking ''or'' at the end of subparagraph (B);

(2) striking the period at the end of subparagraph (C) and inserting ''; or''; and

(3) adding at the end the following new subparagraph:

''(D) by a member of a reserve component while serving on active duty, full-time National Guard duty, or active duty for training for a period of more than 30 days but not in excess of 365 days.''.

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001, and shall apply with respect to periods of active duty that begin on or after that date.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) SPECIAL PAY FOR HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section 302g(f) of title 37, United States Code, is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(b) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(c) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(d) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(e) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(f) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(g) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(f) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(h) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of title 10, United States Code, is amended by striking ''January 1, 2002'' and inserting ''January 1, 2003''.

SEC. 612. EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES FOR NURSE OFFICER CANDIDATES, REGISTERED NURSES, AND NURSE ANESTHETISTS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(b) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(c) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of title 37, United States Code, is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

SEC. 613. EXTENSION OF SPECIAL PAY AND BONUS AUTHORITIES FOR NUCLEAR OFFICERS.

(a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(b) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(c) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

SEC. 614. EXTENSION OF AUTHORITIES RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking ''December 31, 2001,'' and inserting ''December 31, 2002,''.

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(c) BONUS FOR ENLISTMENT FOR TWO OR MORE YEARS.—Section 309(e) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(d) RETENTION BONUS FOR MEMBERS WITH CRITICAL SKILLS.—Section 323(i) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

SEC. 615. HAZARDOUS DUTY PAY FOR MEMBERS OF MARITIME VISIT, BOARD, SEARCH, AND SEIZURE TEAMS.

(a) ELIGIBILITY.—Section 301(a) of title 37, United States Code, is amended—

(1) by striking ''or'' at the end of paragraph (10);

(2) by striking the period at the end of paragraph (11) and inserting ''; or''; and

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

''(12) involving regular participation as a member of a team conducting visit, board, search, and seizure operations aboard vessels in support of maritime interdiction operations.''.

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001.

SEC. 616. SUBMARINE DUTY INCENTIVE PAY RATES.

(a) AUTHORITY.—Section 301c of title 37, United States Code, is amended by striking subsection (b) and inserting the following:

''(b) The Secretary of the Navy shall prescribe the monthly rates of submarine duty incentive pay. The maximum monthly rate may not exceed $1,000.''.

(b) CONFORMING AMENDMENTS.—(1) Subsection (a) of such section is amended—

(A) by striking ''in the amount set forth in subsection (b)'' in paragraphs (1) and (2); and

(B) in paragraph (4), by striking ''that pay in the amount set forth in subsection (b)'' and inserting ''submarine duty incentive pay''.

(2) Subsection (d) of such section is amended by striking ''monthly incentive pay authorized by subsection (b)'' and inserting ''monthly submarine duty incentive pay authorized''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2002.

SEC. 617. CAREER SEA PAY.

(a) IN GENERAL.—Section 305a(d) of title 37, United States Code, is amended by adding at the end the following: ''Under no circumstances shall a member of the uniformed services be excluded from this entitlement by virtue of his or her rank, no matter how junior, or subjected to a minimum time in service or underway in order to rate this entitlement.''.

(b) EFFECTIVE DATE AND APPLICABILITY.—The amendment made by subsection (a) shall take effect on October 1, 2001, and shall apply

with respect to pay periods beginning on or after that date.

SEC. 618. MODIFICATION OF ELIGIBILITY REQUIREMENTS FOR INDIVIDUAL READY RESERVE BONUS FOR REENLISTMENT, ENLISTMENT, OR EXTENSION OF ENLISTMENT.

(a) ELIGIBILITY BASED ON QUALIFICATIONS IN CRITICALLY SHORT WARTIME SKILLS OR SPECIALTIES.—Section 308h(a) of title 37, United States Code, is amended to read as follows:

''(a)(1) The Secretary concerned may pay a bonus as provided in subsection (b) to an eligible person who reenlists, enlists, or voluntarily extends an enlistment in a reserve component of an armed force for assignment to an element (other than the Selected Reserve) of the Ready Reserve of that armed force if the reenlistment, enlistment, or extension is for a period of three years, or for a period of six years, beyond any other period the person is obligated to serve.

''(2) A person is eligible for a bonus under this section if the person—

''(A) is or has been a member of an armed force;

''(B) is qualified in a skill or specialty designated by the Secretary concerned as a critically short wartime skill or critically short wartime specialty, respectively; and

''(C) has not failed to complete satisfactorily any original term of enlistment in the armed forces.

''(3) For the purposes of this section, the Secretary concerned may designate a skill or specialty as a critically short wartime skill or critically short wartime specialty, respectively, for an armed force under the jurisdiction of the Secretary if the Secretary determines that—

''(A) the skill or specialty is critical to meet wartime requirements of the armed force; and

''(B) there is a critical shortage of personnel in that armed force who are qualified in that skill or specialty.''.

(b) REGULATIONS.—The Secretaries of the military departments shall prescribe the regulations necessary for administering section 308h of title 37, United States Code, as amended by this section, not later than the effective date determined under subsection (c)(1).

(c) EFFECTIVE DATE.—This section and the amendments made by this section—

(1) shall take effect on the first day of the first month that begins more than 180 days after the date of the enactment of this Act; and

(2) shall apply with respect to reserve component reenlistments, enlistments, and extensions of enlistments that are executed on or after the first day of that month.

SEC. 619. ACCESSION BONUS FOR OFFICERS IN CRITICAL SKILLS.

(a) IN GENERAL.—(1) Chapter 5 of title 37, United States Code, is amended by inserting after section 323 the following new section:

''§ 324. Special pay: critical officer skills accession bonus

''(a) ACCESSION BONUS AUTHORIZED.—A person who executes a written agreement to accept a commission as an officer of an armed force and serve on active duty in a designated critical officer skill for the period specified in the agreement may be paid an accession bonus upon acceptance of the written agreement by the Secretary concerned.

''(b) DESIGNATION OF CRITICAL OFFICER SKILLS.—(1) The Secretary of Defense, or the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall designate the critical officer skills for the purposes of this section. The Secretary of Defense may so designate a skill for any one or more of the armed forces.

''(2) A skill may be designated as a critical officer skill for an armed force for the purposes of this section if—

''(A) in order to meet requirements of the armed force, it is critical for the armed force to have a sufficient number of officers who are qualified in that skill; and

''(B) in order to mitigate a current or projected significant shortage of personnel in the armed force who are qualified in that skill, it is critical to access into that armed force in sufficient numbers persons who are qualified in that skill or are to be trained in that skill.

''(c) AMOUNT OF BONUS.—The amount of a bonus paid with respect to a critical officer skill shall be determined under regulations jointly prescribed by the Secretary of Defense and the Secretary of Transportation, but may not exceed $20,000.

''(d) LIMITATION ON ELIGIBILITY FOR BONUS.—An individual may not be paid a bonus under subsection (a) if the individual has received, or is receiving, an accession bonus for the same period of service under section 302d, 302h, or 312b of this title.

''(e) PAYMENT METHOD.—Upon acceptance of a written agreement referred to in subsection (a) by the Secretary concerned, the total amount payable pursuant to the agreement under this section becomes fixed and may be paid by the Secretary in either a lump sum or installments.

''(f) REPAYMENT FOR FAILURE TO COMPLETE OBLIGATED SERVICE.—(1) A person who, after having received all or part of the bonus under this section pursuant to an agreement referred to in subsection (a), fails to accept an appointment as a commissioned officer or to commence or complete the total period of active duty service in a designated critical officer skill as provided in the agreement shall refund to the United States the amount that bears the same ratio to the total amount of the bonus authorized for such person as the unserved part of the period of agreed active duty service in a designated critical officer skill bears to the total period of the agreed active duty service, but not more than the amount that was paid to the person.

''(2) Subject to paragraph (3), an obligation to reimburse the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

''(3) The Secretary concerned may waive, in whole or in part, a refund required under paragraph (1) if the Secretary concerned determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

''(4) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of a written agreement entered into under subsection (a) does not discharge the person signing the agreement from a debt arising under such agreement or under paragraph (1).

''(g) TERMINATION OF AUTHORITY.—No bonus may be paid under this section with respect to an agreement entered into after December 31, 2002.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 323 the following new item:

''324. Special pay: critical officer skills accession bonus.''.

(b) EFFECTIVE DATE.—Section 324 of title 37, United States Code (as added by subsection (a)), shall take effect on October 1, 2001.

SEC. 620. MODIFICATION OF THE NURSE OFFICER CANDIDATE ACCESSION PROGRAM RESTRICTION ON STUDENTS ATTENDING CIVILIAN EDUCATIONAL INSTITUTIONS WITH SENIOR RESERVE OFFICERS' TRAINING PROGRAMS.

Section 2130a of title 10, United States Code, is amended—

(1) in subsection (a)(2), by striking ''that does not have a Senior Reserve Officers' Training Program established under section 2102 of this title''; and

(2) in subsection (b)(1), by striking ''that does not have a Senior Reserve Officers' Training Program established under section 2102 of this title'' and inserting ''and, in the case of a student so enrolled at a civilian institution that has a Senior Reserve Officers' Training Program established under section 2102 of this title, is not eligible to participate in the Senior Reserve Officers' Training Program''.

SEC. 621. ELIGIBILITY FOR CERTAIN CAREER CONTINUATION BONUSES FOR EARLY COMMITMENT TO REMAIN ON ACTIVE DUTY.

(a) AVIATION OFFICERS.—Section 301b(b)(4) of title 37, United States Code, is amended by striking ''has completed'' and inserting ''is within one year of the completion of''.

(b) SURFACE WARFARE OFFICERS.—Section 319(a)(3) of title 37, United States Code, is amended by striking ''has completed'' and inserting ''is within one year of the completion of''.

SEC. 622. HOSTILE FIRE OR IMMINENT DANGER PAY.

(a) IN GENERAL.—Chapter 59, Subchapter IV of title 5, United States Code, is amended by adding at the end the following new section:

''§ 5949 Hostile fire or imminent danger pay

''(a) The head of an Executive agency may pay an employee special pay at the rate of $150 for any month in which the employee, while on duty in the United States—

''(1) was subject to hostile fire or explosion of hostile mines;

''(2) was in an area of the Pentagon in which the employee was in imminent danger of being exposed to hostile fire or explosion of hostile mines and in which, during the period on duty in that area, other employees were subject to hostile fire or explosion of hostile mines;

''(3) was killed, injured, or wounded by hostile fire, explosion of a hostile mine, or any other hostile action; or

''(4) was in an area of the Pentagon in which the employee was subject to the threat of physical harm or imminent danger on the basis of civil insurrection, civil war, terrorism, or wartime conditions.

''(b) An employee covered by subsection (a)(3) who is hospitalized for the treatment of his injury or wound may be paid special pay under this section for not more than three additional months during which the employee is so hospitalized.

''(c) For the purpose of this section, ''United States'' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the territories and possessions of the United States.

''(d) An employee may be paid special pay under this section in addition to other pay and allowances to which entitled. Payments under this section may not be considered to be part of basic pay of an employee.''.

(b) TECHNICAL AMENDMENT.—The table of sections at the beginning of chapter 59 of such title is amended by inserting at the end the following new item:

''5949. Hostile fire or imminent danger pay.''.

(c) EFFECTIVE DATE.—This provision is effective as if enacted into law on September

11, 2001, and may be applied to any hostile action that took place on that date or thereafter.

Subtitle C—Travel and Transportation Allowances

SEC. 631. ELIGIBILITY FOR TEMPORARY HOUSING ALLOWANCE WHILE IN TRAVEL OR LEAVE STATUS BETWEEN PERMANENT DUTY STATIONS.

(a) PERSONNEL IN GRADES BELOW E–4.—Section 403(i) of title 37, United States Code, is amended by striking ''who is in a pay grade E–4 (4 or more years of service) or above''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2001.

SEC. 632. ELIGIBILITY FOR PAYMENT OF SUBSISTENCE EXPENSES ASSOCIATED WITH OCCUPANCY OF TEMPORARY LODGING INCIDENT TO REPORTING TO FIRST PERMANENT DUTY STATION.

(a) OFFICER PERSONNEL.—Section 404a(a)(2)(C) of title 37, United States Code, is amended by striking ''an enlisted member'' and inserting ''a member''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2001.

SEC. 633. ELIGIBILITY FOR DISLOCATION ALLOWANCE.

(a) MEMBERS WITH DEPENDENTS WHEN ORDERED TO FIRST DUTY STATION.—Section 407 of title 37, United States Code, is amended—

(1) in subsection (a)(2), by adding at the end the following new subparagraph:

''(F) A member whose dependents actually move from the member's place of residence in connection with the performance of orders for the member to report to the member's first permanent duty station if the move—

''(i) is to the permanent duty station or a designated location; and

''(ii) is an authorized move.''; and

(2) in subsection (e), by inserting ''(except as provided in subsection (a)(2)(F))'' after ''first duty station''.

(b) MARRIED MEMBERS WITHOUT DEPENDENTS ASSIGNED TO GOVERNMENT FAMILY QUARTERS.—Subsection (a) of such section, as amended by subsection (a), is further amended—

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

''(G) Each of two members married to each other who—

''(i) is without dependents;

''(ii) actually moves with the member's spouse to a new permanent duty station; and

''(iii) is assigned to family quarters of the United States at or in the vicinity of the new duty station.''; and

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

''(4) If a primary dislocation allowance is payable to two members described in subparagraph (G) of paragraph (2) who are married to each other, the amount of the allowance payable to such members shall be the amount otherwise payable under this subsection to the member in the higher pay grade, or to either member if both members are in the same pay grade. The allowance shall be paid jointly to both members.''.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001.

SEC. 634. ALLOWANCE FOR DISLOCATION FOR THE CONVENIENCE OF THE GOVERNMENT AT HOME STATION.

(a) AUTHORITY.—(1) Chapter 7 of title 37, United States Code is amended by inserting after section 407 the following new section:

''§ 407a. Travel and transportation: allowance for dislocation for the convenience of the Government at home station

''(a) AUTHORITY.—Under regulations prescribed by the Secretary concerned, a member of the uniformed services may be paid a dislocation allowance under this section when ordered, for the convenience of the Government and not pursuant to a permanent change of station, to occupy or to vacate family housing provided by the Department of Defense, or by the Department of Transportation in the case of the Coast Guard.

''(b) AMOUNT.—(1) Subject to paragraph (2), the amount of a dislocation allowance paid under this section is $500.

''(2) Effective on the same date that the monthly rates of basic pay for members of the uniformed services are increased under section 1009 of this title or by a law increasing those rates by a percentage specified in the law, the amount of the dislocation allowance provided under this section shall be increased by the percentage by which the monthly rates of basic pay are so increased.

''(c) ADVANCE PAYMENT.—A dislocation allowance payable under this section may be paid in advance.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 407 the following new item:

''407a. Travel and transportation: allowance for dislocation for the convenience of the Government at home station.''.

(b) EFFECTIVE DATE.—Section 407a of title 37, United States Code, shall take effect on October 1, 2001.

SEC. 635. TRAVEL AND TRANSPORTATION ALLOWANCES FOR FAMILY MEMBERS TO ATTEND THE BURIAL OF A DECEASED MEMBER OF THE UNIFORMED SERVICES.

(a) CONSOLIDATION OF AUTHORITIES.—Section 411f of title 37, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting ''ALLOWANCES AUTHORIZED.—(1)'' after ''(a)'';

(B) by striking ''the dependents of a member'' and inserting ''eligible members of the family of a member of the uniformed services'';

(C) by striking ''such dependents'' and inserting ''such persons''; and

(D) by inserting at the end the following new paragraph:

''(2) An attendant accompanying a person provided travel and transportation allowances under this section for travel to the burial ceremony for a deceased member may also be provided under the uniform regulations round trip travel and transportation allowances for travel to the burial ceremony if—

''(A) the accompanied person is unable to travel unattended because of age, physical condition, or other justifiable reason, as determined under the uniform regulations; and

''(B) there is no other eligible member of the family of the deceased member traveling to the burial ceremony who is eligible for travel and transportation allowances under this section and is qualified to serve as the attendant.'';

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking ''(1) Except as provided in paragraph (2)'' and inserting ''LIMITATIONS.—(1) Except as provided in paragraphs (2) and (3)''; and

(ii) by inserting before the period at the end the following: ''and the time necessary for such travel'';

(B) in paragraph (2), by striking ''be extended to accommodate'' and inserting ''not exceed the rates for 2 days and''; and

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

''(3) If a deceased member is interred in a cemetery maintained by the American Battle Monuments Commission, the travel and transportation allowances authorized under this section may be provided to and from such cemetery and may not exceed the rates for 2 days and the time necessary for such travel.''; and

(3) by striking subsection (c) and inserting the following:

''(c) ELIGIBLE MEMBERS OF FAMILY.—The following members of the family of a deceased member of the uniformed services are eligible for the travel and transportation allowances under this section:

''(1) The surviving spouse (including a remarried surviving spouse) of the deceased member.

''(2) The unmarried child or children of the deceased member referred to in section 401(a)(2) of this title.

''(3) If no person described in paragraphs (1) and (2) is provided travel and transportation allowances under this section, the parent or parents of the deceased member (as defined in section 401(b)(2) of this title).

''(4) If no person described in paragraphs (1), (2), and (3) is provided travel and transportation allowances under this section, then—

''(A) the person who directs the disposition of the remains of the deceased member under section 1482(c) of title 10, or, in the case of a deceased member whose remains are commingled and buried in a common grave in a national cemetery, the person who would have been designated under such section to direct the disposition of the remains if individual identification had been made; and

''(B) up to two additional persons closely related to the deceased member who are selected by the person referred to in subparagraph (A).

''(d) DEFINITIONS.—In this section:

''(1) The term 'burial ceremony' includes the following:

''(A) An interment of casketed or cremated remains.

''(B) A placement of cremated remains in a columbarium.

''(C) A memorial service for which reimbursement is authorized under section 1482(d)(2) of title 10.

''(D) A burial of commingled remains that cannot be individually identified in a common grave in a national cemetery.

''(2) The term 'member of the family' includes a person described in section 1482(c)(4) of title 10 who, except for this paragraph, would not otherwise be considered a family member.''.

(b) REPEAL OF SUPERSEDED LAWS.—(1) Section 1482 of title 10, United States Code, is amended by striking subsection (d) and redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively.

(2) The Funeral Transportation and Living Expense Benefits Act of 1974 (Public Law 93–257; 88 Stat. 53; 37 U.S.C. 406 note) is repealed.

(c) APPLICABILITY.—The amendments made by this Act shall apply with respect to deaths that occur on or after the later of—

(1) October 1, 2001; or

(2) the date of the enactment of this Act.

SEC. 636. FAMILY SEPARATION ALLOWANCE FOR MEMBERS ELECTING UNACCOMPANIED TOUR BY REASON OF HEALTH LIMITATIONS OF DEPENDENTS.

(a) ELIGIBILITY.—Section 427(c) of title 37, United States Code, is amended—

(1) in the first sentence, by striking ''A member who elects'' and inserting ''(1) Except as provided in paragraph (2), a member who elects'';

(2) in the second sentence, by striking ''The Secretary concerned may waive the preceding sentence'' and inserting the following:

''(3) The Secretary concerned may waive paragraph (1)''; and

(3) by inserting after paragraph (1) (as designated by the amendment made by paragraph (1) of this section) the following new paragraph:

''(2) The prohibition in the first sentence of paragraph (1) does not apply in the case of a member who elects to serve a tour of duty unaccompanied by his dependents at the member's permanent station because a dependent cannot accompany the member to or at that permanent station for medical reasons certified by a health care professional in accordance with regulations prescribed for the administration of this section.''.

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001.

SEC. 637. FUNDED STUDENT TRAVEL FOR FOREIGN STUDY UNDER AN EDUCATION PROGRAM APPROVED BY A UNITED STATES SCHOOL.

(a) AUTHORITY.—Section 430 of title 37, United States Code, is amended—

(1) in subsection (a)(3)—

(A) by striking ''attending'' and inserting ''enrolled in''; and

(B) by inserting before the comma at the end the following: ''and is attending that school or is participating in a foreign study program approved by that school and, pursuant to that program, is attending a school outside the United States for a period of not more than one year''; and

(2) in subsection (b)—

(A) in the first sentence of paragraph (1), by striking ''each unmarried dependent child,'' and all that follows through ''the school being attended'' and inserting ''each unmarried dependent child (described in subsection (a)(3)) of one annual trip between the school being attended by that child''; and

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

''(3) The transportation allowance paid under paragraph (1) for an annual trip of a dependent child described in subsection (a)(3) who is attending a school outside the United States may not exceed the transportation allowance that would be paid under this section for the annual trip of that child between the child's school in the continental United States and the member's duty station outside the continental United States and return.''.

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001, and shall apply with respect to travel that originates outside the continental United States (as defined in section 430(f) of title 37, United States Code), on or after that date.

SEC. 638. TRANSPORTATION OR STORAGE OF PRIVATELY OWNED VEHICLES ON CHANGE OF PERMANENT STATION.

(a) ADVANCE PAYMENT OF STORAGE COSTS.—Section 2634(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(4) Storage costs payable under this subsection may be paid in advance.''.

(b) SHIPMENT IN PERMANENT CHANGE OF STATION WITHIN CONUS.—Subsection (h)(1) of such section is amended—

(1) by striking ''includes'' in the second sentence and all that follows and inserting ''includes the following:''; and

(2) by adding at the end the following subparagraphs:

''(A) An authorized change in home port of a vessel.

''(B) A transfer or assignment between two permanent stations in the continental United States when—

''(i) the member cannot, because of injury or the conditions of the order, drive the motor vehicle between the permanent duty stations; or

''(ii) the Secretary concerned determines that it is advantageous and cost-effective to the Government for one motor vehicle of the member to be transported between the permanent duty stations.''.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001.

Subtitle D—Matters Relating to Retirement and Survivor Benefits

SEC. 651. PAYMENT OF RETIRED PAY AND COMPENSATION TO DISABLED MILITARY RETIREES.

(a) RESTORATION OF RETIRED PAY BENEFITS.—Chapter 71 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 1414. Members eligible for retired pay who have service-connected disabilities: payment of retired pay and veterans' disability compensation

''(a) PAYMENT OF BOTH RETIRED PAY AND COMPENSATION.—Except as provided in subsection (b), a member or former member of the uniformed services who is entitled to retired pay (other than as specified in subsection (c)) and who is also entitled to veterans' disability compensation is entitled to be paid both without regard to sections 5304 and 5305 of title 38.

''(b) SPECIAL RULE FOR CHAPTER 61 CAREER RETIREES.—The retired pay of a member retired under chapter 61 of this title with 20 years or more of service otherwise creditable under section 1405 of this title at the time of the member's retirement is subject to reduction under sections 5304 and 5305 of title 38, but only to the extent that the amount of the member's retired pay under chapter 61 of this title exceeds the amount of retired pay to which the member would have been entitled under any other provision of law based upon the member's service in the uniformed services if the member had not been retired under chapter 61 of this title.

''(c) EXCEPTION.—Subsection (a) does not apply to a member retired under chapter 61 of this title with less than 20 years of service otherwise creditable under section 1405 of this title at the time of the member's retirement.

''(d) DEFINITIONS.—In this section:

''(1) The term 'retired pay' includes retainer pay, emergency officers' retirement pay, and naval pension.

''(2) The term 'veterans' disability compensation' has the meaning given the term 'compensation' in section 101(13) of title 38.''.

(b) REPEAL OF SPECIAL COMPENSATION PROGRAM.—Section 1413 of such title is repealed.

(c) CLERICAL AMENDMENTS.—The table of sections at the beginning of such chapter is amended—

(1) by striking the item relating to section 1413; and

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

''1414. Members eligible for retired pay who have service-connected disabilities: payment of retired pay and veterans' disability compensation.''.

(d) EFFECTIVE DATE.—(1) The amendments made by this section shall take effect on October 1, 2002.

(2) No benefits may be paid to any person by reason of section 1414 of title 10, United States Code, as added by the amendment made by subsection (a), for any period before the effective date under paragraph (1).

SEC. 652. SBP ELIGIBILITY OF SURVIVORS OF RETIREMENT-INELIGIBLE MEMBERS OF THE UNIFORMED SERVICES WHO DIE WHILE ON ACTIVE DUTY.

(a) SURVIVING SPOUSE ANNUITY.—Section 1448(d) of title 10, United States Code, is amended by striking paragraph (1) and inserting the following:

''(1) SURVIVING SPOUSE ANNUITY.—The Secretary concerned shall pay an annuity under this subchapter to the surviving spouse of—

''(A) a member who dies while on active duty after—

''(i) becoming eligible to receive retired pay;

''(ii) qualifying for retired pay except that the member has not applied for or been granted that pay; or

''(iii) completing 20 years of active service but before the member is eligible to retire as a commissioned officer because the member has not completed 10 years of active commissioned service; or

''(B) a member not described in subparagraph (A) who dies in line of duty while on active duty.''.

(b) COMPUTATION OF SURVIVOR ANNUITY.—Section 1451(c)(1) of title 10, United States Code, is amended—

(1) in subparagraph (A)—

(A) by striking ''based upon his years of active service when he died.'' and inserting ''based upon the following:''; and

(B) by adding at the end the following new clauses:

''(i) In the case of an annuity payable under section 1448(d) of this title by reason of the death of a member in line of duty, the retired pay base computed for the member under section 1406(b) or 1407 of this title as if the member had been retired under section 1201 of this title on the date of the member's death with a disability rated as total.

''(ii) In the case of an annuity payable under section 1448(d)(1)(A) of this title by reason of the death of a member not in line of duty, the member's years of active service when he died.

''(iii) In the case of an annuity under section 1448(f) of this title, the member's years of active service when he died.''; and

(2) in subparagraph (B)(i), by striking ''if the member or former member'' and all that follows and inserting ''as described in subparagraph (A).''.

(c) CONFORMING AMENDMENTS.—(1) The heading for subsection (d) of section 1448 of such title is amended by striking ''RETIREMENT-ELIGIBLE''.

(2) Subsection (d)(3) of such section is amended by striking ''1448(d)(1)(B) or 1448(d)(1)(C)'' and inserting ''clause (ii) or (iii) of section 1448(d)(1)(A)''.

(d) EXTENSION AND INCREASE OF OBJECTIVES FOR RECEIPTS FROM DISPOSALS OF CERTAIN STOCKPILE MATERIALS AUTHORIZED FOR SEVERAL FISCAL YEARS BEGINNING WITH FISCAL YEAR 1999.—Section 3303(a) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2262; 50 U.S.C. 98d note) is amended—

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

(2) in paragraph (4)—

(A) by striking ''$720,000,000'' and inserting ''$760,000,000''; and

(B) by striking the period at the end and inserting ''; and''; and

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

''(5) $770,000,000 by the end of fiscal year 2011.''.

(e) EFFECTIVE DATE AND APPLICABILITY.—This section and the amendments made by this section shall take effect as of September 10, 2001, and shall apply with respect to deaths of members of the Armed Forces occurring on or after that date.

Subtitle E—Other Matters

SEC. 661. EDUCATION SAVINGS PLAN FOR REENLISTMENTS AND EXTENSIONS OF SERVICE IN CRITICAL SPECIALTIES.

(a) ESTABLISHMENT OF SAVINGS PLAN.—(1) Chapter 5 of title 37, United States Code, is

amended by adding at the end the following new section:

"§ 324. Incentive bonus: savings plan for education expenses and other contingencies

''(a) BENEFIT AND ELIGIBILITY.—The Secretary concerned may purchase United States savings bonds under this section for a member of the armed forces who is eligible as follows:

''(1) A member who, before completing three years of service on active duty, enters into a commitment to perform qualifying service.

''(2) A member who, after completing three years of service on active duty but not more than nine years of service on active duty, enters into a commitment to perform qualifying service.

''(3) A member who, after completing nine years of service on active duty, enters into a commitment to perform qualifying service.

''(b) QUALIFYING SERVICE.—For the purposes of this section, qualifying service is service on active duty in a specialty designated by the Secretary concerned as critical to meet requirements (whether or not such specialty is designated as critical to meet wartime or peacetime requirements) for a period that—

''(1) is not less than six years; and

''(2) does not include any part of a period for which the member is obligated to serve on active duty under an enlistment or other agreement for which a benefit has previously been paid under this section.

''(c) FORMS OF COMMITMENT TO ADDITIONAL SERVICE.—For the purposes of this section, a commitment means—

''(1) in the case of an enlisted member, a reenlistment; and

''(2) in the case of a commissioned officer, an agreement entered into with the Secretary concerned.

''(d) AMOUNTS OF BONDS.—The total of the face amounts of the United States savings bonds authorized to be purchased for a member under this section for a commitment shall be as follows:

''(1) In the case of a purchase for a member under paragraph (1) of subsection (a), $5,000.

''(2) In the case of a purchase for a member under paragraph (2) of subsection (a), the amount equal to the excess of $15,000 over the total of the face amounts of any United States savings bonds previously purchased for the member under this section.

''(3) In the case of a purchase for a member under paragraph (3) of subsection (a), the amount equal to the excess of $30,000 over the total of the face amounts of any United States savings bonds previously purchased for the member under this section.

''(e) TOTAL AMOUNT OF BENEFIT.—The total amount of the benefit authorized for a member when United States savings bonds are purchased for the member under this section by reason of a commitment by that member shall be the sum of—

''(1) the purchase price of the United States savings bonds; and

''(2) the amounts that would be deducted and withheld for the payment of individual income taxes if the total amount computed under this subsection for that commitment were paid to the member as a bonus.

''(f) AMOUNT WITHHELD FOR TAXES.—The total amount payable for a member under subsection (e)(2) for a commitment by that member shall be withheld, credited, and otherwise treated in the same manner as amounts deducted and withheld from the basic pay of the member.

''(g) REPAYMENT FOR FAILURE TO COMPLETE OBLIGATED SERVICE.—(1) If a person fails to complete the qualifying service for which the person is obligated under a commitment for which a benefit has been paid under this section, the person shall refund to the United States the amount that bears the same ratio to the total amount paid for the person (as computed under subsection (e)) for that particular commitment as the uncompleted part of the period of qualifying service bears to the total period of the qualifying service for which obligated.

''(2) Subject to paragraph (3), an obligation to reimburse the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

''(3) The Secretary concerned may waive, in whole or in part, a refund required under paragraph (1) if the Secretary concerned determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

''(4) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an enlistment or other agreement under this section does not discharge the person signing such reenlistment or other agreement from a debt arising under the reenlistment or agreement, respectively, or this subsection.

''(h) RELATIONSHIP TO OTHER SPECIAL PAYS.—The benefit authorized under this section is in addition to any other bonus or incentive or special pay that is paid or payable to a member under any other provision of this chapter for any portion of the same qualifying service.

''(i) REGULATIONS.—This section shall be administered under regulations prescribed by the Secretary of Defense for the armed forces under his jurisdiction and by the Secretary of Transportation for the Coast Guard when the Coast Guard is not operating as a service in the Navy.''.

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

''324. Incentive bonus: savings plan for education and other contingencies.''.

(b) EFFECTIVE DATE.—Section 324 of title 37, United States Code (as added by subsection (a)), shall take effect on October 1, 2001, and shall apply with respect to reenlistments and other agreements for qualifying service (described in that section) that are entered into on or after that date.

(c) FUNDING FOR FISCAL YEAR 2002.—Of the amount authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2002 by section 421, $20,000,000 may be available in that fiscal year for the purchase of United States savings bonds under section 324 of title 37, United States Code (as added by subsection (a)).

SEC. 662. COMMISSARY BENEFITS FOR NEW MEMBERS OF THE READY RESERVE.

(a) ELIGIBILITY.—Section 1063 of title 10, United States Code, is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(2) by inserting after subsection (a) the following new subsection (b):

''(b) ELIGIBILITY OF NEW MEMBERS.—(1) The Secretary concerned shall authorize a new member of the Ready Reserve to use commissary stores of the Department of Defense for a number of days accruing at the rate of two days for each month in which the member participates satisfactorily in training required under section 10147(a)(1) of this title or section 502(a) of title 32, as the case may be.

''(2) For the purposes of paragraph (1), a person shall be considered a new member of the Ready Reserve upon becoming a member and continuing without a break in the membership until the earlier of—

''(A) the date on which the member becomes eligible to use commissary stores under subsection (a); or

''(B) December 31 of the first calendar year in which the membership has been continuous for the entire year.

''(3) A new member may not be authorized under this subsection to use commissary stores for more than 24 days for any calendar year.''.

(b) REQUIRED DOCUMENTATION.—Subsection (d) of such section, as redesignated by subsection (a)(1), is amended by adding at the end the following: ''The regulations shall specify the required documentation of satisfactory participation in training for the purposes of subsection (b).''.

(c) CONFORMING AMENDMENT.—Subsection (c) of such section, as redesignated by subsection (a)(1), is amended by striking ''Subsection (a)'' and inserting ''Subsections (a) and (b)''.

(d) CLERICAL AMENDMENTS.—(1) The heading for such section is amended to read as follows:

"§ 1063. Use of commissary stores: members of Ready Reserve".

(2) Subsection (a) of such section is amended by striking ''OF READY RESERVE'' and inserting ''WITH 50 OR MORE CREDITABLE POINTS''.

(3) The item relating to such section in the table of sections at the beginning of chapter 54 of title 10, United States Code, is amended to read as follows:

''1063. Use of commissary stores: members of Ready Reserve.''.

SEC. 663. AUTHORIZATION OF TRANSITIONAL COMPENSATION AND COMMISSARY AND EXCHANGE BENEFITS FOR DEPENDENTS OF COMMISSIONED OFFICERS OF THE PUBLIC HEALTH SERVICE AND THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION WHO ARE SEPARATED FOR DEPENDENT ABUSE.

(a) COMMISSIONED OFFICERS OF THE PUBLIC HEALTH SERVICE.—Section 221(a) of the Public Health Service Act (42 U.S.C. 213a(a)) is amended by adding at the end the following new paragraph:

''(17) Section 1059, Transitional compensation and commissary and exchange benefits for dependents of members separated for dependent abuse.''.

(b) COMMISSIONED OFFICERS OF THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION.—Section 3(a) of the Act entitled ''An Act to revise, codify, and enact into law, title 10 of the United States Code, entitled 'Armed Forces', and title 32 of the United States Code, entitled 'National Guard' '', approved August 10, 1956 (33 U.S.C. 857a(a)), is amended by adding at the end the following new paragraph:

''(17) Section 1059, Transitional compensation and commissary and exchange benefits for dependents of members separated for dependent abuse.''.

Subtitle F—National Emergency Family Support

SEC. 681. CHILD CARE AND YOUTH ASSISTANCE.

(a) AUTHORITY.—The Secretary of Defense may provide assistance for families of members of the Armed Forces serving on active duty during fiscal year 2002, in order to ensure that the children of such families obtain needed child care and youth services.

(b) APPROPRIATE PRIMARY OBJECTIVE.—The assistance authorized by this section should be directed primarily toward providing needed family support, including child care and youth services for children of such personnel who are deployed, assigned, or ordered to active duty in connection with operations of the Armed Forces under the national emergency.

SEC. 682. FAMILY EDUCATION AND SUPPORT SERVICES.

During fiscal year 2002, the Secretary of Defense is authorized to provide family education and support services to families of

members of the Armed Services to the same extent that these services were provided during the Persian Gulf War.

TITLE VII—HEALTH CARE

Subtitle A—TRICARE Benefits Modernization

SEC. 701. REQUIREMENT FOR INTEGRATION OF BENEFITS.

(a) IN GENERAL.—The Secretary of Defense shall—

(1) terminate the Individual Case Management Program carried out under section 1079(a)(17) of title 10, United States Code (as in effect on September 30, 2001); and

(2) integrate the beneficiaries under that program, and the furnishing of care to those beneficiaries, into the TRICARE program as modified pursuant to the amendments made by this subtitle.

(b) REPEAL OF SEPARATE AUTHORITY.—Section 1079 of title 10, United States Code, is amended by striking paragraph (17).

(c) SAVINGS PROVISION.—Nothing in this subtitle or the amendments made by this subtitle shall be construed—

(1) to modify any eligibility requirement for any person receiving benefits under the Individual Case Management Program before October 1, 2001; or

(2) to terminate any benefits available under that program before that date.

(d) CONSULTATION REQUIREMENT.—The Secretary of Defense shall consult with the other administering Secretaries referred to in section 1072(3) of title 10, United States Code, in carrying out this section.

SEC. 702. DOMICILIARY AND CUSTODIAL CARE.

Section 1072 of title 10, United States Code, is amended by adding at the end the following new paragraphs:

''(8) The term 'domiciliary care' means treatment or services involving assistance with the performance of activities of daily living that is provided to a patient in a home-like setting because—

''(A) the treatment or services are not available, or are not suitable to be provided, to the patient in the patient's home; or

''(B) no member of the patient's family is willing to provide the treatment or services.

''(9) The term 'custodial care'—

''(A) means treatment or services that—

''(i) could be provided safely and reasonably by a person not trained as a physician, nurse, paramedic, or other health care provider; or

''(ii) are provided principally to assist the recipient of the treatment or services with the performance of activities of daily living; and

''(B) includes any treatment or service described in subparagraph (A) without regard to—

''(i) the source of any recommendation to provide the treatment or service; and

''(ii) the setting in which the treatment or service is provided.''.

SEC. 703. LONG TERM CARE.

(a) LIMITATION.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1074i the following new section:

''§ 1074j. Long term care benefits program

''(a) REQUIREMENT FOR PROGRAM.—The Secretary of Defense shall provide long term health care benefits under the TRICARE program in an effective and efficient manner that integrates those benefits with the benefits provided on a less than a long term basis under the TRICARE program.

''(b) AUTHORIZED CARE.—The types of health care authorized to be provided under this section shall include the following:

''(1) The types of health care authorized to be acquired by contract under section 1079 of this title.

''(2) Extended care services.

''(3) Post-hospital extended care services.

''(4) Comprehensive intermittent home health services.

''(c) DURATION OF POST-HOSPITAL EXTENDED CARE SERVICES.—The post-hospital extended care services provided in a skilled nursing facility to a patient during a spell of illness under subsection (b)(3) shall continue for as long as is medically necessary and appropriate. The limitation on the number of days of coverage under subsections (a)(2) and (b)(2)(A) of section 1812 of the Social Security Act (42 U.S.C. 1395d) shall not apply with respect to the care provided that patient.

''(d) REGULATIONS.—The Secretary of Defense shall, after consultation with the other administering Secretaries, prescribe regulations to carry out this section.

''(e) DEFINITIONS.—In this section:

''(1) The term 'extended care services' has the meaning given the term in subsection (h) of section 1861 of the Social Security Act (42 U.S.C. 1395x).

''(2) The term 'post-hospital extended services' has the meaning given the term in subsection (i) of section 1861 of the Social Security Act (42 U.S.C. 1395x).

''(3) The term 'home health services' has the meaning given the term in subsection (m) of section 1861 of the Social Security Act (42 U.S.C. 1395x).

''(4) The term 'skilled nursing facility' has the meaning given the term in section 1819(a) of the Social Security Act (42 U.S.C. 1395i–3(a)).

''(5) The term 'spell of illness' has the meaning given the term in subsection (a) of section 1861 of the Social Security Act (42 U.S.C. 1395x).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1074i the following new item:

''1074j. Long term care benefits program.''.

SEC. 704. EXTENDED BENEFITS FOR DISABLED BENEFICIARIES.

Section 1079 of title 10, United States Code, is amended by striking subsections (d), (e), and (f) and inserting the following:

''(d)(1) The health care benefits contracted for under this section shall include extended benefits for dependents referred to in the first sentence of subsection (a) who have any of the following qualifying conditions:

''(A) Moderate or severe mental retardation.

''(B) A serious physical disability.

''(C) Any extraordinary physical or psychological condition.

''(2) The extended benefits under paragraph (1) may include comprehensive health care, including services necessary to maintain function, or to minimize or prevent deterioration of function, of the patient, and case management services, to the extent not otherwise provided under this chapter with respect to a qualifying condition, as follows:

''(A) Diagnosis.

''(B) Inpatient, outpatient, and comprehensive home health supplies and services.

''(C) Training and rehabilitation, including special education and assistive technology devices.

''(D) Institutional care in private nonprofit, public, and State institutions and facilities and, when appropriate, transportation to and from such institutions and facilities.

''(E) Any other services and supplies determined appropriate under regulations prescribed under paragraph (9).

''(3) The extended benefits under paragraph (1) may also include respite care for the primary caregiver of a dependent eligible for extended benefits under this subsection.

''(4) Home health supplies and services may be provided to a dependent under paragraph (2)(B) as other than part-time or intermittent services (as determined in accordance with the second sentence of section 1861(m) of the Social Security Act (42 U.S.C. 1395x(m)) only if—

''(A) the provision of such supplies and services in the home of the dependent is medically appropriate; and

''(B) the cost of the provision of such supplies and services to the dependent is equal to or less than the cost of the provision of similar supplies and services to the dependent in a skilled nursing facility.

''(5) Subsection (a)(13) shall not apply to the provision of care and services determined appropriate to be provided as extended benefits under this subsection.

''(6) Subject to paragraph (7), a member of the uniformed services shall pay a share of the cost of any care and services provided as extended benefits to any of the dependents of the member under this subsection as follows:

''(A) In the case of a member in the lowest enlisted pay grade, the first $25 of the cumulative costs of all care furnished to one or more dependents of the member in a month.

''(B) In the case of a member in the highest commissioned pay grade, the first $250 of the cumulative costs of all care furnished to one or more dependents of the member in a month.

''(C) In the case of a member in any other pay grade, a fixed amount of the cumulative costs of all care furnished to one or more dependents of the member in a month, as prescribed for that pay grade in regulations prescribed under paragraph (9).

''(7)(A) In the case of extended benefits provided under subparagraph (C) or (D) of paragraph (2) to a dependent of a member of the uniformed services—

''(i) the Government's share of the total cost of providing such benefits in any month shall not exceed $2,500, except for costs that a member is exempt from paying under subparagraph (B); and

''(ii) the member shall pay (in addition to any amount payable under paragraph (6)) the amount, if any, by which the amount of such total cost for the month exceeds the Government's maximum share under clause (i).

''(B) A member of the uniformed services who incurs expenses under subparagraph (A) for a month for more than one dependent shall not be required to pay for the month under clause (ii) of that subparagraph an amount greater than the amount the member would otherwise be required to pay under that clause for the month if the member were incurring expenses under that subparagraph for only one dependent.

''(8) To qualify for extended benefits under subparagraph (C) or (D) of paragraph (2), a dependent of a member of the uniformed services shall be required to use public facilities to the extent such facilities are available and adequate, as determined under joint regulations of the administering Secretaries.

''(9) The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations to carry out this subsection.''.

SEC. 705. CONFORMING REPEALS.

The following provisions of law are repealed:

(1) Section 703 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 682; 10 U.S.C. 1077 note).

(2) Section 8118 of the Department of Defense Appropriations Act, 2000 (Public Law 106–79; 113 Stat. 1260).

(3) Section 8100 of the Department of Defense Appropriations Act, 2001 (Public Law 106–259; 114 Stat. 696).

SEC. 706. PROSTHETICS AND HEARING AIDS.

Section 1077 of title 10 United States Code, is amended—

(1) in subsection (a), by adding at the end the following:

''(16) A hearing aid, but only for a dependent of a member of the uniformed services on active duty and only if the dependent has a profound hearing loss, as determined under standards prescribed in regulations by the Secretary of Defense in consultation with the administering Secretaries.'';

(2) in subsection (b)(2), by striking ''Hearing aids, orthopedic footwear,'' and inserting ''Orthopedic footwear''; and

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

''(f)(1) Authority to provide a prosthetic device under subsection (a)(15) includes authority to provide the following:

''(A) Any accessory or item of supply that is used in conjunction with the device for the purpose of achieving therapeutic benefit and proper functioning.

''(B) Services necessary to train the recipient of the device in the use of the device.

''(C) Repair of the device for normal wear and tear or damage.

''(D) Replacement of the device if the device is lost or irreparably damaged or the cost of repair would exceed 60 percent of the cost of replacement.

''(2) An augmentative communication device may be provided as a voice prosthesis under subsection (a)(15).

''(3) A prosthetic device customized for a patient may be provided under this section only by a prosthetic practitioner who is qualified to customize the device, as determined under regulations prescribed by the Secretary of Defense in consultation with the administering Secretaries.''.

SEC. 707. DURABLE MEDICAL EQUIPMENT.

(a) ITEMS AUTHORIZED.—Section 1077 of title 10, United States Code, as amended by section 706, is further amended—

(1) in subsection (a)(12), by striking ''such as wheelchairs, iron lungs, and hospital beds,'' and inserting ''which''; and

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

''(g)(1) Items that may be provided to a patient under subsection (a)(12) include the following:

''(A) Any durable medical equipment that can improve, restore, or maintain the function of a malformed, diseased, or injured body part, or can otherwise minimize or prevent the deterioration of the patient's function or condition.

''(B) Any durable medical equipment that can maximize the patient's function consistent with the patient's physiological or medical needs.

''(C) Wheelchairs.

''(D) Iron lungs,

''(E) Hospital beds.

''(2) In addition to the authority to provide durable medical equipment under subsection (a)(12), any customization of equipment owned by the patient that is durable medical equipment authorized to be provided to the patient under this section or section 1079(a)(5) of this title, and any accessory or item of supply for any such equipment, may be provided to the patient if the customization, accessory, or item of supply is essential for—

''(A) achieving therapeutic benefit for the patient;

''(B) making the equipment serviceable; or

''(C) otherwise assuring the proper functioning of the equipment.''.

(b) PROVISION OF ITEMS ON RENTAL BASIS.—Paragraph (5) of section 1079(a) of such title is amended to read as follows:

''(5) Durable equipment provided under this section may be provided on a rental basis.''.

SEC. 708. REHABILITATIVE THERAPY.

Section 1077(a) of title 10, United States Code, as amended by section 706(1), is further amended by inserting after paragraph (16) the following new paragraph:

''(17) Any rehabilitative therapy to improve, restore, or maintain function, or to minimize or prevent deterioration of function, of a patient when prescribed by a physician.''.

SEC. 709. MENTAL HEALTH BENEFITS.

(a) REQUIREMENT FOR STUDY.—The Secretary of Defense shall carry out a study to determine the adequacy of the scope and availability of outpatient mental health benefits provided for members of the Armed Forces and covered beneficiaries under the TRICARE program.

(b) REPORT.—Not later than March 31, 2002, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the study, including the conclusions and any recommendations for legislation that the Secretary considers appropriate.

SEC. 710. EFFECTIVE DATE.

This subtitle and the amendments made by this subtitle shall take effect on October 1, 2001.

Subtitle B—Other Matters

SEC. 711. REPEAL OF REQUIREMENT FOR PERIODIC SCREENINGS AND EXAMINATIONS AND RELATED CARE FOR MEMBERS OF ARMY RESERVE UNITS SCHEDULED FOR EARLY DEPLOYMENT.

Section 1074a of title 10, United States Code, is amended—

(1) by striking subsection (d); and

(2) by redesignating subsection (e) as subsection (d).

SEC. 712. CLARIFICATION OF ELIGIBILITY FOR REIMBURSEMENT OF TRAVEL EXPENSES OF ADULT ACCOMPANYING PATIENT IN TRAVEL FOR SPECIALTY CARE.

Section 1074i of title 10, United States Code, is amended by inserting before the period at the end the following: ''and, when accompaniment by an adult is necessary, for a parent or guardian of the covered beneficiary or another member of the covered beneficiary's family who is at least 21 years of age''.

SEC. 713. TRICARE PROGRAM LIMITATIONS ON PAYMENT RATES FOR INSTITUTIONAL HEALTH CARE PROVIDERS AND ON BALANCE BILLING BY INSTITUTIONAL AND NONINSTITUTIONAL HEALTH CARE PROVIDERS.

(a) INSTITUTIONAL PROVIDERS.—Section 1079(j) of title 10, United States Code, is amended—

(1) in paragraph (2)(A)—

(A) by striking ''(A)''; and

(B) by striking ''may be determined under joint regulations'' and inserting ''shall be determined under joint regulations'';

(2) by redesignating subparagraph (B) of paragraph (2) as paragraph (4), and, in such paragraph, as so redesignated, by striking ''subparagraph (A),'' and inserting ''this subsection,''; and

(3) by inserting before paragraph (4), as redesignated by paragraph (2), the following new paragraph (3):

''(3) A contract for a plan covered by this section shall include a clause that prohibits each provider of services under the plan from billing any person covered by the plan for any balance of charges for services in excess of the amount paid for those services under the joint regulations referred to in paragraph (2), except for any unpaid amounts of deductibles or copayments that are payable directly to the provider by the person.''.

(b) NONINSTITUTIONAL PROVIDERS.—Section 1079(h)(4) of such title is amended—

(1) by inserting ''(A)'' after ''(4)''; and

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

''(B) The regulations shall include a restriction that prohibits an individual health care professional (or other noninstitutional health care provider) from billing a beneficiary for services for more than the amount that is equal to—

''(i) the excess of the limiting charge (as defined in section 1848(g)(2) of the Social Security Act (42 U.S.C. 1395w–4(g)(2))) that would be applicable if the services had been provided by the professional (or other provider) as an individual health care professional (or other noninstitutional health care provider) on a nonassignment-related basis under part B of title XVIII of such Act over the amount that is payable by the United States for those services under this subsection, plus

''(ii) any unpaid amounts of deductibles or copayments that are payable directly to the professional (or other provider) by the beneficiary.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2001.

SEC. 714. TWO-YEAR EXTENSION OF HEALTH CARE MANAGEMENT DEMONSTRATION PROGRAM.

(a) EXTENSION.—Subsection (d) of section 733 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 1654A–191) is amended by striking ''December 31, 2001'' and inserting ''December 31, 2003''.

(b) REPORT.—Subsection (e) of that section is amended—

(1) by striking ''REPORTS.—'' and inserting ''REPORT.—''; and

(2) by striking ''March 15, 2002'' and inserting ''March 15, 2004''.

SEC. 715. STUDY OF HEALTH CARE COVERAGE OF MEMBERS OF THE SELECTED RESERVE.

(a) REQUIREMENT FOR STUDY.—The Comptroller General shall carry out a study of the needs of members of the Selected Reserve of the Ready Reserve of the Armed Forces and their families for health care benefits.

(b) REPORT.—Not later than March 1, 2002, the Comptroller General shall submit to Congress a report on the study under subsection (a). The report shall include the following matters:

(1) An analysis of how members of the Selected Reserve currently obtain coverage for health care benefits when not on active duty, together with statistics on enrollments in health care benefits plans, including—

(A) the percentage of members of the Selected Reserve who are not covered by an employer health benefits plan;

(B) the percentage of members of the Selected Reserve who are not covered by an individual health benefits plan; and

(C) the percentage of members of the Selected Reserve who are not covered by any health insurance or other health benefits plan.

(2) An assessment of the disruptions in health benefits coverage that a mobilization of members of the Selected Reserve has caused for the members and their families.

(3) An assessment of the cost and effectiveness of various options for preventing or reducing disruptions described in paragraph (2), including—

(A) providing health care benefits to all members of the Selected Reserve and their families through TRICARE, the Federal Employees Health Benefits Program, or otherwise;

(B) revising and extending the program of transitional medical and dental care that is provided under section 1074b of title 10, United States Code, for members of the Armed Forces upon release from active duty served in support of a contingency operation;

(C) requiring the health benefits plans of members of the Selected Reserve, including individual health benefits plans and group

health benefits plans, to permit members of the Selected Reserve to elect to resume coverage under such health benefits plans upon release from active duty in support of a contingency operation;

(D) providing financial assistance for paying premiums or other subscription charges for continuation of coverage by private sector health insurance or other health benefits plans; and

(E) any other options that the Comptroller General determines advisable to consider.

SEC. 716. STUDY OF ADEQUACY AND QUALITY OF HEALTH CARE PROVIDED TO WOMEN UNDER THE DEFENSE HEALTH PROGRAM.

(a) REQUIREMENT FOR STUDY.—The Comptroller General shall carry out a study of the adequacy and quality of the health care provided to women under chapter 55 of title 10, United States Code.

(b) SPECIFIC CONSIDERATION.—The study shall include an intensive review of the availability and quality of reproductive health care services.

(c) REPORT.—The Comptroller General shall submit a report on the results of the study to Congress not later than April 1, 2002.

SEC. 717. PILOT PROGRAM FOR DEPARTMENT OF VETERANS AFFAIRS SUPPORT FOR DEPARTMENT OF DEFENSE IN THE PERFORMANCE OF SEPARATION PHYSICAL EXAMINATIONS.

(a) AUTHORITY.—The Secretary of Defense and the Secretary of Veterans Affairs may jointly carry out a pilot program for the performance of the physical examinations required in connection with the separation of members of the uniformed services. The requirements of this section shall apply to a pilot program, if any, that is carried out under the authority of this subsection.

(b) PERFORMANCE OF PHYSICAL EXAMINATIONS BY DEPARTMENT OF VETERANS AFFAIRS.—Under the pilot program, the Secretary of Veterans Affairs shall perform the physical examinations of members of the uniformed services separating from the uniformed services who are in one or more geographic areas designated for the pilot program by the Secretaries.

(c) REIMBURSEMENT.—The Secretary of Defense shall provide for reimbursing the Secretary of Veterans Affairs for the cost incurred by the Secretary of Veterans Affairs in performing, under the pilot program, the items of physical examination that are required by the Secretary concerned in connection with the separation of a member of a uniformed service. Reimbursements shall be paid out of funds available for the performance of separation physical examinations of members of that uniformed service in facilities of the uniformed services.

(d) AGREEMENT.—(1) The Secretary of Defense and the Secretary of Veterans Affairs shall enter into an agreement for carrying out a pilot program established under this section. The agreement shall specify the geographic area in which the pilot program is carried out and the means for making reimbursement payments.

(2) The other administering Secretaries shall also enter into the agreement to the extent that the Secretary of Defense determines necessary to apply the pilot program, including the requirement for reimbursement, to the uniformed services not under the jurisdiction of the Secretary of a military department.

(e) CONSULTATION REQUIREMENT.—In developing and carrying out the pilot program, the Secretary of Defense shall consult with the other administering Secretaries.

(f) PERIOD OF PROGRAM.—Any pilot program established under this section shall begin not later than July 1, 2002, and terminate on December 31, 2005.

(g) REPORTS.—(1) Not later than January 31, 2004, the Secretary of Defense and the Secretary of Veterans Affairs shall jointly submit to Congress an interim report on the conduct of the pilot program.

(2) Not later than March 1, 2005, the Secretary of Defense and the Secretary of Veterans Affairs shall jointly submit to Congress a final report on the conduct of the pilot program.

(3) Each report under this subsection shall include the Secretaries' assessment, as of the date of such report, of the efficacy of the performance of separation physical examinations as provided for under the pilot program.

(h) DEFINITIONS.—In this section:

(1) The term ''administering Secretaries'' has the meaning given the term in section 1072(3) of title 10, United States Code.

(2) The term ''Secretary concerned'' has the meaning given the term in section 101(5) of title 37, United States Code.

SEC. 718. MODIFICATION OF PROHIBITION ON REQUIREMENT OF NONAVAILABILITY STATEMENT OR PREAUTHORIZATION.

(a) CLARIFICATION OF COVERED BENEFICIARIES.—Subsection (a) of section 721 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted in Public Law 106–398; 114 Stat. 1654A–184) is amended by striking ''covered beneficiary under chapter 55 of title 10, United States Code, who is enrolled in TRICARE Standard,'' and inserting ''covered beneficiary under TRICARE Standard pursuant to chapter 55 of title 10, United States Code,''.

(b) REPEAL OF REQUIREMENT FOR NOTIFICATION REGARDING HEALTH CARE RECEIVED FROM ANOTHER SOURCE.—Subsection (b) of such section is repealed.

(c) WAIVER AUTHORITY.—Such section, as so amended, is further amended by striking subsection (c) and inserting the following:

''(b) WAIVER AUTHORITY.—The Secretary may waive the prohibition in subsection (a) if—

''(1) the Secretary—

''(A) demonstrates that significant costs would be avoided by performing specific procedures at the affected military medical treatment facility or facilities;

''(B) determines that a specific procedure must be provided at the affected military medical treatment facility or facilities to ensure the proficiency levels of the practitioners at the facility or facilities; or

''(C) determines that the lack of nonavailability statement data would significantly interfere with TRICARE contract administration;

''(2) the Secretary provides notification of the Secretary's intent to grant a waiver under this subsection to covered beneficiaries who receive care at the military medical treatment facility or facilities that will be affected by the decision to grant a waiver under this subsection;

''(3) the Secretary notifies the Committees on Armed Services of the House of Representatives and the Senate of the Secretary's intent to grant a waiver under this subsection, the reason for the waiver, and the date that a nonavailability statement will be required; and

''(4) 60 days have elapsed since the date of the notification described in paragraph (3).''.

(d) DELAY OF EFFECTIVE DATE.—Subsection (d) of such section is amended—

(1) by striking ''take effect on October 1, 2001'' and inserting ''be effective beginning on the date that is two years after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2002''; and

(2) by redesignating the subsection as subsection (c).

(e) REPORT.—Not later than March 1, 2002, the Secretary of Defense shall submit to the Committees on Armed Services of the House of Representatives and the Senate a report on the Secretary's plans for implementing section 721 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, as amended by this section.

SEC. 719. TRANSITIONAL HEALTH CARE TO MEMBERS SEPARATED FROM ACTIVE DUTY.

(a) PERMANENT AUTHORITY FOR INVOLUNTARILY SEPARATED MEMBERS AND MOBILIZED RESERVES.—Subsection (a) of section 1145 of title 10, United States Code, is amended—

(1) in paragraph (1), by striking ''paragraph (2), a member'' and all that follows through ''of the member),'' and inserting ''paragraph (3), a member of the armed forces who is separated from active duty as described in paragraph (2)'';

(2) by redesignating paragraph (2) as paragraph (3);

(3) by inserting after paragraph (1) the following new paragraph (2):

''(2) This subsection applies to the following members of the armed forces:

''(A) A member who is involuntarily separated from active duty.

''(B) A member of a reserve component who is separated from active duty to which called or ordered in support of a contingency operation if the active duty is active duty for a period of more than 30 days.

''(C) A member who is separated from active duty for which the member is involuntarily retained under section 12305 of this title in support of a contingency operation.

''(D) A member who is separated from active duty served pursuant to a voluntary agreement of the member to remain on active duty for a period of less than one year in support of a contingency operation.''; and

(4) in paragraph (3), as redesignated by paragraph (2), is amended by striking ''involuntary'' each place it appears.

(b) CONFORMING AMENDMENTS.—Such section 1145 is further amended—

(1) in subsection (c)(1), by striking ''during the period beginning on October 1, 1990, and ending on December 31, 2001''; and

(2) in subsection (e), by striking the first sentence.

(c) REPEAL OF SUPERSEDED AUTHORITY.—(1) Section 1074b of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 55 of such title is amended by striking the item relating to section 1074b.

(d) TRANSITION PROVISION.—Notwithstanding the repeal of section 1074b of title 10, United States Code, by subsection (c), the provisions of that section, as in effect before the date of the enactment of this Act, shall continue to apply to a member of the Armed Forces who is released from active duty in support of a contingency operation before that date.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Procurement Management and Administration

SEC. 801. MANAGEMENT OF PROCUREMENTS OF SERVICES.

(a) RESPONSIBILITY OF UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY, AND LOGISTICS.—Section 133(b) of title 10, United States Code, is amended—

(1) by striking ''and'' at the end of paragraph (4);

(2) by redesignating paragraph (5) as paragraph (6); and

(3) by inserting after paragraph (4) the following new paragraph (5):

''(5) managing the procurements of services for the Department of Defense; and''.

(b) REQUIREMENT FOR MANAGEMENT STRUCTURE.—(1) Chapter 137 of such title is amended by inserting after section 2328 the following new section:

"§ 2330. Procurements of services: management structure

''(a) REQUIREMENT FOR MANAGEMENT STRUCTURE.—The Under Secretary of Defense for Acquisition, Technology, and Logistics shall establish a structure for the management of procurements of services for the Department of Defense.

''(b) DELEGATION OF AUTHORITY.—(1) The management structure shall provide for a designated official in each Defense Agency, military department, and command to exercise the responsibility for the management of the procurements of services for the official's Defense Agency, military department, or command, respectively.

''(2) For the exercise of the responsibility under paragraph (1), a designated official shall report, and be accountable, to—

''(A) the Under Secretary of Defense for Acquisition, Technology, and Logistics; and

''(B) such other officials as the Under Secretary may prescribe for the management structure.

''(3) Paragraph (2) shall not affect the responsibility of a designated official for a military department who is not the Secretary of that military department to report, and be accountable, to the Secretary of the military department.

''(c) CONTRACTING RESPONSIBILITIES OF DESIGNATED OFFICIALS.—The responsibilities of an official designated under subsection (b) shall include, with respect to the procurements of services for the Defense Agency, military department, or command of that official, the following:

''(1) Ensuring that the services are procured by means of contracts or task orders that are in the best interests of the Department of Defense and are entered into or issued and managed in compliance with the applicable statutes, regulations, directives, and other requirements, regardless of whether the services are procured through a contract of the Department of Defense or through a contract entered into by an official of the United States outside the Department of Defense.

''(2) Establishing within the Department of Defense appropriate contract vehicles for use in the procurement of services so as to ensure that officials of the Department of Defense are accountable for the procurement of the services in accordance with the requirements of paragraph (1).

''(3) Analyzing data collected under section 2330a of this title on contracts that are entered into for the procurement of services.

''(4) Approving, in advance, any procurement of services that is to be made through the use of—

''(A) a contract or task order that is not a performance-based contract or task order; or

''(B) a contract entered into, or a task order issued, by an official of the United States outside the Department of Defense.

''(d) DEFINITION.—In this section, the term 'performance-based', with respect to a contract or a task order means that the contract or task– order, respectively, includes the use of performance work statements that set forth contract requirements in clear, specific, and objective terms with measurable outcomes.''.

(2) Not later than 180 days after the date of the enactment of this Act, the Under Secretary of Defense for Acquisition, Technology, and Logistics shall issue guidance for officials in the management structure established under section 2330 of title 10, United States Code (as added by paragraph (1)), regarding how to carry out their responsibilities under that section. The guidance shall include, at a minimum, the following:

(A) Specific dollar thresholds, approval levels, and criteria for advance approvals under subsection (c)(4) of such section 2330.

(B) A prohibition on the procurement of services through the use of a contract entered into, or a task order issued, by an official of the United States outside the Department of Defense that is not a performance-based contract or task order, unless an appropriate official in the management structure established under such section 2330 determines in writing that the use of that means for the procurement is justified on the basis of exceptional circumstances as being in the best interests of the Department of Defense.

(c) TRACKING OF PROCUREMENTS OF SERVICES.—Chapter 137 of title 10, United States Code, as amended by subsection (b), is further amended by inserting after section 2330 the following new section:

"§ 2330a. Procurements of services: tracking

''(a) DATA COLLECTION REQUIRED.—The Secretary of Defense shall establish a data collection system to provide management information with regard to each purchase of services by a military department or Defense Agency in excess of the simplified acquisition threshold, regardless of whether such a purchase is made in the form of a contract, task order, delivery order, military interdepartmental purchase request, or any other form of interagency agreement.

''(b) DATA TO BE COLLECTED.—The data required to be collected under subsection (a) includes the following:

''(1) The services purchased.

''(2) The total dollar amount of the purchase.

''(3) The form of contracting action used to make the purchase.

''(4) Whether the purchase was made through—

''(A) a performance-based contract, performance-based task order, or other performance-based arrangement that contains firm fixed prices for the specific tasks to be performed;

''(B) any other performance-based contract, performance-based task order, or performance-based arrangement; or

''(C) any contract, task order, or other arrangement that is not performance based.

''(5) In the case of a purchase made through an agency other than the Department of Defense—

''(A) the agency through which the purchase is made; and

''(B) the reasons for making the purchase through that agency.

''(6) The extent of competition provided in making the purchase (including the number of offerors).

''(7) whether the purchase was made from—

''(A) a small business concern;

''(B) a small business concern owned and controlled by socially and economically disadvantaged individuals; or

''(C) a small business concern owned and controlled by women.

''(c) COMPATIBILITY WITH DATA COLLECTION SYSTEM FOR INFORMATION TECHNOLOGY PURCHASES.—To the maximum extent practicable, a single data collection system shall be used to collect data under this section and information under section 2225 of this title.

''(d) DEFINITIONS.—In this section:

''(1) The term 'performance-based', with respect to a contract, task order, or arrangement, means that the contract, task order, or arrangement, respectively, includes the use of performance work statements that set forth contract requirements in clear, specific, and objective terms with measurable outcomes.

''(2) The definitions set forth in section 2225(f) of this title for the terms 'simplified acquisition threshold', 'small business concern', 'small business concern owned and controlled by socially and economically disadvantaged individuals', and 'small business concern owned and controlled by women' shall apply.''.

(d) REQUIREMENT FOR PROGRAM REVIEW STRUCTURE.—(1) Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall issue and implement a policy that applies to the procurement of services by the Department of Defense a program review structure that is similar to the one developed for and applied to the procurement of systems by the Department of Defense.

(2) The program review structure for the procurement of services shall, at a minimum, include the following:

(A) Standards for determining which procurements should be subject to review by either the senior procurement executive of a military department or the senior procurement executive of the Department of Defense under such section, including criteria based on dollar thresholds, program criticality, or other appropriate measures.

(B) Appropriate milestones at which those reviews should take place.

(C) A description of the specific matters that should be reviewed.

(e) COMPTROLLER GENERAL REVIEW.—Not later than 90 days after the date on which the Secretary issues the policy required by subsection (d) and the Under Secretary of Defense for Acquisition, Technology, and Logistics issues the guidance required by subsection (b)(2), the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives an assessment of the compliance with the requirements of this section and the amendments made by this section.

(f) DEFINITIONS.—In this section:

(1) The term ''senior procurement executive'' means the official designated as the senior procurement executive under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)).

(2) The term ''performance-based'', with respect to a contract or a task order means that the contract or task order, respectively, includes the use of performance work statements that set forth contract requirements in clear, specific, and objective terms with measurable outcomes.

(g) CLERICAL AMENDMENTS.—(1) The heading for section 2331 of title 10, United States Code, is amended to read as follows:

"§ 2331. Procurements of services: contracts for professional and technical services".

(2) The table of sections at the beginning of chapter 137 of such title is amended by striking the item relating to section 2331 and inserting the following new items:

''2330. Procurements of services: management structure.
''2330a. Procurements of services: tracking.
''2331. Procurements of services: contracts for professional and technical services.''.

SEC. 802. SAVINGS GOALS FOR PROCUREMENTS OF SERVICES.

(a) GOALS.—(1) It shall be an objective of the Department of Defense to achieve savings in expenditures for procurements of services through the use of—

(A) performance-based services contracting;

(B) competition for task orders under services contracts; and

(C) program review, spending analyses, and improved management of services contracts.

(2) In furtherance of that objective, the Department of Defense shall have goals to use

improved management practices to achieve, over 10 fiscal years, reductions in the total amount that would otherwise be expended by the Department for the procurement of services (other than military construction) in a fiscal year by the amount equal to 10 percent of the total amount of the expenditures of the Department for fiscal year 2000 for procurement of services (other than military construction), as follows:

(A) By fiscal year 2002, a three percent reduction.

(B) By fiscal year 2003, a four percent reduction.

(C) By fiscal year 2004, a five percent reduction.

(D) By fiscal year 2011, a ten percent reduction.

(b) ANNUAL REPORT.—Not later than March 1, 2002, and annually thereafter through March 1, 2006, the Secretary of Defense shall submit to the congressional defense committees a report on the progress made toward meeting the objective and goals established in subsection (a). Each report shall include, at a minimum, the following information:

(1) A summary of the steps taken or planned to be taken in the fiscal year of the report to improve the management of procurements of services.

(2) A summary of the steps planned to be taken in the following fiscal year to improve the management of procurements of services.

(3) An estimate of the amount that will be expended by the Department of Defense for procurements of services in the fiscal year of the report.

(4) An estimate of the amount that will be expended by the Department of Defense for procurements of services in the following fiscal year.

(5) An estimate of the amount of savings that, as a result of improvement of the management practices used by the Department of Defense, will be achieved for the procurement of services by the Department in the fiscal year of the report and in the following fiscal year.

(c) REVIEW AND REPORT BY COMPTROLLER GENERAL.—The Comptroller General shall review each report submitted by the Secretary pursuant to subsection (b), and within 90 days after the date of the report, submit to Congress a report containing the Comptroller General's assessment of the extent to which the Department of Defense has taken steps necessary to achieve the objective and goals established by subsection (a). In each report the Comptroller General shall, at a minimum, address—

(1) the accuracy and reliability of the estimates included in the Secretary's report; and

(2) the effectiveness of the improvements in management practices that have been taken, and those that are planned to be taken, in the Department of Defense to achieve savings in procurements of services by the Department.

SEC. 803. COMPETITION REQUIREMENT FOR PURCHASES PURSUANT TO MULTIPLE AWARD CONTRACTS.

(a) REGULATIONS REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall promulgate in the Department of Defense Supplement to the Federal Acquisition Regulation regulations requiring competition in the purchase of products and services by the Department of Defense pursuant to multiple award contracts.

(b) CONTENT OF REGULATIONS.—The regulations required by subsection (a) shall provide, at a minimum, that each individual procurement of products and services in excess of $50,000 that is made under a multiple award contract shall be made on a competitive basis unless a contracting officer of the Department of Defense—

(1) waives the requirement on the basis of a determination that one of the circumstances described in paragraphs (1) through (4) of section 2304(c) of title 10, United States Code, applies to such individual procurement; and

(2) justifies the determination in writing.

(c) REPORTING REQUIREMENT.—The Secretary shall submit to the congressional defense committees each year a report on the use of the waiver authority provided in the regulations prescribed under subsection (b). The report for a year shall include, at a minimum, for each military department and each Defense Agency, the following:

(1) The number of the waivers granted.

(2) The dollar value of the procurements for which the waivers were granted.

(3) The bases on which the waivers were granted.

(d) DEFINITIONS.—In this section:

(1) The term ''individual procurement'' means a task order, delivery order, or other purchase.

(2) The term ''multiple award contract'' means—

(A) a contract that is entered into by the Administrator of General Services under the multiple award schedule program referred to in section 2302(2)(C) of title 10, United States Code;

(B) a multiple award task order contract or delivery order contract that is entered into under the authority of sections 2304a through 2304d of title 10, United States Code, or sections 303H through 303K of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h through 253k); and

(C) any other indeterminate delivery, indeterminate quantity contract that is entered into by the head of a Federal agency with two or more sources pursuant to the same solicitation.

(3) The term ''competitive basis'', with respect to an individual procurement of products or services under a multiple award contract, means procedures that—

(A) require fair notice to be provided to all contractors offering such products or services under the multiple award contract of the intent to make that procurement; and

(B) afford all such contractors a fair opportunity to make an offer and have that offer fully and fairly considered by the official making the procurement.

(4) The term ''Defense Agency'' has the meaning given that term in section 101(a)(11) of title 10, United States Code.

(e) APPLICABILITY.—The regulations promulgated by the Secretary pursuant to subsection (a) shall take effect not later than 180 days after the date of the enactment of this Act and shall apply to all individual procurements that are made under multiple award contracts on or after the effective date, without regard to whether the multiple award contracts were entered into before, on, or after such effective date.

SEC. 804. RISK REDUCTION AT INITIATION OF MAJOR DEFENSE ACQUISITION PROGRAM.

(a) STANDARD FOR TECHNOLOGICAL MATURITY.—(1) Chapter 144 of title 10, United States Code, is amended by inserting after section 2431 the following new section:

''§ 2431a. Risk reduction at program initiation

''(a) REQUIREMENT FOR DEMONSTRATION OF CRITICAL TECHNOLOGIES.—Each critical technology that is to be used in production under a major defense acquisition program shall be successfully demonstrated in a relevant environment, as determined in writing by the Under Secretary of Defense for Acquisition, Technology, and Logistics.

''(b) PROHIBITION.—Neither of the following actions may be taken in a major defense acquisition program before the requirement of subsection (a) has been satisfied for the program:

''(1) Milestone B approval.

''(2) Initiation of the program without a Milestone B approval.

''(c) WAIVER.—The Under Secretary of Defense for Acquisition, Technology, and Logistics may waive the prohibition in subsection (b) with respect to a major defense acquisition program if the Milestone Decision Authority for the program certifies to the Under Secretary that exceptional circumstances justify proceeding with an action described in that subsection for the program before compliance with subsection (a).

''(d) ANNUAL REPORT ON WAIVERS.—(1) The Secretary of Defense shall submit to the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives each year the justification for any waiver granted with respect to a major defense acquisition program under subsection (c) during the fiscal year covered by the report.

''(2) The report for a fiscal year shall be submitted with the submission of the weapons development and procurement schedules under section 2431 of this title and shall cover the fiscal year preceding the fiscal year in which submitted.

''(e) DEFINITIONS.—In this section:

''(1) The term 'Milestone B approval' means approval to begin integrated system development and demonstration.

''(2) The term 'Milestone Decision Authority' means the official of the Department of Defense who is designated in accordance with criteria prescribed by the Secretary of Defense to approve entry of a major defense acquisition program into the next phase of the acquisition process.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2431 the following:

''2431a. Risk reduction at program initiation.''.

(b) EFFECTIVE DATE AND APPLICABILITY.—(1) Section 2431a of title 10, United States Code (as added by subsection (a)), shall take effect on the date of the enactment of this Act and shall apply to—

(A) any major defense acquisition program that is initiated on or after that date without a Milestone B approval having been issued for the program; and

(B) any major defense acquisition program that is initiated more than 6 months after that date with a Milestone B approval having been issued for the program before the initiation of the program.

(2) In paragraph (1):

(A) The term ''major defense acquisition program'' has the meaning given the term in section 2430 of title 10, United States Code.

(B) The term ''Milestone B approval'' has the meaning given the term under section 2431a(d) of title 10, United States Code (as added by subsection (a)).

SEC. 805. FOLLOW-ON PRODUCTION CONTRACTS FOR PRODUCTS DEVELOPED PURSUANT TO PROTOTYPE PROJECTS.

Section 845 of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C. 2371 note) is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following new subsection (f):

''(f) FOLLOW-ON PRODUCTION CONTRACTS.—(1) A transaction entered into under this section for a prototype project that satisfies the conditions set forth in subsection (d)(1)(B)(i) may provide for the award of a follow-on production contract to the participants in the transaction for a specific number of units at specific target prices. The number of units

specified in the transaction shall be determined on the basis of a balancing of the level of the investment made in the project by the participants other than the Federal Government with the interest of the Federal Government in having competition among sources in the acquisition of the product or products prototyped under the project.

''(2) A follow-on production contract provided for in a transaction under paragraph (1) may be awarded to the participants in the transaction without the use of competitive procedures, notwithstanding the requirements of section 2304 of title 10, United States Code, if—

''(A) competitive procedures were used for the selection of parties for participation in the transaction;

''(B) the participants in the transaction successfully completed the prototype project provided for in the transaction;

''(C) the number of units provided for in the follow-on production contract does not exceed the number of units specified in the transaction for such a follow-on production contract; and

''(D) the prices established in the follow-on production contract do not exceed the target prices specified in the transaction for such a follow-on production contract.''.

Subtitle B—Defense Acquisition and Support Workforce

SEC. 811. REPORT ON IMPLEMENTATION OF RECOMMENDATIONS OF THE ACQUISITION 2005 TASK FORCE.

(a) REQUIREMENT FOR REPORT.—Not later than March 1, 2002, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the extent of the implementation of the recommendations set forth in the final report of the Department of Defense Acquisition 2005 Task Force, entitled ''Shaping the Civilian Acquisition Workforce of the Future''.

(b) CONTENT OF REPORT.—The report shall include the following:

(1) For each recommendation in the final report that is being implemented or that the Secretary plans to implement—

(A) a summary of all actions that have been taken to implement the recommendation; and

(B) a schedule, with specific milestones, for completing the implementation of the recommendation.

(2) For each recommendation in the final report that the Secretary does not plan to implement—

(A) the reasons for the decision not to implement the recommendation; and

(B) a summary of any alternative actions the Secretary plans to take to address the purposes underlying the recommendation.

(3) A summary of any additional actions the Secretary plans to take to address concerns raised in the final report about the size and structure of the acquisition workforce of the Department of Defense.

(c) COMPTROLLER GENERAL REVIEW.—Not later than 60 days after the date on which the Secretary submits the report required by subsection (a), the Comptroller General shall—

(1) review the report; and

(2) submit to the committees referred to in subsection (a) the Comptroller General's assessment of the extent to which the report—

(A) complies with the requirements of this section; and

(B) addresses the concerns raised in the final report about the size and structure of the acquisition workforce of the Department of Defense.

SEC. 812. MORATORIUM ON REDUCTION OF THE DEFENSE ACQUISITION AND SUPPORT WORKFORCE.

(a) PROHIBITION.—Notwithstanding any other provision of law, the defense acquisition and support workforce may not be reduced, during fiscal years 2002, 2003, and 2004, below the level of that workforce as of September 30, 2001, determined on the basis of full-time equivalent positions.

(b) WAIVER AUTHORITY.—The Secretary of Defense may waive the prohibition in subsection (a) and reduce the level of the defense acquisition and support workforce upon submitting to Congress the Secretary's certification that the defense acquisition and support workforce, at the level to which reduced, will be able efficiently and effectively to perform the workloads that are required of that workforce consistent with the cost-effective management of the defense acquisition system to obtain best value equipment and with ensuring military readiness.

(c) DEFENSE ACQUISITION AND SUPPORT WORKFORCE DEFINED.—In this section, the term ''defense acquisition and support workforce'' means Armed Forces and civilian personnel who are assigned to, or are employed in, an organization of the Department of Defense that is—

(1) an acquisition organization specified in Department of Defense Instruction 5000.58, dated January 14, 1992; or

(2) an organization not so specified that has acquisition as its predominant mission, as determined by the Secretary of Defense.

SEC. 813. REVISION OF ACQUISITION WORKFORCE QUALIFICATION REQUIREMENTS.

(a) SPECIAL REQUIREMENTS FOR MEMBERS OF A CONTINGENCY CONTRACTING FORCE.—(1) Subchapter II of chapter 87 of title 10, United States Code, is amended by inserting after section 1724 the following new section:

''§ 1724a. Contingency contracting force: qualification requirements

''(a) CONTINGENCY CONTRACTING FORCE.—The Secretary of Defense may identify as a contingency contracting force the acquisition positions described in subsections (a) and (b) of section 1724 of this title that involve duties requiring the personnel in those positions to deploy to perform contracting functions in support of a contingency operation or other Department of Defense operation.

''(b) QUALIFICATION REQUIREMENTS.—The Secretary of Defense shall prescribe the qualification requirements for a person appointed to a position in any contingency contracting force identified under subsection (a). The requirements shall include requirements that the person—

''(1) either—

''(A) have completed the credits of study as described in section 1724(a)(3)(B) of this title;

''(B) have passed an examination considered by the Secretary of Defense to demonstrate that the person has skills, knowledge, or abilities comparable to that of a person who has completed the credits of study described in such section; or

''(C) through a combination of having completed some of the credits of study described in such section and having passed an examination, have demonstrated that the person has skills, knowledge, or abilities comparable to that of a person who has completed all of the credits of study described in such section; and

''(2) have satisfied such additional requirements for education and experience as the Secretary may prescribe.''.

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 1724 the following new item:

''1724a. Contingency contracting force: qualification requirements.''.

(b) EXCEPTIONS TO GENERALLY APPLICABLE QUALIFICATION REQUIREMENTS.—Subsection (c) of such section is amended to read as follows:

''(c) EXCEPTIONS.—(1) The requirements imposed under subsection (a) or (b) of this section shall not apply to a person for either of the following purposes:

''(A) In the case of an employee, to qualify to serve in the position in which the employee was serving on October 1, 1993, or in any other position in the same or lower grade and involving the same or lower level of responsibilities as the position in which the employee was serving on such date.

''(B) To qualify to serve in an acquisition position in any contingency contracting force identified under section 1724a of this title.

''(2) Subject to paragraph (3), the requirements imposed under subsection (a) or (b) shall not apply to a person who, before October 1, 2000, served—

''(A) as a contracting officer in an executive agency with authority to award or administer contracts in excess of the simplified acquisition threshold (referred to in section 2304(g) of this title); or

''(B) in a position in an executive agency either as an employee in the GS–1102 occupational series or as a member of the armed forces in a similar occupational specialty.

''(3) For the exception in subparagraph (A) or (B) of paragraph (2) to apply to an employee with respect to the requirements imposed under subsection (a) or (b), the employee must—

''(A) before October 1, 2000—

''(i) have received a baccalaureate degree as described in subparagraph (A) of subsection (a)(3);

''(ii) have completed credits of study as described in subparagraph (B) of subsection (a)(3);

''(iii) have passed an examination considered by the Secretary of Defense to demonstrate skills, knowledge, or abilities comparable to that of a person who has completed credits of study as described in subparagraph (B) of subsection (a)(3); or

''(iv) have been granted a waiver of the applicability of the requirements imposed under subsection (a) or (b), as the case may be; or

''(B) on October 1, 1991, had at least 10 years of experience in one or more acquisition positions in the Department of Defense, comparable positions in other government agencies or the private sector, or similar positions in which an individual obtains experience directly relevant to the field of contracting.''.

(c) CLARIFICATION OF APPLICABILITY OF WAIVER AUTHORITY TO MEMBERS OF THE ARMED FORCES.—Subsection (d) of such section is amended by striking ''employee or member of'' in the first sentence and inserting ''employee of, or a member of an armed force in,''.

(d) OFFICE OF PERSONNEL MANAGEMENT APPROVAL OF GENERALLY APPLICABLE DISCRETIONARY REQUIREMENTS.—Section 1725 of title 10, United States Code, is amended—

(1) in subsection (a), by striking ''section 1723 or under section 1724(a)(4) of this title'' in the first sentence and inserting ''section 1723, 1724(a)(4), or 1724a(b)(2)''; and

(2) in subsection (b), by striking ''subsection (a)(3) or (b) of section 1724 of this title'' in the first sentence and inserting ''subsection (a)(3), (b), or (c)(3)(A)(iii) of section 1724 of this title or under subparagraph (B) or (C) of section 1724a(b)(1) of this title''.

(e) TECHNICAL CORRECTIONS.—Sections 1724(a)(3)(B) and 1732(c)(2) of such title are amended by striking ''business finance'' and inserting ''business, finance''.

Subtitle C—Use of Preferred Sources

SEC. 821. APPLICABILITY OF COMPETITION REQUIREMENTS TO PURCHASES FROM A REQUIRED SOURCE.

(a) CONDITIONS FOR COMPETITION.—(1) Chapter 141 of title 10, United States Code, is amended by adding at the end the following:

"§ 2410n. Products of Federal Prison Industries: procedural requirements

''(a) MARKET RESEARCH BEFORE PURCHASE.—Before purchasing a product listed in the latest edition of the Federal Prison Industries catalog under section 4124(d) of title 18, the Secretary of Defense shall conduct market research to determine whether the Federal Prison Industries product is comparable in price, quality, and time of delivery to products available from the private sector.

''(b) LIMITED COMPETITION REQUIREMENT.—If the Secretary determines that a Federal Prison Industries product is not comparable in price, quality, and time of delivery to products available from the private sector, the Secretary shall use competitive procedures for the procurement of the product. In conducting such a competition, the Secretary shall consider a timely offer from Federal Prison Industries for award in accordance with the specifications and evaluation factors specified in the solicitation.

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

''2410n. Products of Federal Prison Industries: procedural requirements.''.

(b) APPLICABILITY.—Section 2410n of title 10, United States Code (as added by subsection (a)), shall apply to purchases initiated on or after October 1, 2001.

SEC. 822. CONSOLIDATION OF CONTRACT REQUIREMENTS.

(a) AMENDMENT TO TITLE 10.—(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2381 the following new section:

"§ 2382. Consolidation of contract requirements: policy and restrictions

''(a) POLICY.—The Secretary of Defense shall require the Secretary of each military department, the head of each Defense Agency, and the head of each Department of Defense Field Activity to ensure that the decisions made by that official regarding consolidation of contract requirements of the department, agency, or activity as the case may be, are made with a view to providing small business concerns with appropriate opportunities to participate in Department of Defense procurements as prime contractors and appropriate opportunities to participate in such procurements as subcontractors.

''(b) LIMITATION ON USE OF ACQUISITION STRATEGIES INVOLVING CONSOLIDATION.—(1) An official of a military department, Defense Agency, or Department of Defense Field Activity may not execute an acquisition strategy that includes a consolidation of contract requirements of the military department, agency, or activity with a total value in excess of $5,000,000, unless the senior procurement executive concerned first—

''(A) conducts market research;

''(B) identifies any alternative contracting approaches that would involve a lesser degree of consolidation of contract requirements; and

''(C) determines that the consolidation is necessary and justified.

''(2) A senior procurement executive may determine that an acquisition strategy involving a consolidation of contract requirements is necessary and justified for the purposes of paragraph (1) if the benefits of the acquisition strategy substantially exceed the benefits of each of the possible alternative contracting approaches identified under subparagraph (B) of that paragraph. However, savings in administrative or personnel costs alone do not constitute, for such purposes, a sufficient justification for a consolidation of contract requirements in a procurement unless the total amount of the cost savings is expected to be substantial in relation to the total cost of the procurement.

''(3) Benefits considered for the purposes of paragraphs (1) and (2) may include cost and, regardless of whether quantifiable in dollar amounts—

''(A) quality;

''(B) acquisition cycle;

''(C) terms and conditions; and

''(D) any other benefit.

''(c) DEFINITIONS.—In this section:

''(1) The terms 'consolidation of contract requirements' and 'consolidation', with respect to contract requirements of a military department, Defense Agency, or Department of Defense Field Activity, mean a use of a solicitation to obtain offers for a single contract or a multiple award contract to satisfy two or more requirements of that department, agency, or activity for goods or services that have previously been provided to, or performed for, that department, agency, or activity under two or more separate contracts smaller in cost than the total cost of the contract for which the offers are solicited.

''(2) The term ''multiple award contract'' means—

''(A) a contract that is entered into by the Administrator of General Services under the multiple award schedule program referred to in section 2302(2)(C) of this title;

''(B) a multiple award task order contract or delivery order contract that is entered into under the authority of sections 2304a through 2304d of this title or sections 303H through 303K of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h through 253k); and

''(C) any other indeterminate delivery, indeterminate quantity contract that is entered into by the head of a Federal agency with two or more sources pursuant to the same solicitation.

''(3) The term 'senior procurement executive concerned' means—

''(A) with respect to a military department, the official designated under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)) as the senior procurement executive for the military department; or

''(B) with respect to a Defense Agency or a Department of Defense Field Activity, the official so designated for the Department of Defense.

''(4) The term 'small business concern' means a business concern that is determined by the Administrator of the Small Business Administration to be a small-business concern by application of the standards prescribed under section 3(a) of the Small Business Act (15 U.S.C. 632(a)).''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2381 the following new item:

''2382. Consolidation of contract requirements: policy and restrictions.''.

(b) DATA REVIEW.—(1) The Secretary of Defense shall revise the data collection systems of the Department of Defense to ensure that such systems are capable of identifying each procurement that involves a consolidation of contract requirements within the department with a total value in excess of $5,000,000.

(2) The Secretary shall ensure that appropriate officials of the Department of Defense periodically review the information collected pursuant to paragraph (1) in cooperation with the Small Business Administration—

(A) to determine the extent of the consolidation of contract requirements in the Department of Defense; and

(B) to assess the impact of the consolidation of contract requirements on the availability of opportunities for small business concerns to participate in Department of Defense procurements, both as prime contractors and as subcontractors.

(3) In this subsection:

(A) The term ''bundling of contract requirements'' has the meaning given that term in section 3(o)(2) of the Small Business Act (15 U.S.C. 632(o)(2)).

(B) The term ''consolidation of contract requirements'' has the meaning given that term in section 2382(c)(1) of title 10, United States Code, as added by subsection (a).

(c) EVALUATION OF BUNDLING EFFECTS.—Section 15(h)(2) of the Small Business Act (15 U.S.C. 644(h)(2)) is amended—

(1) in subparagraph (C), by inserting '', and whether contract bundling played a role in the failure,'' after ''agency goals''; and

(2) by adding at the end the following:

''(G) The number and dollar value of consolidations of contract requirements with a total value in excess of $5,000,000, including the number of such consolidations that were awarded to small business concerns as prime contractors.''.

(d) REPORTING REQUIREMENT.—Section 15(p) of the Small Business Act (15 U.S.C. 644(p)) is amended to read as follows:

''(p) REPORTING REQUIREMENT.—

''(1) IN GENERAL.—The Administrator shall conduct a study examining the best means to determine the accuracy of the market research required under subsection (e)(2) for each bundled contract, to determine if the anticipated benefits were realized, or if they were not realized, the reasons there for.

''(2) PROVISION OF INFORMATION.—A Federal agency shall provide to the appropriate procurement center representative a copy of market research required under subsection (e)(2) for consolidations of contract requirements with a total value in excess of $5,000,000, upon request.

''(3) REPORT.—Not later than 270 days after the date of enactment of the National Defense Authorization Act for Fiscal Year 2002, the Administrator shall submit a report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives on the results of the study conducted under this subsection.''.

SEC. 823. CODIFICATION AND CONTINUATION OF MENTOR-PROTEGE PROGRAM AS PERMANENT PROGRAM.

(a) IN GENERAL.—(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2402 the following new section:

"§ 2403. Mentor-Protege Program

''(a) ESTABLISHMENT OF PROGRAM.—The Secretary of Defense shall carry out a program known as the 'Mentor-Protege Program'.

''(b) PURPOSE.—The purpose of the program is to provide incentives for major Department of Defense contractors to furnish eligible small business concerns (as defined in subsection (l)(2)) with assistance designed to enhance the capabilities of eligible small business concerns to perform as subcontractors and suppliers under Department of Defense contracts and other contracts and subcontracts in order to increase the participation of such business concerns as subcontractors and suppliers under Department of Defense contracts, other Federal Government contracts, and commercial contracts.

''(c) PROGRAM PARTICIPANTS.—(1) A business concern meeting the eligibility requirements set out in subsection (d) may enter

into agreements under subsection (e) and furnish assistance to eligible small business concerns upon making application to the Secretary of Defense and being approved for participation in the program by the Secretary. A business concern participating in the program pursuant to such an approval shall be known, for the purposes of the program, as a 'mentor firm'.

''(2) An eligible small business concern may obtain assistance from a mentor firm upon entering into an agreement with the mentor firm as provided in subsection (e). An eligible small business concern may not be a party to more than one agreement to receive such assistance at any time. An eligible small business concern receiving such assistance shall be known, for the purposes of the program, as a 'protege firm'.

''(3) In entering into an agreement pursuant to subsection (e), a mentor firm may rely in good faith on a written representation of a business concern that such business concern is a small business concern described in subsection (l)(2)(A). The Administrator of the Small Business Administration shall determine the status of such business concern as such a small business concern in the event of a protest regarding the status of the business concern. If at any time the business concern is determined by the Administrator not to be such a small business concern, assistance furnished to the business concern by the mentor firm after the date of the determination may not be considered assistance furnished under the program.

''(d) MENTOR FIRM ELIGIBILITY.—Subject to subsection (c)(1), a mentor firm eligible for award of Federal contracts may enter into an agreement with one or more protege firms under subsection (e) and provide assistance under the program pursuant to that agreement if—

''(1) during the fiscal year preceding the fiscal year in which the mentor firm enters into the agreement, the total amount of the Department of Defense contracts awarded such mentor firm and the subcontracts awarded such mentor firm under Department of Defense contracts was equal to or greater than $100,000,000; or

''(2) the mentor firm demonstrates the capability to assist in the development of protege firms, and is approved by the Secretary of Defense pursuant to criteria specified in the regulations prescribed pursuant to subsection (k).

''(e) MENTOR-PROTEGE AGREEMENT.—Before providing assistance to a protege firm under the program, a mentor firm shall enter into a mentor-protege agreement with the protege firm regarding the assistance to be provided by the mentor firm. The agreement shall include the following:

''(1) A developmental program for the protege firm, in such detail as may be reasonable, including—

''(A) factors to assess the protege firm's developmental progress under the program; and

''(B) the anticipated number and type of subcontracts to be awarded the protege firm.

''(2) A program participation term for any period of not more than three years, except that the term may be a period of up to five years if the Secretary of Defense determines in writing that unusual circumstances justify a program participation term in excess of three years.

''(3) Procedures for the protege firm to terminate the agreement voluntarily and for the mentor firm to terminate the agreement for cause.

''(f) FORMS OF ASSISTANCE.—A mentor firm may provide a protege firm the following:

''(1) Assistance, by using mentor firm personnel, in—

''(A) general business management, including organizational management, financial management, and personnel management, marketing, business development, and overall business planning;

''(B) engineering and technical matters such as production, inventory control, and quality assurance; and

''(C) any other assistance designed to develop the capabilities of the protege firm under the developmental program referred to in subsection (e).

''(2) Award of subcontracts on a noncompetitive basis to the protege firm under the Department of Defense or other contracts.

''(3) Payment of progress payments for performance of the protege firm under such a subcontract in amounts as provided for in the subcontract, but in no event may any such progress payment exceed 100 percent of the costs incurred by the protege firm for the performance.

''(4) Advance payments under such subcontracts.

''(5) Loans.

''(6) Cash in exchange for an ownership interest in the protege firm, not to exceed 10 percent of the total ownership interest.

''(7) Assistance obtained by the mentor firm for the protege firm from one or more of the following:

''(A) Small business development centers established pursuant to section 21 of the Small Business Act (15 U.S.C. 648).

''(B) Entities providing procurement technical assistance pursuant to chapter 142 of this title.

''(C) A historically Black college or university or a minority institution of higher education.

''(g) INCENTIVES FOR MENTOR FIRMS.—(1) The Secretary of Defense may provide to a mentor firm reimbursement for the total amount of any progress payment or advance payment made under the program by the mentor firm to a protege firm in connection with a Department of Defense contract awarded the mentor firm.

''(2)(A) The Secretary of Defense may provide to a mentor firm reimbursement for the costs of the assistance furnished to a protege firm pursuant to paragraphs (1) and (7) of subsection (f) as provided for in a line item in a Department of Defense contract under which the mentor firm is furnishing products or services to the Department, subject to a maximum amount of reimbursement specified in such contract. The preceding sentence does not apply in a case in which the Secretary of Defense determines in writing that unusual circumstances justify reimbursement using a separate contract.

''(B) The determinations made in annual performance reviews of a mentor firm's mentor-protege agreement under subsection (j)(2) shall be a major factor in the determinations of amounts of reimbursement, if any, that the mentor firm is eligible to receive in the remaining years of the program participation term under the agreement.

''(C) The total amount reimbursed under this paragraph to a mentor firm for costs of assistance furnished in a fiscal year to a protege firm may not exceed $1,000,000, except in a case in which the Secretary of Defense determines in writing that unusual circumstances justify a reimbursement of a higher amount.

''(3)(A) Costs incurred by a mentor firm in providing assistance to a protege firm that are not reimbursed pursuant to paragraph (2) shall be recognized as credit in lieu of subcontract awards for purposes of determining whether the mentor firm attains a subcontracting participation goal applicable to such mentor firm under a Department of Defense contract, under a contract with another executive agency, or under a divisional or company-wide subcontracting plan negotiated with the Department of Defense or another executive agency.

''(B) The amount of the credit given a mentor firm for any such unreimbursed costs shall be equal to—

''(i) four times the total amount of such costs attributable to assistance provided by entities described in subsection (f)(7);

''(ii) three times the total amount of such costs attributable to assistance furnished by the mentor firm's employees; and

''(iii) two times the total amount of any other such costs.

''(C) Under regulations prescribed pursuant to subsection (k), the Secretary of Defense shall adjust the amount of credit given a mentor firm pursuant to subparagraphs (A) and (B) if the Secretary determines that the firm's performance regarding the award of subcontracts to eligible small business concerns has declined without justifiable cause.

''(4) A mentor firm shall receive credit toward the attainment of a subcontracting participation goal applicable to such mentor firm for each subcontract for a product or service awarded under such contract by a mentor firm to a business concern that, except for its size, would be a small business concern owned and controlled by socially and economically disadvantaged individuals, but only if—

''(A) the size of such business concern is not more than two times the maximum size specified by the Administrator of the Small Business Administration for purposes of determining whether a business concern furnishing such product or service is a small business concern; and

''(B) the business concern formerly had a mentor-protege agreement with such mentor firm that was not terminated for cause.

''(h) RELATIONSHIP TO SMALL BUSINESS ACT.—(1) For purposes of the Small Business Act, no determination of affiliation or control (either direct or indirect) may be found between a protege firm and its mentor firm on the basis that the mentor firm has agreed to furnish (or has furnished) to its protege firm pursuant to a mentor-protege agreement any form of developmental assistance described in subsection (f).

''(2) Notwithstanding section 8 of the Small Business Act (15 U.S.C. 637), the Small Business Administration may not determine an eligible small business concern to be ineligible to receive any assistance authorized under the Small Business Act on the basis that such business concern has participated in the Mentor-Protege Program or has received assistance pursuant to any developmental assistance agreement authorized under such program.

''(3) The Small Business Administration may not require a firm that is entering into, or has entered into, an agreement under subsection (e) as a protege firm to submit the agreement, or any other document required by the Secretary of Defense in the administration of the Mentor-Protege Program, to the Small Business Administration for review, approval, or any other purpose.

''(i) PARTICIPATION IN MENTOR-PROTEGE PROGRAM NOT TO BE A CONDITION FOR AWARD OF A CONTRACT OR SUBCONTRACT.—A mentor firm may not require a business concern to enter into an agreement with the mentor firm pursuant to subsection (e) as a condition for being awarded a contract by the mentor firm, including a subcontract under a contract awarded to the mentor firm.

''(j) REPORTS AND REVIEWS.—(1) The mentor firm and protege firm under a mentor-protege agreement shall submit to the Secretary of Defense an annual report on the

progress made by the protege firm in employment, revenues, and participation in Department of Defense contracts during the fiscal year covered by the report. The requirement for submission of an annual report applies with respect to each fiscal year covered by the program participation term under the agreement and each of the two fiscal years following the expiration of the program participation term. The Secretary shall prescribe the timing and form of the annual report.

''(2)(A) The Secretary shall conduct an annual performance review of each mentor-protege agreement that provides for reimbursement of costs. The Secretary shall determine on the basis of the review whether—

''(i) all costs reimbursed to the mentor firm under the agreement were reasonably incurred to furnish assistance to the protege firm in accordance with the requirements of this section and applicable regulations; and

''(ii) the mentor firm and protege firm accurately reported progress made by the protege firm in employment, revenues, and participation in Department of Defense contracts during the program participation term covered by the mentor-protege agreement and the two fiscal years following the expiration of the program participation term.

''(B) The Secretary shall act through the Commander of the Defense Contract Management Command in carrying out the reviews and making the determinations under subparagraph (A).

''(k) REGULATIONS AND POLICIES.—(1) The Secretary of Defense shall prescribe regulations to carry out the Mentor-Protege Program. The regulations shall include the following:

''(A) The requirements set forth in section 8(d) of the Small Business Act (15 U.S.C. 673(d)).

''(B) Procedures by which mentor firms may terminate participation in the program.

''(2) The Department of Defense policy regarding the Mentor-Protege Program shall be published and maintained as an appendix to the Department of Defense Supplement to the Federal Acquisition Regulation.

''(l) DEFINITIONS.—In this section:

''(1) The term 'small business concern' means a business concern that meets the requirements of section 3(a) of the Small Business Act (15 U.S.C. 632(a)) and the regulations promulgated pursuant thereto.

''(2) The term 'eligible small business concern' is a small business concern that—

''(A) is either—

''(i) a disadvantaged small business concern; or

''(ii) a small business concern owned and controlled by women; and

''(B) is eligible for the award of Federal contracts.

''(3) The term 'disadvantaged small business concern' means—

''(A) a small business concern owned and controlled by socially and economically disadvantaged individuals, as defined in section 8(d)(3)(C) of the Small Business Act (15 U.S.C. 637(d)(3)(C));

''(B) a business entity owned and controlled by an Indian tribe as defined by section 8(a)(13) of the Small Business Act (15 U.S.C. 637(a)(13));

''(C) a business entity owned and controlled by a Native Hawaiian Organization as defined by section 8(a)(15) of the Small Business Act (15 U.S.C. 637(a)(15)); or

''(D) a qualified organization employing the severely disabled.

''(4) The term 'small business concern owned and controlled by women' has the meaning given such term in section 8(d)(3)(D) of the Small Business Act (15 U.S.C. 637(d)(3)(D)).

''(5) The term 'historically Black college and university' means any of the historically Black colleges and universities referred to in section 2323 of this title.

''(6) The term 'minority institution of higher education' means an institution of higher education with a student body that reflects the composition specified in paragraphs (3), (4), and (5) of section 312(b) of the Higher Education Act of 1965 (20 U.S.C. 1058(b)), as in effect on September 30, 1992.

''(7) The term 'subcontracting participation goal', with respect to a Department of Defense contract, means a goal for the extent of the participation by eligible small business concerns in the subcontracts awarded under such contract, as established pursuant to section 2323 of this title and section 8(d) of the Small Business Act (15 U.S.C. 637(d)).

''(8) The term 'qualified organization employing the severely disabled' means a business entity operated on a for-profit or nonprofit basis that—

''(A) uses rehabilitative engineering to provide employment opportunities for severely disabled individuals and integrates severely disabled individuals into its workforce;

''(B) employs severely disabled individuals at a rate that averages not less than 20 percent of its total workforce;

''(C) employs each severely disabled individual in its workforce generally on the basis of 40 hours per week; and

''(D) pays not less than the minimum wage prescribed pursuant to section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) to those employees who are severely disabled individuals.

''(9) The term 'severely disabled individual' means an individual who has a physical or mental disability which constitutes a substantial handicap to employment and which, in accordance with criteria prescribed by the Committee for Purchase From People Who Are Blind or Severely Disabled established by the first section of the Javits-Wagner-O'Day Act (41 U.S.C. 46), is of such a nature that the individual is otherwise prevented from engaging in normal competitive employment.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2402 the following new item:

''2403. Mentor-Protege Program.''.

(b) REPEAL OF SUPERSEDED LAW.—Section 831 of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2302 note) is repealed.

(c) CONTINUATION OF TEMPORARY REPORTING REQUIREMENT.—(1) Not later than six months after the end of each of fiscal years 2001 through 2004, the Secretary of Defense shall submit to Congress an annual report on the Mentor-Protege Program for that fiscal year.

(2) The annual report for a fiscal year shall include, at a minimum, the following:

(A) The number of mentor-protege agreements that were entered into during the fiscal year.

(B) The number of mentor-protege agreements that were in effect during the fiscal year.

(C) The total amount reimbursed during the fiscal year to mentor firms pursuant to section 2403(g) of title 10, United States Code (as added by subsection (a)), or section 831(g) of the National Defense Authorization Act for fiscal year 1991 (as in effect on the day before the date of the enactment of this Act).

(D) Each mentor-protege agreement, if any, that was approved during the fiscal year in accordance with section 2403(e)(2) of title 10, United States Code (as added by subsection (a)), or section 831(e)(2) of the National Defense Authorization Act for Fiscal Year 1991 (as in effect on the day before the date of the enactment of this Act) to provide a program participation term in excess of three years, together with the justification for the approval.

(E) Each reimbursement of a mentor firm in excess of the limitation in subsection (g)(2)(C) of section 2403 of title 10, United States Code (as added by subsection (a)), or subsection (g)(2)(C) of section 831 of the National Defense Authorization Act for Fiscal Year 1991 (as in effect on the day before the date of the enactment of this Act) that was made during the fiscal year pursuant to an approval granted in accordance with that subsection, together with the justification for the approval.

(F) Trends in the progress made in employment, revenues, and participation in Department of Defense contracts by the protege firms participating in the program during the fiscal year and the protege firms that completed or otherwise terminated participation in the program during the preceding two fiscal years.

(d) CONTINUATION OF REQUIREMENT FOR GAO STUDY AND REPORT.—Nothing in this section shall be construed as modifying the requirements of section 811(d)(3) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 709).

(e) SAVINGS PROVISIONS.—(1) All orders, determinations, rules, regulations, contracts, privileges, and other administrative actions that—

(A) have been issued, made, granted, or allowed to become effective under the pilot Mentor-Protege Program under section 831 of the National Defense Authorization Act for Fiscal Year 1991, as in effect on the day before the date of the enactment of this Act, including any such action taken by a court of competent jurisdiction, and

(B) are in effect at the end of such day, or were final before the date of the enactment of this Act and are to become effective on or after that date,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the Secretary of Defense or a court of competent jurisdiction or by operation of law.

(2) This section and the amendments made by this section shall not affect any proceedings, including notices of proposed rulemaking, that are pending before the Department of Defense as of the date of the enactment of this Act, with respect to the administration of the pilot Mentor-Protege Program under section 831 of the National Defense Authorization Act for Fiscal Year 1991, as in effect on the day before that date, but such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this section had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this section shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(3) The amendment made by subsection (a)(1), and the repeal of section 831 of the National Defense Authorization Act for Fiscal Year 1991 by subsection (b), shall not be construed as modifying or otherwise affecting the requirement in section 811(f)(2) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 709).

SEC. 824. HUBZONE SMALL BUSINESS CONCERNS.

Section 3(p) of the Small Business Act (15 U.S.C. 632(p)) is amended—

(1) by redesignating paragraphs (4) through (7) as paragraphs (5) through (8), respectively; and

(2) by inserting after paragraph (3) the following:

''(4) RULE OF CONSTRUCTION RELATING TO CITIZENSHIP.—

''(A) IN GENERAL.—A small business concern described in subparagraph (B) meets the United States citizenship requirement of paragraph (3)(A) if, at the time of application by the concern to become a qualified HUBZone small business concern for purposes of any contract and at such times as the Administrator shall require, no non-citizen has filed a disclosure under section 13(d)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(d)(1)) as the beneficial owner of more than 10 percent of the outstanding shares of that small business concern.

''(B) CONCERNS DESCRIBED.—A small business concern is described in this subparagraph if the small business concern—

''(i) has a class of securities registered under section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 78l); and

''(ii) files reports with the Securities and Exchange Commission as a small business issuer.''.

''(C) NON-CITIZENS.—In this paragraph, the term 'non-citizen' means

''(i) an individual that is not a United States citizen; and

''(ii) any other person that is not organized under the laws of any State or the United States.''.

Subtitle D—Amendments to General Contracting Authorities, Procedures, and Related Matters

SEC. 831. AMENDMENTS TO CONFORM WITH ADMINISTRATIVE CHANGES IN ACQUISITION PHASE AND MILESTONE TERMINOLOGY AND TO MAKE RELATED ADJUSTMENTS IN CERTAIN REQUIREMENTS APPLICABLE AT MILESTONE TRANSITION POINTS.

(a) ACQUISITION PHASE TERMINOLOGY.—The following provisions of title 10, United States Code, are amended by striking ''engineering and manufacturing development'' each place it appears and inserting ''system development and demonstration'': sections 2366(c) and 2434(a), and subsections (b)(3)(A)(i), (c)(3)(A), and (h)(1) of section 2432.

(b) MILESTONE TRANSITION POINTS.—(1) Section 811(c) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–211), is amended by striking ''Milestone I approval, Milestone II approval, or Milestone III approval (or the equivalent) of a major automated information system'' and inserting ''approval of a major automated information system at Milestone B or C or for full rate production, or an equivalent approval,''.

(2) Department of Defense Directive 5000.1, as revised in accordance with subsection (b) of section 811 of such Act, shall be further revised as necessary to comply with subsection (c) of such section, as amended by paragraph (1), within 60 days after the date of the enactment of this Act.

(c) ADJUSTMENTS TO REQUIREMENT FOR DETERMINATION OF QUANTITY FOR LOW-RATE INITIAL PRODUCTION.—Section 2400(a) of title 10, United States Code, is amended—

(1) by striking ''milestone II'' each place it appears in paragraphs (1)(A), (2), (4) and (5) and inserting ''milestone B''; and

(2) in paragraph (2), by striking ''engineering and manufacturing development'' and inserting ''system development and demonstration''.

(d) ADJUSTMENTS TO REQUIREMENTS FOR BASELINE DESCRIPTION AND THE RELATED LIMITATION.—Section 2435 of title 10, United States Code, is amended—

(1) in subsection (b), by striking ''engineering and manufacturing development'' and inserting ''system development and demonstration''; and

(2) in subsection (c)—

(A) in paragraph (1), by striking ''demonstration and validation'' and inserting ''system development and demonstration'';

(B) in paragraph (2), by striking ''engineering and manufacturing development'' and inserting ''production and deployment''; and

(C) in paragraph (3), by striking ''production and deployment'' and inserting ''full rate production''.

SEC. 832. INAPPLICABILITY OF LIMITATION TO SMALL PURCHASES OF MINIATURE OR INSTRUMENT BALL OR ROLLER BEARINGS UNDER CERTAIN CIRCUMSTANCES.

Section 2534(g)(2) of title 10, United States Code, is amended—

(1) by striking ''contracts'' and inserting ''a contract'';

(2) by striking the period at the end and inserting ''unless the head of the contracting activity determines that—''; and

(3) by adding at the end the following:

''(A) the amount of the purchase does not exceed $25,000;

''(B) the precision level of the ball or roller bearings to be procured under the contract is rated lower than the rating known as Annual Bearing Engineering Committee (ABEC) 5 or Roller Bearing Engineering Committee (RBEC) 5, or an equivalent of such rating;

''(C) at least two manufacturers in the national technology and industrial base that are capable of producing the ball or roller bearings have not responded to a request for quotation issued by the contracting activity for that contract; and

''(D) no bearing to be procured under the contract has a basic outside diameter (exclusive of flange diameters) in excess of 30 millimeters.''.

SEC. 833. INSENSITIVE MUNITIONS PROGRAM.

(a) REQUIREMENT FOR PROGRAM.—Chapter 141 of title 10, United States Code, is amended by inserting after section 2404 the following new section 2405:

''§ 2405. Insensitive munitions program

''(a) REQUIREMENT FOR PROGRAM.—The Secretary of Defense shall carry out a program to ensure, to the extent practicable, that munitions under development or in procurement are safe throughout development and fielding when subjected to unplanned stimuli.

''(b) CONTENT OF PROGRAM.—The program shall include safety criteria, safety procedures, and requirements to conform to those criteria and procedures.

''(c) REPORTING REQUIREMENT.—At the same time that the budget for a fiscal year is submitted to Congress under section 1105(a) of title 31, the Secretary shall submit to Congress a report on the insensitive munitions program. The report shall include the following matters:

''(1) The waivers of requirements referred to in subsection (b) that have been granted under the program during the fiscal year preceding fiscal year in which the report is submitted, together with a discussion of the justifications for the waivers.

''(2) Identification of the funding proposed for the program in that budget, together with an explanation of the proposed funding.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2404 the following new item:

''2405. Insensitive munitions program.''.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Organization and Management

SEC. 901. DEPUTY UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS.

(a) ESTABLISHMENT OF POSITION.—(1) Chapter 4 of title 10, United States Code, is amended by inserting after section 136 the following new section:

''§ 136a. Deputy Under Secretary of Defense for Personnel and Readiness

''(a) There is a Deputy Under Secretary of Defense for Personnel and Readiness, appointed from civilian life by the President, by and with the advice and consent of the Senate.

''(b) The Deputy Under Secretary of Defense for Personnel and Readiness shall assist the Under Secretary of Defense for Personnel and Readiness in the performance of the duties of that position. The Deputy Under Secretary of Defense for Personnel and Readiness shall act for, and exercise the powers of, the Under Secretary when the Under Secretary is absent or disabled.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 136 the following new item:

''136a. Deputy Under Secretary of Defense for Personnel and Readiness.''.

(b) EXECUTIVE LEVEL IV.—Section 5315 of title 5, United States Code, is amended by inserting after ''Deputy Under Secretary of Defense for Policy.'' the following:

''Deputy Under Secretary of Defense for Personnel and Readiness.''.

(c) REDUCTION IN NUMBER OF ASSISTANT SECRETARIES OF DEFENSE.—(1) Section 138(a) of title 10, United States Code, is amended by striking ''nine'' and inserting ''eight''.

(2) Section 5315 of title 5, United States Code, is amended by striking ''Assistant Secretaries of Defense (9).'' and inserting the following:

''Assistant Secretaries of Defense (8).''.

SEC. 902. RESPONSIBILITY OF UNDER SECRETARY OF THE AIR FORCE FOR ACQUISITION OF SPACE LAUNCH VEHICLES AND SERVICES.

Section 8015(b) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' after ''(b)''; and

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

''(2) The Under Secretary shall be responsible for planning and contracting for, and for managing, the acquisition of space launch vehicles and space launch services for the Department of Defense and the National Reconnaissance Office.''.

SEC. 903. SENSE OF CONGRESS REGARDING THE SELECTION OF OFFICERS FOR ASSIGNMENT AS THE COMMANDER IN CHIEF, UNITED STATES TRANSPORTATION COMMAND.

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

(1) The Goldwater-Nichols Department of Defense Reorganization Act of 1986 envisioned that an officer would be assigned to serve as the commander of a combatant command on the basis of being the best qualified officer for the assignment rather than the best qualified officer of the armed force that has historically supplied an officer to serve in that assignment.

(2) In order to provide for greater competition among the Armed Forces for selection of officers for assignment as the commanders of the combatant commands and assignment to certain other joint positions in the grade of general or admiral, Congress provided temporary relief from the limitation on the number of officers serving on active duty in the grade of general or admiral in section 405

of the National Defense Authorization Act for Fiscal Year 1995 and thereafter extended that relief until September 30, 2003, but has also required that the Secretary of Defense be furnished the name of at least one officer from each of the Armed Forces for consideration for appointment to each such position.

(3) Most of the positions of commanders of the combatant commands have been filled successively by officers of more than one of the Armed Forces since the enactment of the Goldwater-Nichols Department of Defense Reorganization Act of 1986.

(4) However, general officers of the Air Force with only limited experience in the transportation services have usually filled the position of Commander in Chief of the United States Transportation Command.

(5) The United States Transportation Command and its component commands could benefit from the appointment of an officer selected from the two armed forces that are the primary users of their transportation resources, namely the Army and the Marine Corps.

(b) SENSE OF CONGRESS.— In light of the findings set forth in subsection (a), it is the sense of Congress that the Secretary of Defense should, when considering officers for recommendation to the President for appointment as the Commander in Chief, United States Transportation Command, give careful consideration to recommending an officer of the Army or the Marine Corps.

SEC. 904. ORGANIZATIONAL REALIGNMENT FOR NAVY DIRECTOR FOR EXPEDITIONARY WARFARE.

Section 5038(a) of title 10, United States Code, is amended by striking ''Office of the Deputy Chief of Naval Operations for Resources, Warfare Requirements, and Assessments'' and inserting ''Office of the Deputy Chief of Naval Operations for Warfare Requirements and Programs''.

SEC. 905. REVISED REQUIREMENTS FOR CONTENT OF ANNUAL REPORT ON JOINT WARFIGHTING EXPERIMENTATION.

Section 485(b) of title 10, United States Code, is amended—

(1) by inserting before the period at the end of paragraph (1) the following: '', together with a specific assessment of whether there is a need for a major force program for funding joint warfighting experimentation and for funding the development and acquisition of any technology the value of which has been empirically demonstrated through such experimentation''; and

(2) in paragraph (4)(E)—

(A) by inserting ''(by lease or by purchase)'' after ''acquire''; and

(B) by inserting ''(including any prototype)'' after ''or equipment''.

SEC. 906. SUSPENSION OF REORGANIZATION OF ENGINEERING AND TECHNICAL AUTHORITY POLICY WITHIN THE NAVAL SEA SYSTEMS COMMAND.

(a) SUSPENSION.—During the period specified in subsection (b), the Secretary of the Navy may not commence or continue any change in engineering or technical authority policy for the Naval Sea Systems Command or its subsidiary activities.

(b) DURATION.—Subsection (a) applies during the period beginning on the date of enactment of this Act and ending 60 days after the date on which the Secretary submits to the congressional defense committees a report that sets forth in detail the Navy's plans and justification for the reorganization of engineering and technical authority policy within the Naval Sea Systems Command.

SEC. 907. CONFORMING AMENDMENTS RELATING TO CHANGE OF NAME OF AIR MOBILITY COMMAND.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended—

(1) by striking ''Military Airlift Command'' in sections 2554(d) and 2555(a) and inserting ''Air Mobility Command''; and

(2) in section 8074, by striking subsection (c).

(b) TITLE 37, UNITED STATES CODE.—Sections 430(c) and 432(b) of title 37, United States Code, are amended by striking ''Military Airlift Command'' and inserting ''Air Mobility Command''.

Subtitle B—Organization and Management of Space Activities

SEC. 911. ESTABLISHMENT OF POSITION OF UNDER SECRETARY OF DEFENSE FOR SPACE, INTELLIGENCE, AND INFORMATION.

(a) AUTHORITY OF SECRETARY OF DEFENSE TO ESTABLISH POSITION.—Upon the direction of the President, the Secretary of Defense may, subject to subsection (b), establish in the Office of the Secretary of Defense the position of Under Secretary of Defense for Space, Intelligence, and Information. If the position is so established, the Under Secretary of Defense for Space, Intelligence, and Information shall perform duties and exercise powers as set forth under section 137 of title 10, United States Code, as amended by subsection (d).

(b) DEADLINE FOR EXERCISE OF AUTHORITY.—The Secretary may not exercise the authority in subsection (a) after December 31, 2003.

(c) NOTICE OF EXERCISE OF AUTHORITY.—If the authority in subsection (a) is exercised, the Secretary shall immediately notify Congress of the establishment of the position of Under Secretary of Defense for Space, Intelligence, and Information, together with the date on which the position is established.

(d) NATURE OF POSITION.—

(1) IN GENERAL.—Effective as of the date provided for in paragraph (7), chapter 4 of title 10, United States Code, is amended—

(A) by redesignating section 137 as section 139a and by transferring such section (as so redesignated) within such chapter so as to appear after section 139; and

(B) by inserting after section 136 the following new section 137:

''§ 137. Under Secretary of Defense for Space, Intelligence, and Information

''(a) There is an Under Secretary of Defense for Space, Intelligence, and Information, appointed from civilian life by the President, by and with the advice and consent of the Senate.

''(b) Subject to the authority, direction, and control of the Secretary of Defense, the Under Secretary of Defense for Space, Intelligence, and Information shall perform such duties and exercise such powers relating to the space, intelligence, and information programs and activities of the Department of Defense as the Secretary of Defense may prescribe. The duties and powers prescribed for the Under Secretary shall include the following:

''(1) In coordination with the Under Secretary of Defense for Policy, the establishment of policy on space.

''(2) In coordination with the Under Secretary of Defense for Acquisition, Technology, and Logistics, the acquisition of space systems.

''(3) The deployment and use of space assets.

''(4) The oversight of research, development, acquisition, launch, and operation of space, intelligence, and information assets.

''(5) The coordination of military intelligence activities within the Department.

''(6) The coordination of intelligence activities of the Department and the intelligence community in order to meet the long-term intelligence requirements of the United States.

''(7) The coordination of space activities of the Department with commercial and civilian space activities.

''(c) The Secretary of Defense shall designate the Under Secretary of Defense for Space, Intelligence, and Information as the Chief Information Officer of the Department of Defense under section 3506(a)(2)(B) of title 44.

''(d) The Under Secretary of Defense for Space, Intelligence, and Information takes precedence in the Department of Defense after the Under Secretary of Defense for Personnel and Readiness.''.

(2) ADDITIONAL ASSISTANT SECRETARY OF DEFENSE.—Section 138(a) of that title is amended by striking ''nine Assistant Secretaries of Defense'' and inserting ''ten Assistant Secretaries of Defense''.

(3) DUTIES OF ASSISTANT SECRETARIES OF DEFENSE FOR SPACE, INTELLIGENCE, AND INFORMATION.—Section 138(b) of that title is amended by adding at the end the following new paragraph:

''(7) Two of the Assistant Secretaries shall have as their principal duties supervision of activities relating to space, intelligence, and information. The Assistant Secretaries shall each report to the Under Secretary of Defense for Space, Intelligence, and Information in the performance of such duties.''.

(4) CONFORMING AMENDMENTS.—Section 131(b) of that title is amended—

(A) by redesignating paragraphs (6) through (11) as paragraphs (7) through (12), respectively; and

(B) by inserting after paragraph (5) the following new paragraph (6):

''(6) The Under Secretary of Defense for Space, Intelligence, and Information.''.

(5) PAY LEVELS.—(A) Section 5314 of title 5, United States Code, is amended by inserting after ''Under Secretary of Defense for Personnel and Readiness'' the following:

''Under Secretary of Defense for Space, Intelligence, and Information.''.

(B) Section 5315 of title 5, United States Code, is amended in the item relating to Assistant Secretaries of Defense by striking ''(9)'' and inserting ''(10)''.

(6) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 4 of title 10, United States Code, is amended—

(A) by striking the item relating to section 137 and inserting the following new item:

''137. Under Secretary of Defense for Space, Intelligence, and Information.''; and

(B) by inserting after the item relating to section 139 the following new item:

''139a. Director of Defense Research and Engineering.''.

(7) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as of the date specified in the notification provided by the Secretary of Defense to Congress under subsection (c) of the exercise of the authority in subsection (a).

(e) REPORT.—(1) Not later than 30 days before an exercise of the authority provided in subsection (a), the President shall submit to Congress a report on the proposed organization of the office of the Under Secretary of Defense for Space, Intelligence, and Information.

(2) If the Secretary of Defense has not exercised the authority granted in subsection (a) on the date that is one year after the date of the enactment of this Act, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives on that date a report describing the actions taken by the Secretary to address the problems in the management and organization of the Department of Defense for space activities that are identified by the

Commission To Assess United States National Security Space Management and Organization in the report of the Commission submitted under section 1623 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 815).

SEC. 912. RESPONSIBILITY FOR SPACE PROGRAMS.

(a) IN GENERAL.—Part IV of subtitle A of title 10, United States Code, is amended by inserting after chapter 134 the following new chapter:

"CHAPTER 135—SPACE PROGRAMS

''Sec.
''2271. Responsibility for space programs.

"§ 2271. Responsibility for space programs

''(a) RESPONSIBILITY OF SECRETARY OF AIR FORCE AS EXECUTIVE AGENT.—The Secretary of the Air Force shall be the executive agent of the Department of Defense for functions of the Department designated by the Secretary of Defense with respect to the following:

''(1) Planning for the acquisition programs, projects, and activities of the Department that relate to space.

''(2) Efficient execution of the programs, projects, and activities.

''(b) RESPONSIBILITY OF UNDER SECRETARY OF AIR FORCE AS ACQUISITION EXECUTIVE.—The Under Secretary of the Air Force shall be the acquisition executive of the Department of the Air Force for the programs, projects, and activities referred to in subsection (a).

''(c) RESPONSIBILITY OF UNDER SECRETARY OF AIR FORCE AS DIRECTOR OF NRO.—The Under Secretary of the Air Force shall act as the Director of the National Reconnaissance Office.

''(d) COORDINATION OF DUTIES OF UNDER SECRETARY OF AIR FORCE.—In carrying out duties under subsections (b) and (c), the Under Secretary of the Air Force shall coordinate the space programs, projects, and activities of the Department of Defense and the programs, projects, and activities of the National Reconnaissance Office.

''(e) SPACE CAREER FIELD.—(1) The Under Secretary of the Air Force shall establish and implement policies and procedures to develop a cadre of technically competent officers with the capability to develop space doctrine, concepts of space operations, and space systems for the Department of the Air Force.

''(2) The Secretary of the Air Force shall assign to the commander of Air Force Space Command primary responsibility for—

''(A) establishing and implementing education and training programs for space programs, projects, and activities of the Department of the Air Force; and

''(B) management of the space career field under paragraph (1).

''(f) JOINT PROGRAM MANAGEMENT.—The Under Secretary of the Air Force shall take appropriate actions to ensure that, to maximum extent practicable, Army, Navy, Marine Corps, and Air Force personnel are assigned, on a joint duty assignment basis, as follows:

''(1) To carry out the space development and acquisition programs of the Department of Defense; and

''(2) To the Office of the National Security Space Architect.''.

(b) CLERICAL AMENDMENT.—The tables of chapters at the beginning of such subtitle and at the beginning of part IV of such subtitle are amended by inserting after the item relating to chapter 134 the following new item:

"135. Space Programs ..... 2271".

SEC. 913. MAJOR FORCE PROGRAM CATEGORY FOR SPACE PROGRAMS.

(a) REQUIREMENT.—The Secretary of Defense shall create a major force program category for space programs for purposes of the future-years defense program under section 221 of title 10, United States Code.

(b) COMMENCEMENT.—The category created under subsection (a) shall be included in each future-years defense program submitted to Congress under section 221 of title 10, United States Code, in fiscal years after fiscal year 2002.

SEC. 914. ASSESSMENT OF IMPLEMENTATION OF RECOMMENDATIONS OF COMMISSION TO ASSESS UNITED STATES NATIONAL SECURITY SPACE MANAGEMENT AND ORGANIZATION.

(a) COMPTROLLER GENERAL ASSESSMENT.—The Comptroller General shall carry out an assessment of the progress made by the Department of Defense in implementing the recommendations of the Commission To Assess United States National Security Space Management and Organization as contained in the report of the Commission submitted under section 1623 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 815).

(b) REPORTS.—Not later than February 15 of each of 2002 and 2003, the Comptroller General shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the assessment carried out under subsection (a). Each report shall set forth the results of the assessment as of the date of such report.

SEC. 915. GRADE OF COMMANDER OF AIR FORCE SPACE COMMAND.

(a) IN GENERAL.—Chapter 845 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 8584. Commander of Air Force Space Command

''(a) GRADE.—The officer serving as commander of the Air Force Space Command shall, while so serving, have the grade of general.

''(b) LIMITATION ON CONCURRENT COMMAND ASSIGNMENTS.—The officer serving as commander of the Air Force Space Command may not, while so serving, serve as commander-in-chief of the United States Space Command (or any successor combatant command with responsibility for space) or as commander of the United States element of the North American Air Defense Command.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''8584. Commander of Air Force Space Command.''.

SEC. 916. SENSE OF CONGRESS REGARDING GRADE OF OFFICER ASSIGNED AS COMMANDER OF UNITED STATES SPACE COMMAND.

It is the sense of Congress that the Secretary of Defense should assign the best qualified officer of the Army, Marine Corps, or Air Force with the grade of general, or of the Navy with the grade of admiral, to the position of Commander of the United States Space Command.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 2002 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $2,000,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. REDUCTION IN AUTHORIZATIONS OF APPROPRIATIONS FOR DEPARTMENT OF DEFENSE FOR MANAGEMENT EFFICIENCIES.

Notwithstanding any other provision of this Act, the total amount authorized to be appropriated for the Department of Defense by divisions A and B of this Act is hereby reduced by $1,630,000,000, to reflect savings to be achieved through implementation of the provisions of title VIII and other management efficiencies and business process reforms.

SEC. 1003. AUTHORIZATION OF SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2001.

Amounts authorized to be appropriated to the Department of Defense for fiscal year 2001 in the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased (by a supplemental appropriation) or decreased (by a rescission), or both, in title I of the Supplemental Appropriations Act, 2001 (Public Law 107–20).

SEC. 1004. UNITED STATES CONTRIBUTION TO NATO COMMON-FUNDED BUDGETS IN FISCAL YEAR 2002.

(a) FISCAL YEAR 2002 LIMITATION.—The total amount contributed by the Secretary of Defense in fiscal year 2002 for the common-funded budgets of NATO may be any amount up to, but not in excess of, the amount specified in subsection (b) (rather than the maximum amount that would otherwise be applicable to those contributions under the fiscal year 1998 baseline limitation).

(b) TOTAL AMOUNT.—The amount of the limitation applicable under subsection (a) is the sum of the following:

(1) The amounts of unexpended balances, as of the end of fiscal year 2001, of funds appropriated for fiscal years before fiscal year 2002 for payments for those budgets.

(2) The amount specified in subsection (c)(1).

(3) The amount specified in subsection (c)(2).

(4) The total amount of the contributions authorized to be made under section 2501.

(c) AUTHORIZED AMOUNTS.—Amounts authorized to be appropriated by titles II and III of this Act are available for contributions for the common-funded budgets of NATO as follows:

(1) Of the amount provided in section 201(1), $708,000 for the Civil Budget.

(2) Of the amount provided in section 301(1), $175,849,000 for the Military Budget.

(d) DEFINITIONS.—For purposes of this section:

(1) COMMON-FUNDED BUDGETS OF NATO.—The term ''common-funded budgets of NATO'' means the Military Budget, the Security Investment Program, and the Civil Budget of the North Atlantic Treaty Organization (and any successor or additional account or program of NATO).

(2) FISCAL YEAR 1998 BASELINE LIMITATION.—The term ''fiscal year 1998 baseline limitation'' means the maximum annual amount of Department of Defense contributions for common-funded budgets of NATO that is set forth as the annual limitation in section 3(2)(C)(ii) of the resolution of the Senate giving the advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary, and the Czech Republic (as defined in section 4(7) of that resolution), approved by the Senate on April 30, 1998.

SEC. 1005. CLARIFICATION OF APPLICABILITY OF INTEREST PENALTIES FOR LATE PAYMENT OF INTERIM PAYMENTS DUE UNDER CONTRACTS FOR SERVICES.

Section 1010(d) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–251) is amended by inserting before the period at the end of the first sentence the following: '', and shall apply with respect to interim payments that are due on or after such date under contracts entered into before, on, or after that date''.

SEC. 1006. RELIABILITY OF DEPARTMENT OF DEFENSE FINANCIAL STATEMENTS.

(a) ANNUAL REPORT ON RELIABILITY.—(1) Not later than July 1 of each year, the Secretary of Defense shall submit to the recipients referred to in paragraph (3) a report on the reliability of the Department of Defense financial statements, including the financial statements of each component of the department that is required to prepare a financial statement under section 3515(c) of title 31, United States Code.

(2) The annual report shall contain the following:

(A) A conclusion regarding whether the policies and procedures of the Department of Defense, and the systems used within the Department of Defense, for the preparation of financial statements allow the achievement of reliability in the financial statements.

(B) For each of the financial statements prepared for the Department of Defense for the fiscal year in which the report is submitted, a conclusion regarding the expected reliability of the financial statement (evaluated on the basis of Office of Management and Budget guidance on financial statements), together with a discussion of the major deficiencies to be expected in the statement.

(C) A summary of the specific sections of the annual Financial Management Improvement Plan of the Department of Defense, current as of the date of the report, that—

(i) detail the priorities, milestones, and measures of success that apply to the preparation of the financial statements;

(ii) detail the planned improvements in the process for the preparation of financial statements that are to be implemented within 12 months after the date on which the plan is issued; and

(iii) provide an estimate of when each financial statement will convey reliable information.

(3) The annual report shall be submitted to the following:

(A) The Committee on Armed Services and the Committee on Governmental Affairs of the Senate.

(B) The Committee on Armed Services and the Committee on Government Reform of the House of Representatives.

(C) The Director of the Office of Management and Budget.

(D) The Secretary of the Treasury.

(E) The Comptroller General of the United States.

(4) The Secretary of Defense shall make a copy of the annual report available to the Inspector General of the Department of Defense.

(b) MINIMIZATION OF USE OF RESOURCES FOR UNRELIABLE FINANCIAL STATEMENTS.—(1) With respect to each financial statement for a fiscal year that the Secretary of Defense assesses as being expected to be unreliable in the annual report under subsection (a), the Under Secretary of Defense (Comptroller) or the Assistant Secretary (Financial Management and Comptroller) of the military department concerned shall take appropriate actions to minimize the resources, including contractor support, that are used to develop, compile, and report the financial statement.

(2)(A) With the annual budget justifications for the Department of Defense submitted to Congress each year, the Under Secretary of Defense (Comptroller) shall submit, with respect to the fiscal year in which submitted, the preceding fiscal year, and the following fiscal year, the following information:

(i) An estimate of the resources that the Department of Defense is saving or expects to save as a result of actions taken and to be taken under paragraph (1) with respect to the preparation of financial statements.

(ii) A discussion of how the resources saved as estimated under clause (i) have been redirected or are to be redirected from the preparation of financial statements to the improvement of systems underlying financial management within the Department of Defense and to the improvement of financial management policies, procedures, and internal controls within the Department of Defense.

(B) The Assistant Secretaries (Financial Management and Comptroller) of the Army, Navy, and Air Force shall provide the Under Secretary of Defense (Comptroller) with the information necessary for making the estimate required by subparagraph (A)(i).

(c) INFORMATION TO AUDITORS.—Not later than October 31 of each year, the Under Secretary of Defense (Comptroller) and the Assistant Secretaries (Financial Management and Comptroller) of the Army, Navy, and Air Force shall each provide to the auditors of the financial statement of that official's department for the fiscal year ending during the preceding month the official's preliminary management representation, in writing, regarding the expected reliability of the financial statement. The representation shall be consistent with guidance issued by the Director of the Office of Management and Budget and shall include the basis for the reliability assessment stated in the representation.

(d) LIMITATION ON INSPECTOR GENERAL AUDITS.—(1) On each financial statement that an official asserts is unreliable under subsection (b) or (c), the Inspector General of the Department of Defense shall only perform the audit procedures required by generally accepted government auditing standards consistent with any representation made by management.

(2)(A) With the annual budget justifications for the Department of Defense submitted to Congress each year, the Under Secretary of Defense (Comptroller) shall submit, with respect to the fiscal year in which submitted, the preceding fiscal year, and the following fiscal year, information which the Inspector General shall report to the Under Secretary, as follows:

(i) An estimate of the resources that the Inspector General is saving or expects to save as a result of actions taken and to be taken under paragraph (1) with respect to the auditing of financial statements.

(ii) A discussion of how the resources saved as estimated under clause (i) have been redirected or are to be redirected from the auditing of financial statements to the oversight and improvement of systems underlying financial management within the Department of Defense and to the oversight and improvement of financial management policies, procedures, and internal controls within the Department of Defense.

(e) PERIOD OF APPLICABILITY.—(1) Except as provided in paragraph (2), the requirements of this section shall apply with respect to financial statements for fiscal years after fiscal year 2000 and before fiscal year 2006 and to the auditing of those financial statements.

(2) If the Secretary of Defense certifies to the Inspector General of the Department of Defense that the financial statement for the Department of Defense, or a financial statement for a component of the Department of Defense, for a fiscal year is reliable, this section shall not apply with respect to that financial statement or to any successive financial statement for the department or that component, as the case may be, for any later fiscal year.

SEC. 1007. FINANCIAL MANAGEMENT MODERNIZATION EXECUTIVE COMMITTEE AND FINANCIAL FEEDER SYSTEMS COMPLIANCE PROCESS.

(a) ESTABLISHMENT OF FINANCIAL MANAGEMENT MODERNIZATION EXECUTIVE COMMITTEE.—(1) The Secretary of Defense shall establish a Financial Management Modernization Executive Committee.

(2) The Committee shall be composed of the Under Secretary of Defense (Comptroller), the Under Secretary of Defense (Acquisition, Technology, and Logistics), the Under Secretary of Defense (Personnel and Readiness), the chief information officer of the Department of Defense, and other key managers of the Department of Defense (including key managers in Defense Agencies and military departments) who are designated by the Secretary.

(3) The Under Secretary of Defense (Comptroller) shall be the Chairman of the Committee.

(4) The Committee shall be accountable to the Senior Executive Council composed of the Secretary of Defense, the Deputy Secretary of Defense, the Under Secretary of Defense for Acquisition, Technology, and Logistics, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force.

(b) DUTIES.—The Financial Management Modernization Executive Committee shall have the following duties:

(1) To establish a financial and feeder systems compliance process that ensures that each critical accounting, financial management, and feeder system of the Department of Defense is compliant with applicable Federal financial management and reporting requirements.

(2) To develop a management plan for the implementation of the financial and feeder systems compliance process.

(3) To supervise and monitor the actions that are necessary to implement the management plan, as approved by the Secretary of Defense.

(4) To ensure that a Department of Defense financial management enterprise architecture is development and maintained in accordance with—

(A) the overall business process transformation strategy of the Department; and

(B) the Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance Architecture Framework of the Department.

(5) To ensure that investments in existing or proposed financial management systems

for the Department comply with the overall business practice transformation strategy of the Department and the financial management enterprise architecture developed under paragraph (4).

(6) To provide an annual accounting of all financial and feeder system investment technology projects to ensure that such projects are being implemented at acceptable cost and within a reasonable schedule, and are contributing to tangible, observable improvements in mission performance.

(c) MANAGEMENT PLAN FOR IMPLEMENTATION OF FINANCIAL FEEDER SYSTEMS COMPLIANCE PROCESS.—The management plan developed under subsection (b)(2) shall include among its principal elements at least the following elements:

(1) A requirement to establish and maintain a complete inventory of all budgetary, accounting, finance, and feeder systems that support the transformed business processes of the Department and produce financial statements.

(2) A phased process for improving systems that provides for mapping financial data flow from sources to cognizant Department business functions (as part of the overall business process transformation strategy of the Department) and financial statements before other actions are initiated.

(3) Periodic submittal to the Secretary of Defense, the Deputy Secretary of Defense, the Senior Executive Council, or any combination thereof, of reports on the progress being made in achieving financial management transformation goals and milestone included in the annual financial management improvement plan in 2002 in accordance with subsection (e).

(4) Documentation of the completion of each phase—Awareness, Evaluation, Renovation, Validation, and Compliance—of improvements made to each accounting, finance, and feeder system.

(5) Independent audit by the Inspector General of the Department, the audit agencies of the military department, private sector firms contracted to conduct validation audits, or any combination thereof, at the validation phase for each accounting, finance, and feeder system.

(d) ANNUAL FINANCIAL MANAGEMENT IMPROVEMENT PLAN.—(1) Subsection (a) of section 2222 of title 10, United States Code, is amended to read as follows:

''(a) ANNUAL PLAN REQUIRED.—The Secretary of Defense shall submit to Congress an annual strategic plan for the improvement of financial management within the Department of Defense. The plan shall be submitted not later than September 30 each year.''.

(2)(A) The section heading of such section is amended to read as follows:

''§ 2222. Annual financial management improvement plan''.

(B) The table of sections at the beginning of chapter 131 of such title is amended by striking the item relating to section 2222 and inserting the following new item:

''2222. Annual financial management improvement plan.''.

(e) ADDITIONAL ELEMENTS FOR FINANCIAL MANAGEMENT IMPROVEMENT PLAN IN 2002.—In the annual financial management improvement plan submitted under section 2222 of title 10, United States Code (as amended by subsection (d)), in 2002, the Secretary shall include the following:

(1) Measurable annual performance goals for improvement of the financial management of the Department.

(2) Performance milestones for initiatives under the plan for transforming the financial management operations of the Department and for implementing a financial management architecture for the Department.

(3) An assessment of the anticipated annual cost of any plans for transforming the financial management operations of the Department and for implementing a financial management architecture for the Department.

(4) A discussion of the following:

(A) The roles and responsibilities of appropriate Department officials to ensure the supervision and monitoring of the compliance of each accounting, finance, and feeder system of the Department with the business practice transformation strategy of the Department, the financial management architecture of the Department, and applicable Federal financial management systems and reporting requirements.

(B) A summary of the actions taken by the Financial Management Modernization Executive Committee to ensure that such systems comply with the business practice transformation strategy of the Department, the financial management architecture of the Department, and applicable Federal financial management systems and reporting requirements.

(f) ADDITIONAL ELEMENTS FOR FINANCIAL MANAGEMENT IMPROVEMENT PLAN AFTER 2002.—In each annual financial management improvement plan submitted under section 2222 of title 10, United States Code (as amended by subsection (d)), after 2002, the Secretary shall include the following:

(1) A description of the actions to be taken in the fiscal year beginning in the year in which the plan is submitted to implement the goals and milestones included in the financial management improvement plan in 2002 under paragraphs (1) and (2) of subsection (e).

(2) An estimate of the amount expended in the fiscal year ending in the year in which the plan is submitted to implement the financial management improvement plan in such preceding calendar year, set forth by system.

(3) If an element of the financial management improvement plan submitted in the fiscal year ending in the year in which the plan is submitted was not implemented, a justification for the lack of implementation of such element.

SEC. 1008. COMBATING TERRORISM READINESS INITIATIVES FUND FOR COMBATANT COMMANDS.

(a) FUNDING FOR INITIATIVES.—Chapter 6 of title 10, United States Code, is amended by inserting after section 166a the following new section:

''§ 166b. Combatant commands: funding for combating terrorism readiness initiatives

''(a) COMBATING TERRORISM READINESS INITIATIVES FUND.—From funds made available in any fiscal year for the budget account in the Department of Defense known as the 'Combating Terrorism Readiness Initiatives Fund', the Chairman of the Joint Chiefs of Staff may provide funds to the commander of a combatant command, upon the request of the commander, or, with respect to a geographic area or areas not within the area of responsibility of a commander of a combatant command, to an officer designated by the Chairman of the Joint Chiefs of Staff for such purpose. The Chairman may provide such funds for initiating any activity named in subsection (b) and for maintaining and sustaining the activity for the fiscal year in which initiated and one additional fiscal year.

''(b) AUTHORIZED ACTIVITIES.—Activities for which funds may be provided under subsection (a) are the following:

''(1) Procurement and maintenance of physical security equipment.

''(2) Improvement of physical security sites.

''(3) Under extraordinary circumstances—

''(A) physical security management planning;

''(B) procurement and support of security forces and security technicians;

''(C) security reviews and investigations and vulnerability assessments; and

''(D) any other activity relating to physical security.

''(c) PRIORITY.—The Chairman of the Joint Chiefs of Staff, in considering requests for funds in the Combating Terrorism Readiness Initiatives Fund, should give priority consideration to emergency or emergent unforeseen high-priority requirements for combating terrorism.

''(d) RELATIONSHIP TO OTHER FUNDING.—Any amount provided by the Chairman of the Joint Chiefs of Staff for a fiscal year out of the Combating Terrorism Readiness Initiatives Fund for an activity referred to in subsection (b) shall be in addition to amounts otherwise available for that activity for that fiscal year.

''(e) LIMITATION.—Funds may not be provided under this section for any activity that has been denied authorization by Congress.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 166a the following new item:

''166b. Combatant commands: funding for combating terrorism readiness initiatives.''.

SEC. 1009. AUTHORIZATION OF ADDITIONAL FUNDS.

(a) Authorization.—$1,300,000,000 is hereby authorized, in addition to the funds authorized elsewhere in division A of this Act, for whichever of the following purposes the President determines to be in the national security interests of the United States—

(1) research, development, test and evaluation for ballistic missile defense; and

(2) activities for combating terrorism.

SEC. 1010. AUTHORIZATION OF 2001 EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT FOR RECOVERY FROM AND RESPONSE TO TERRORIST ATTACKS ON THE UNITED STATES.

(a) AUTHORIZATION.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 2001 in the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398) are hereby adjusted by the amounts of appropriations made available to the Department of Defense pursuant to the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States.

(b) QUARTERLY REPORT.—(1) Promptly after the end of each quarter of a fiscal year, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the use of funds made available to the Department of Defense pursuant to the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States.

(2) The first report under paragraph (1) shall be submitted not later than January 2, 2002.

(c) PROPOSED ALLOCATION AND PLAN.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives, not later than 15 days after the date on which the Director of the Office of Management and Budget submits to the Committees on Appropriations of the Senate and House of Representatives the proposed allocation and plan required by the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States, a proposed allocation and

plan for the use of the funds made available to the Department of Defense pursuant to that Act.

Subtitle B—Strategic Forces

SEC. 1011. REPEAL OF LIMITATION ON RETIREMENT OR DISMANTLEMENT OF STRATEGIC NUCLEAR DELIVERY SYSTEMS.

Section 1302 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1948) is repealed.

SEC. 1012. BOMBER FORCE STRUCTURE.

(a) LIMITATION.—None of the funds available to the Department of Defense for fiscal year 2002 may be obligated or expended for retiring or dismantling any of the 93 B–1B Lancer bombers in service as of June 1, 2001, or for transferring or reassigning any of those aircraft from the unit or facility to which assigned as of that date, until 30 days after the latest of the following:

(1) The date on which the President transmits to Congress the national security strategy report required in 2001 pursuant to section 108(a)(1) of the National Security Act of 1947 (50 U.S.C. 404a(a)(1)).

(2) The date on which the Secretary of Defense submits to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives the Quadrennial Defense Review (QDR) under section 118 of title 10, United States Code, that is required to be submitted under that section not later than September 30, 2001.

(3) The date on which the Secretary of Defense submits to the committees referred to in paragraph (2) a report that sets forth—

(A) the changes in national security considerations from those applicable to the air force bomber studies conducted during 1992, 1995, and 1999 that warrant changes in the current configuration of the bomber fleet;

(B) the role of manned bomber aircraft appropriate to meet the requirements of the national security strategy referred to in paragraph (1);

(C) the amount and type of bomber force structure in the United States Air Force appropriate to meet the requirements of the national security strategy referred to in paragraph (1);

(D) the results of a comparative analysis of the cost of basing, maintaining, operating, and upgrading the B–1B Lancer bomber fleet in the active force of the Air Force with the cost of basing, maintaining, operating, and upgrading the B–1B Lancer bomber fleet in a mix of active and reserve component forces of the Air Force; and

(E) the plans of the Department of Defense for assigning new missions to the National Guard units that currently fly B–1 aircraft and for the transition of those units and their facilities from the current B–1 mission to such new missions.

(4) The date on which the Secretary of Defense submits to Congress the report on the results of the Revised Nuclear Posture Review conducted under section 1042 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–262), as amended by section 1013 of this Act.

(b) GAO STUDY AND REPORT.—The Comptroller General of the United States shall conduct a study on the matters specified in subsection (a)(3). The Comptroller General shall submit to Congress a report containing the results of the study not later than January 31, 2002.

(c) AMOUNT AND TYPE OF BOMBER FORCE STRUCTURE DEFINED.—In this section, the term ''amount and type of bomber force structure'' means the required numbers of B–2 aircraft, B–52 aircraft, and B–1 aircraft consistent with the requirements of the national security strategy referred to in subsection (a)(1).

SEC. 1013. ADDITIONAL ELEMENT FOR REVISED NUCLEAR POSTURE REVIEW.

Section 1041(b) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 1654A–262) is amended by adding at the end the following new paragraph:

''(7) The possibility of deactivating or dealerting nuclear warheads or delivery systems immediately, or immediately after a decision to retire any specific warhead, class of warheads, or delivery system or systems.''.

Subtitle C—Reporting Requirements

SEC. 1021. INFORMATION AND RECOMMENDATIONS ON CONGRESSIONAL REPORTING REQUIREMENTS APPLICABLE TO THE DEPARTMENT OF DEFENSE.

(a) COMPILATION OF REPORTING REQUIREMENTS.—The Secretary of Defense shall compile a list of all provisions of law in effect on the date of the enactment of this Act that require or request the President, with respect to the national defense functions of the Federal Government, or any officer or employee of the Department of Defense, to submit a report, notification, or study to Congress or any committee of Congress. The preceding sentence does not apply to a provision of law that requires or requests only one report, notification, or study.

(b) SUBMITTAL OF COMPILATION.—(1) The Secretary shall submit the list compiled under subsection (a) to Congress not later than 60 days after the date of the enactment of this Act.

(2) In submitting the list, the Secretary shall specify for each provision of law compiled in the list—

(A) the date of the enactment of such provision of law and a current citation in law for such provision of law; and

(B) the Secretary's assessment of the continuing utility of any report, notification, or study arising under such provision of law, both for the executive branch and for Congress.

(3) The Secretary may also include with the list any recommendations that the Secretary considers appropriate for the consolidation of reports, notifications, and studies under the provisions of law described in subsection (a), together with a proposal for legislation to implement such recommendations.

SEC. 1022. REPORT ON COMBATING TERRORISM.

(a) REQUIREMENT FOR REPORT.—The Secretary of Defense shall submit to Congress a report on the Department of Defense policies, plans, and procedures for combating terrorism.

(b) CONTENT.—(1) The Secretary shall identify and explain in the report the Department of Defense structure, strategy, roles, relationships, and responsibilities for combating terrorism.

(2) The report shall also include a discussion of the following matters:

(A) The policies, plans, and procedures relating to how the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict and the Joint Task Force–Civil Support of the Joint Forces Command are to perform, and coordinate the performance of, their functions for combating terrorism with—

(i) the various teams in the Department of Defense that have responsibilities to respond to acts or threats of terrorism, including—

(I) the weapons of mass destruction civil support teams when operating as the National Guard under the command of the Governor of a State, the Governor of Puerto Rico, or the Commanding General of the District of Columbia National Guard, as the case may be; and

(II) the weapons of mass destruction civil support teams when operating as the Army National Guard of the United States or the Air National Guard of the United States under the command of the President;

(ii) the Army's Director of Military Support;

(iii) the various teams in other departments and agencies of the Federal Government that have responsibilities to respond to acts or threats of terrorism;

(iv) the organizations outside the Federal Government, including any private sector entities, that are to function as first responders to acts or threats of terrorism; and

(v) the units and organizations of the reserve components of the Armed Forces that have missions relating to combating terrorism.

(B) Any preparedness plans to combat terrorism that are developed for installations of the Department of Defense by the commanders of the installations and the integration of those plans with the plans of the teams and other organizations described in subparagraph (A).

(C) The policies, plans, and procedures for using and coordinating the Joint Staff's integrated vulnerability assessment teams inside the United States and outside the United States.

(D) The missions of Fort Leonard Wood and other installations for training units, weapons of mass destruction civil support teams and other teams, and individuals in combating terrorism.

(3) The report shall also include the Secretary's views on the appropriate number and missions of the Department of Defense teams referred to in paragraph (2)(A)(i).

(c) TIME FOR SUBMITTAL.—The Secretary shall submit the report under this section not later than 180 days after the date of the enactment of this Act.

SEC. 1023. REVISED REQUIREMENT FOR CHAIRMAN OF THE JOINT CHIEFS OF STAFF TO ADVISE SECRETARY OF DEFENSE ON THE ASSIGNMENT OF ROLES AND MISSIONS TO THE ARMED FORCES.

(a) ASSESSMENT DURING DEFENSE QUADRENNIAL REVIEW.—Subsection 118(e) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' after ''(e) CJCS REVIEW.—''; and

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

''(2) The Chairman shall include in the assessment submitted under paragraph (1), the Chairman's assessment of the assignment of functions (or roles and missions) to the armed forces together with any recommendations for changes in assignment that the Chairman considers necessary to achieve the maximum efficiency of the armed forces. In making the assessment, the Chairman should consider (among other matters) the following:

''(A) Unnecessary duplication of effort among the armed forces.

''(B) Changes in technology that can be applied effectively to warfare.''.

(b) REPEAL OF REQUIREMENT FOR TRIENNIAL REPORT ON ASSIGNMENT OF ROLES AND MISSIONS.—Section 153 of such title is amended by striking subsection (b).

(c) CONFORMING AMENDMENT.—Subsection (a) of such section 153 is amended by striking ''(a) PLANNING; ADVICE; POLICY FORMULATION.—''.

SEC. 1024. REVISION OF DEADLINE FOR ANNUAL REPORT ON COMMERCIAL AND INDUSTRIAL ACTIVITIES.

Section 2461(g) of title 10, United States Code, is amended by striking ''February 1'' and inserting ''June 30''.

SEC. 1025. PRODUCTION AND ACQUISITION OF VACCINES FOR DEFENSE AGAINST BIOLOGICAL WARFARE AGENTS.

(a) GOVERNMENT FACILITY.—(1) Subject to the availability of funds appropriated and authorized to be appropriated for such purposes, the Secretary of Defense may—

(A) design, construct, and operate on an installation of the Department of Defense a facility for the production of vaccines described in subsection (b)(1);

(B) qualify and validate the facility for the production of vaccines in accordance with the requirements of the Food and Drug Administration; and

(C) contract with a private sector source for the production of vaccines in that facility.

(2) The Secretary shall use competitive procedures under chapter 137 of title 10, United States Code, to enter into contracts to carry out subparagraphs (A) and (C) of paragraph (1).

(b) PLAN.—(1) The Secretary of Defense shall develop a long-range plan to provide for the production and acquisition of vaccines to meet the requirements of the Department of Defense to prevent or mitigate the physiological effects of exposure to biological warfare agents.

(2) The plan shall include the following:

(A) An evaluation of the need for one or more vaccine production facilities that are specifically dedicated to meeting the requirements of the Department of Defense and other national interests.

(B) An evaluation of the alternative options for the means of production of the vaccines, including—

(i) use of public facilities, private facilities, or a combination of public and private facilities; and

(ii) management and operation of the facilities by the Federal Government, one or more private persons, or a combination of the Federal Government and one or more private persons.

(C) The means for producing the vaccines that the Secretary determines most appropriate.

(3) The Secretary shall ensure that the plan is consistent with the requirement for safe and effective vaccines approved by the Food and Drug Administration.

(4) In preparing the plan, the Secretary shall—

(A) consider and, as the Secretary determines appropriate, include the information compiled and the analyses developed in meeting the reporting requirements set forth in sections 217 and 218 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–36 and 1654A–37); and

(B) consult with the heads of other appropriate departments and agencies of the Federal Government.

(c) REPORT.—Not later than February 1, 2002, the Secretary of Defense shall submit to the congressional defense committees a report on the plan for the production of vaccines required by subsection (b). The report shall include, at a minimum, the plan and the following matters:

(1) A description of the policies and requirements of the Department of Defense regarding acquisition and use of the vaccines.

(2) The estimated schedule for the acquisition of the vaccines in accordance with the plan.

(3) A discussion of the options considered for production of the vaccines under subsection (b)(2)(B).

(4) The Secretary's recommendations for the most appropriate course of action to meet the requirements described in subsection (b)(1), together with the justification for the recommendations and the long-term cost of implementing the recommendations.

SEC. 1026. EXTENSION OF TIMES FOR COMMISSION ON THE FUTURE OF THE UNITED STATES AEROSPACE INDUSTRY TO REPORT AND TO TERMINATE.

(a) SUBMITTAL OF REPORT.—Subsection (d) of section 1092 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–302) is amended by striking ''Not later than March 1, 2002,'' and inserting ''Not later than one year after the date of its first meeting,''.

(b) TERMINATION.—Subsection (g) of such section is amended by striking ''30 days'' and inserting ''60 days''.

SEC. 1027. COMPTROLLER GENERAL STUDY AND REPORT ON INTERCONNECTIVITY OF NATIONAL GUARD DISTRIBUTIVE TRAINING TECHNOLOGY PROJECT NETWORKS AND RELATED PUBLIC AND PRIVATE NETWORKS.

(a) STUDY REQUIRED.—The Comptroller General of the United States shall conduct a study of the interconnectivity between the voice, data, and video networks of the National Guard Distributive Training Technology Project (DTTP) and other Department of Defense, Federal, State, and private voice, data, and video networks, including the networks of the distance learning project of the Army known as Classroom XXI, networks of public and private institutions of higher education, and networks of the Federal Emergency Management Agency and other Federal, State, and local emergency preparedness and response agencies.

(b) PURPOSES.—The purposes of the study under subsection (a) are as follows:

(1) To identify existing capabilities, and future requirements, for transmission of voice, data, and video for purposes of operational support of disaster response, homeland defense, command and control of premobilization forces, training of military personnel, training of first responders, and shared use of the networks of the Distributive Training Technology Project by government and members of the networks.

(2) To identify appropriate connections between the networks of the Distributive Training Technology Project and networks of the Federal Emergency Management Agency, State emergency management agencies, and other Federal and State agencies having disaster response functions.

(3) To identify requirements for connectivity between the networks of the Distributive Training Technology Project and other Department of Defense, Federal, State, and private networks referred to in subsection (a) in the event of a significant disruption of providers of public services.

(4) To identify means of protecting the networks of the Distributive Training Technology Project from outside intrusion, including an assessment of the manner in which so protecting the networks facilitates the mission of the National Guard and homeland defense.

(5) To identify impediments to interconnectivity between the networks of the Distributive Training Technology Project and such other networks.

(6) To identify means of improving interconnectivity between the networks of the Distributive Training Technology Project and such other networks.

(c) PARTICULAR MATTERS.—In conducting the study, the Comptroller General shall consider, in particular, the following:

(1) Whether, and to what extent, national security concerns impede interconnectivity between the networks of the Distributive Training Technology Project and other Department of Defense, Federal, State, and private networks referred to in subsection (a).

(2) Whether, and to what extent, limitations on the technological capabilities of the Department of Defense impede interconnectivity between the networks of the Distributive Training Technology Project and such other networks.

(3) Whether, and to what extent, other concerns or limitations impede interconnectivity between the networks of the Distributive Training Technology Project and such other networks.

(4) Whether, and to what extent, any national security, technological, or other concerns justify limitations on interconnectivity between the networks of the Distributive Training Technology Project and such other networks.

(5) Potential improvements in National Guard or other Department technologies in order to improve interconnectivity between the networks of the Distributive Training Technology Project and such other networks.

(d) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the study conducted under subsection (a). The report shall describe the results of the study, and include any recommendations that the Comptroller General considers appropriate in light of the study.

Subtitle D—Armed Forces Retirement Home

SEC. 1041. AMENDMENT OF ARMED FORCES RETIREMENT HOME ACT OF 1991.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Armed Forces Retirement Home Act of 1991 (title XV of Public Law 101–510; 24 U.S.C. 401 et seq.).

SEC. 1042. DEFINITIONS.

Section 1502 (24 U.S.C. 401) is amended—

(1) by striking paragraphs (1), (2), (3), (4), and (5), and inserting the following:

''(1) The term 'Retirement Home' includes the institutions established under section 1511, as follows:

''(A) The Armed Forces Retirement Home—Washington.

''(B) The Armed Forces Retirement Home—Gulfport.

''(2) The term 'Local Board' means a Local Board of Trustees established under section 1516.

''(3) The terms 'Armed Forces Retirement Home Trust Fund' and 'Fund' mean the Armed Forces Retirement Home Trust Fund established under section 1519(a).'';

(2) by redesignating paragraphs (6), (7), and (8) as paragraphs (4), (5), and (6); and

(3) in paragraph (5), as so redesignated—

(A) in subparagraph (C), by striking '', Manpower and Personnel'' and inserting ''for Personnel''; and

(B) in subparagraph (D), by striking ''with responsibility for personnel matters'' and inserting ''for Manpower and Reserve Affairs''.

SEC. 1043. REVISION OF AUTHORITY ESTABLISHING THE ARMED FORCES RETIREMENT HOME.

Section 1511 (24 U.S.C. 411) is amended to read as follows:

''SEC. 1511. ESTABLISHMENT OF THE ARMED FORCES RETIREMENT HOME.

''(a) INDEPENDENT ESTABLISHMENT.—The Armed Forces Retirement Home is an independent establishment in the executive branch.

''(b) PURPOSE.—The purpose of the Retirement Home is to provide, through the Armed Forces Retirement Home—Washington and

the Armed Forces Retirement Home—Gulfport, residences and related services for certain retired and former members of the Armed Forces.

''(c) FACILITIES.—(1) Each facility of the Retirement Home referred to in paragraph (2) is a separate establishment of the Retirement Home.

''(2) The United States Soldiers' and Airmen's Home is hereby redesignated as the Armed Forces Retirement Home—Washington. The Naval Home is hereby redesignated as the Armed Forces Retirement Home—Gulfport.

''(d) OPERATION.—(1) The Chief Operating Officer of the Armed Forces Retirement Home is the head of the Retirement Home. The Chief Operating Officer is subject to the authority, direction, and control of the Secretary of Defense.

''(2) Each facility of the Retirement Home shall be maintained as a separate establishment of the Retirement Home for administrative purposes and shall be under the authority, direction, and control of the Director of that facility. The Director of each facility of the Retirement Home is subject to the authority, direction, and control of the Chief Operating Officer.

''(e) PROPERTY AND FACILITIES.—(1) The Retirement Home shall include such property and facilities as may be acquired under paragraph (2) or accepted under section 1515(f) for inclusion in the Retirement Home.

''(2) The Secretary of Defense may acquire, for the benefit of the Retirement Home, property and facilities for inclusion in the Retirement Home.

''(3) The Secretary of Defense may dispose of any property of the Retirement Home, by sale, lease, or otherwise, that the Secretary determines is excess to the needs of the Retirement Home. The proceeds from such a disposal of property shall be deposited in the Armed Forces Retirement Home Trust Fund. No such disposal of real property shall be effective earlier than 120 days after the date on which the Secretary transmits a notification of the proposed disposal to the Committees on Armed Services of the Senate and the House of Representatives.

''(f) DEPARTMENT OF DEFENSE SUPPORT.—The Secretary of Defense may make available from the Department of Defense to the Retirement Home, on a nonreimbursable basis, administrative support and office services, legal and policy planning assistance, access to investigative facilities of the Inspector General of the Department of Defense and of the military departments, and any other support necessary to enable the Retirement Home to carry out its functions under this title.

''(g) ACCREDITATION.—The Chief Operating Officer shall endeavor to secure for each facility of the Retirement Home accreditation by a nationally recognized civilian accrediting organization, such as the Continuing Care Accreditation Commission and the Joint Commission for Accreditation of Health Organizations.

''(h) ANNUAL REPORT.—The Secretary of Defense shall transmit to Congress an annual report on the financial and other affairs of the Retirement Home for each fiscal year.''.

SEC. 1044. CHIEF OPERATING OFFICER.

(a) ESTABLISHMENT AND AUTHORITY OF POSITION.—Section 1515 (24 U.S.C. 415) is amended to read as follows:

''SEC. 1515. CHIEF OPERATING OFFICER.

''(a) APPOINTMENT.—(1) The Secretary of Defense shall appoint the Chief Operating Officer of the Retirement Home. The Secretary of Defense may make the appointment without regard to the provisions of title 5, United States Code, governing appointments in the civil service.

''(2) The Chief Operating Officer shall serve at the pleasure of the Secretary of Defense.

''(3) The Secretary of Defense shall evaluate the performance of the Chief Operating Officer at least once each year.

''(b) QUALIFICATIONS.—To qualify for appointment as the Chief Operating Officer, a person shall—

''(1) be a continuing care retirement community professional;

''(2) have appropriate leadership and management skills; and

''(3) have experience and expertise in the operation and management of retirement homes and in the provision of long-term medical care for older persons.

''(c) RESPONSIBILITIES.—(1) The Chief Operating Officer shall be responsible to the Secretary of Defense for the overall direction, operation, and management of the Retirement Home and shall report to the Secretary on those matters.

''(2) The Chief Operating Officer shall supervise the operation and administration of the Armed Forces Retirement Home—Washington and the Armed Forces Retirement Home—Gulfport, including the Local Boards of those facilities.

''(3) The Chief Operating Officer shall perform the following duties:

''(A) Issue, and ensure compliance with, appropriate rules for the operation of the Retirement Home.

''(B) Periodically visit, and inspect the operation of, the facilities of the Retirement Home.

''(C) Periodically examine and audit the accounts of the Retirement Home.

''(D) Establish any advisory body or bodies that the Chief Operating Officer considers to be necessary.

''(d) COMPENSATION.—(1) The Secretary of Defense may prescribe the pay of the Chief Operating Officer without regard to the provisions of title 5, United States Code, governing classification and pay, except that the basic pay, including locality pay, of the Chief Operating Officer may not exceed the limitations established in section 5307 of such title.

''(2) In addition to basic pay and any locality pay prescribed for the Chief Operating Officer, the Secretary may award the Chief Operating Officer, not more than once each year, a bonus based on the performance of the Chief Operating Officer for the year. The Secretary shall prescribe the amount of any such bonus.

''(e) ADMINISTRATIVE STAFF.—(1) The Chief Operating Officer may, subject to the approval of the Secretary of Defense, appoint a staff to assist in the performance of the Chief Operating Officer's duties in the overall administration of the Retirement Home.

''(2) The Chief Operating Officer shall prescribe the rates of pay applicable to the members of the staff appointed under paragraph (1), without regard to the provisions of title 5, United States Code, regarding classification and pay, except that—

''(A) a staff member who is a member of the Armed Forces on active duty or who is a full-time officer or employee of the United States may not receive additional pay by reason of service on the administrative staff; and

''(B) the limitations in section 5373 of title 5, United States Code, relating to pay set by administrative action, shall apply to the rates of pay prescribed under this paragraph.

''(f) ACCEPTANCE OF GIFTS.—(1) The Chief Operating Officer may accept gifts of money, property, and facilities on behalf of the Retirement Home.

''(2) Monies received as gifts, or realized from the disposition of property and facilities received as gifts, shall be deposited in the Armed Forces Retirement Home Trust Fund.''.

(b) TRANSFER OF AUTHORITIES.—(1) The following provisions are amended by striking ''Retirement Home Board'' each place it appears and inserting ''Chief Operating Officer'':

(A) Section 1512 (24 U.S.C. 412), relating to eligibility and acceptance for residence in the Armed Forces Retirement Home.

(B) Section 1513(a) (24 U.S.C. 412(a)), relating to services provided to residents of the Armed Forces Retirement Home.

(C) Section 1518(c) (24 U.S.C. 418(c)), relating to inspection of the Armed Forces Retirement Home.

(2) Section 1519(c) (24 U.S.C. 419(c)), relating to authority to invest funds in the Armed Forces Retirement Home Trust Fund, is amended by striking ''Director'' and inserting ''Chief Operating Officer''.

(3) Section 1521(a) (24 U.S.C. 421(a)), relating to payment of residents for services, is amended by striking ''Chairman of the Armed Forces Retirement Board'' and inserting ''Chief Operating Officer''.

(4) Section 1522 (24 U.S.C. 422), relating to authority to accept certain uncompensated services, is amended—

(A) in subsection (a)—

(i) by striking ''Chairman of the Retirement Home Board or the Director of each establishment'' and inserting ''Chief Operating Officer or the Director of a facility''; and

(ii) by striking ''unless'' and all that follows through ''Retirement Home Board'';

(B) in subsection (b)(1)—

(i) by striking ''Chairman of the Retirement Home Board or the Director of the establishment'' and inserting ''Chief Operating Officer or the Director of a facility''; and

(ii) by inserting ''offering the services'' after ''notify the person'';

(C) in subsection (b)(2), by striking ''Chairman'' and inserting ''Chief Operating Officer'';

(D) in subsection (c), by striking ''Chairman of the Retirement Home Board or the Director of an establishment'' and inserting ''Chief Operating Officer or the Director of a facility''; and

(E) in subsection (e)—

(i) by striking ''Chairman of the Retirement Board or the Director of the establishment'' in the first sentence and inserting ''Chief Operating Officer or the Director of a facility''; and

(ii) by striking ''Chairman'' in the second sentence and inserting ''Chief Operating Officer''.

(5) Section 1523(b) (24 U.S.C. 423(b)), relating to preservation of historic buildings and grounds at the Armed Forces Retirement Home—Washington, is amended by striking ''Chairman of the Retirement Home Board'' and inserting ''Chief Operating Officer''.

SEC. 1045. RESIDENTS OF RETIREMENT HOME.

(a) REPEAL OF REQUIREMENT OF RESIDENT TO REAPPLY AFTER SUBSTANTIAL ABSENCE.—Subsection (e) of section 1512 (24 U.S.C. 412) is repealed.

(b) FEES PAID BY RESIDENTS.—Section 1514 (24 U.S.C. 414) is amended to read as follows:

''SEC. 1514. FEES PAID BY RESIDENTS.

''(a) MONTHLY FEES.—The Director of each facility of the Retirement Home shall collect a monthly fee from each resident of that facility.

''(b) DEPOSIT OF FEES.—The Directors shall deposit fees collected under subsection (a) in the Armed Forces Retirement Home Trust Fund.

''(c) FIXING FEES.—(1) The Chief Operating Officer, with the approval of the Secretary of Defense, shall from time to time prescribe the fees required by subsection (a). Changes to such fees shall be based on the financial needs of the Retirement Home and the ability of the residents to pay. A change of a fee

may not take effect until 120 days after the Secretary of Defense transmits a notification of the change to the Committees on Armed Services of the Senate and the House of Representatives.

''(2) The fee shall be fixed as a percentage of the monthly income and monthly payments (including Federal payments) received by a resident. The fee shall be subject to a limitation on maximum monthly amount. The percentage shall be the same for each facility of the Retirement Home. The Secretary of Defense may make any adjustment in a percentage or limitation on maximum amount that the Secretary determines appropriate.

''(d) TRANSITIONAL FEE STRUCTURES.—(1) Until different fees are prescribed and take effect under subsection (c), the percentages and limitations on maximum monthly amount that are applicable to fees charged residents of the Retirement Home are (subject to any adjustment that the Secretary of Defense determines appropriate) as follows:

''(A) For months beginning before January 1, 2002—

''(i) for a permanent health care resident, 65 percent (without limitation on maximum monthly amount); and

''(ii) for a resident who is not a permanent health care resident, 40 percent (without limitation on maximum monthly amount).

''(B) For months beginning after December 31, 2001—

''(i) for an independent living resident, 35 percent, but not to exceed $1,000 each month;

''(ii) for an assisted living resident, 40 percent, but not to exceed $1,500 each month; and

''(iii) for a long-term care resident, 65 percent, but not to exceed $2,500 each month.

''(2) Notwithstanding the limitations on maximum monthly amount prescribed under subsection (c) or set forth in paragraph (1)(B), until an independent living resident or assisted living resident of the Armed Forces Retirement Home—Gulfport occupies a renovated room at that facility, as determined by the Secretary of Defense, the limitation on maximum monthly amount applicable to the resident for months beginning after December 31, 2001, shall be—

''(A) in the case of an independent living resident, $800; and

''(B) in the case of an assisted living resident, $1,300.

SEC. 1046. LOCAL BOARDS OF TRUSTEES.

Section 1516 (24 U.S.C. 416) is amended to read as follows:

''SEC. 1516. LOCAL BOARDS OF TRUSTEES.

''(a) ESTABLISHMENT.—Each facility of the Retirement Home shall have a Local Board of Trustees.

''(b) DUTIES.—The Local Board for a facility shall serve in an advisory capacity to the Director of the facility and to the Chief Operating Officer.

''(c) COMPOSITION.—(1) The Local Board for a facility shall consist of at least 11 members who (except as otherwise specifically provided) shall be appointed by the Secretary of Defense in consultation with each of the Secretaries of the military departments concerned. At least one member of the Local Board shall have a perspective that is oriented toward the Retirement Home overall. The Local Board for a facility shall consist of the following members:

''(A) One member who is a civilian expert in nursing home or retirement home administration and financing from the geographical area of the facility.

''(B) One member who is a civilian expert in gerontology from the geographical area of the facility.

''(C) One member who is a service expert in financial management.

''(D) One representative of the Department of Veterans Affairs regional office nearest in proximity to the facility, who shall be designated by the Secretary of Veterans Affairs.

''(E) One representative of the resident advisory committee or council of the facility, who shall be a nonvoting member.

''(F) One enlisted representative of the Services' Retiree Advisory Council.

''(G) The senior noncommissioned officer of one of the Armed Forces.

''(H) One senior representative of the military hospital nearest in proximity to the facility.

''(I) One senior judge advocate from one of the Armed Forces.

''(J) The Director of the facility, who shall be a nonvoting member.

''(K) One senior representative of one of the chief personnel officers of the Armed Forces.

''(L) Other members designated by the Secretary of Defense (if the Local Board is to have more than 11 members).

''(2) The Secretary of Defense shall designate one member of a Local Board to serve as the chairman of the Local Board at the pleasure of the Secretary of Defense.

''(d) TERMS.—(1) Except as provided in subsections (e), (f), and (g), the term of office of a member of a Local Board shall be five years.

''(2) Unless earlier terminated by the Secretary of Defense, a person may continue to serve as a member of the Local Board after the expiration of the member's term until a successor is appointed or designated, as the case may be.

''(e) EARLY EXPIRATION OF TERM.—A member of a Local Board who is a member of the Armed Forces or an employee of the United States serves as a member of the Local Board only for as long as the member is assigned to or serving in a position for which the duties include the duty to serve as a member of the Local Board.

''(f) VACANCIES.—(1) A vacancy in the membership of a Local Board shall be filled in the manner in which the original appointment or designation was made, as the case may be.

''(2) A member appointed or designated to fill a vacancy occurring before the end of the term of the predecessor of the member shall be appointed or designated, as the case may be, for the remainder of the term for which the predecessor was appointed.

''(3) A vacancy in a Local Board shall not affect its authority to perform its duties.

''(g) EARLY TERMINATION.—The Secretary of Defense may terminate the appointment of a member of a Local Board before the expiration of the member's term for any reason that the Secretary determines appropriate.

''(h) COMPENSATION.—(1) Except as provided in paragraph (2), a member of a Local Board shall—

''(A) be provided a stipend consistent with the daily government consultant fee for each day on which the member is engaged in the performance of services for the Local Board; and

''(B) while away from home or regular place of business in the performance of services for the Local Board, be allowed travel expenses (including per diem in lieu of subsistence) in the same manner as a person employed intermittently in Government under sections 5701 through 5707 of title 5, United States Code.

''(2) A member of a Local Board who is a member of the Armed Forces on active duty or a full-time officer or employee of the United States shall receive no additional pay by reason of serving a member of a Local Board.''.

SEC. 1047. DIRECTORS, DEPUTY DIRECTORS, AND STAFF OF FACILITIES.

Section 1517 (24 U.S.C. 417) is amended to read as follows:

''SEC. 1517. DIRECTORS, DEPUTY DIRECTORS, AND STAFF OF FACILITIES.

''(a) APPOINTMENT.—The Secretary of Defense shall appoint a Director and a Deputy Director for each facility of the Retirement Home.

''(b) DIRECTOR.—The Director of a facility shall—

''(1) be a member of the Armed Forces serving on active duty in a grade above lieutenant colonel or commander;

''(2) have appropriate leadership and management skills; and

''(3) be required to pursue a course of study to receive certification as a retirement facilities director by an appropriate civilian certifying organization, if the Director is not so certified at the time of appointment.

''(c) DUTIES OF DIRECTOR.—(1) The Director of a facility shall be responsible for the day-to-day operation of the facility, including the acceptance of applicants to be residents of that facility.

''(2) The Director of a facility shall keep accurate and complete records of the facility.

''(d) DEPUTY DIRECTOR.—(1) The Deputy Director of a facility shall—

''(A) be a civilian with experience as a continuing care retirement community professional or a member of the Armed Forces serving on active duty in a grade above major or lieutenant commander; and

''(B) have appropriate leadership and management skills.

''(2) The Deputy Director of a facility shall—

''(A) be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service; and

''(B) serve at the pleasure of the Secretary of Defense, without regard to the provisions of title 5, United States Code.

''(e) DUTIES OF DEPUTY DIRECTOR.—The Deputy Director of a facility shall, under the authority, direction, and control of the Director of the facility, perform such duties as the Director may assign.

''(f) STAFF.—(1) The Director of a facility may, subject to the approval of the Chief Operating Officer, appoint and prescribe the pay of such principal staff as the Director considers appropriate to assist the Director in operating the facility.

''(2) The principal staff of a facility shall include persons with experience and expertise in the operation and management of retirement homes and in the provision of long-term medical care for older persons.

''(3) The Director of a facility may exercise the authority under paragraph (1) without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, classification, and pay, except that the limitations in section 5373 of such title (relating to pay set by administrative action) shall apply to the rates of pay prescribed under this paragraph.

''(g) ANNUAL EVALUATION OF DIRECTORS.—(1) The Chief Operating Officer shall evaluate the performance of each of the Directors of the facilities of the Retirement Home each year.

''(2) The Chief Operating Officer shall submit to the Secretary of Defense any recommendations regarding a Director that the Chief Operating Officer determines appropriate taking into consideration the annual evaluation.''.

SEC. 1048. DISPOSITION OF EFFECTS OF DECEASED PERSONS AND UNCLAIMED PROPERTY.

(a) LEGAL REPRESENTATION FOR RETIREMENT HOME.—Subsection (b)(2)(A) of section 1520 (24 U.S.C. 420) is amended by inserting ''who is a full-time officer or employee of the United States or a member of the Armed

Forces on active duty'' after ''may designate an attorney''.

(b) CORRECTION OF REFERENCE.—Subsection (b)(1)(B) of such section is amended by inserting ''Armed Forces'' before ''Retirement Home Trust Fund''.

SEC. 1049. TRANSITIONAL PROVISIONS.

Part B is amended by striking sections 1531, 1532, and 1533 and inserting the following:

''SEC. 1531. TEMPORARY CONTINUATION OF ARMED FORCES RETIREMENT HOME BOARD.

''Until the Secretary of Defense appoints the first Chief Operating Officer after the enactment of the National Defense Authorization Act for Fiscal Year 2002, the Armed Forces Retirement Home Board, as constituted on the day before the date of the enactment of that Act, shall continue to serve and shall perform the duties of the Chief Operating Officer.

''SEC. 1532. TEMPORARY CONTINUATION OF DIRECTOR OF THE ARMED FORCES RETIREMENT HOME—WASHINGTON.

''The person serving as the Director of the Armed Forces Retirement Home—Washington on the day before the enactment of the National Defense Authorization Act for Fiscal Year 2002 may continue to serve as the Director of that facility until April 2, 2002.

''SEC. 1533. TEMPORARY CONTINUATION OF INCUMBENT DEPUTY DIRECTORS.

''A person serving as the Deputy Director of a facility of the Retirement Home on the day before the enactment of the National Defense Authorization Act for Fiscal Year 2002 may continue to serve, at the pleasure of the Secretary of Defense, as the Deputy Director until the date on which a Deputy Director is appointed for that facility under section 1517, except that the service in that position may not continue under this section after December 31, 2004.''.

SEC. 1050. CONFORMING AND CLERICAL AMENDMENTS AND REPEALS OF OBSOLETE PROVISIONS.

(a) CONFORMING AMENDMENTS.—(1) Section 1513(b) (24 U.S.C. 413(b)), relating to services provided to residents of the Armed Forces Retirement Home, is amended by striking ''maintained as a separate establishment'' in the second sentence.

(2) The heading for section 1519 (24 U.S.C. 419) is amended to read as follows:

''SEC. 1519. ARMED FORCES RETIREMENT HOME TRUST FUND.''.

(3) Section 1520 (24 U.S.C. 420), relating to disposition of effects of deceased persons and unclaimed property, is amended—

(A) in subsection (a), by striking ''each facility that is maintained as a separate establishment'' and inserting ''a facility'';

(B) in subsection (b)(2)(A), by striking ''maintained as a separate establishment''; and

(C) in subsection (e), by striking ''Directors'' and inserting ''Director of the facility''.

(4)(A) Section 1523 (24 U.S.C. 423), relating to preservation of historic buildings and grounds at the Armed Forces Retirement Home—Washington, is amended by striking ''United States Soldiers' and Airmen's Home'' each place it appears and inserting ''Armed Forces Retirement Home—Washington''.

(B) The heading for such section is amended to read as follows:

''SEC. 1523. PRESERVATION OF HISTORIC BUILDINGS AND GROUNDS AT THE ARMED FORCES RETIREMENT HOME—WASHINGTON.''.

(5) Section 1524 (24 U.S.C. 424), relating to conditional supervisory control of the Retirement Home Board, is repealed.

(b) REPEAL OF OBSOLETE PROVISIONS.—The following provisions are repealed:

(1) Section 1512(f) (24 U.S.C. 412(f)), relating to the applicability of certain eligibility requirements.

(2) Section 1519(d) (24 U.S.C. 419(d)), relating to transitional accounts in the Armed Forces Retirement Home Trust Fund.

(3) Part C, relating to effective date and authorization of appropriations.

(c) ADDITION OF TABLE OF CONTENTS.—Title XV of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1722) is amended by inserting after the heading for such title the following:

''Sec. 1501. Short title.
''Sec. 1502. Definitions.
''PART A—ESTABLISHMENT AND OPERATION OF RETIREMENT HOME
''Sec. 1511. Establishment of the Armed Forces Retirement Home.
''Sec. 1512. Residents of Retirement Home.
''Sec. 1513. Services provided residents.
''Sec. 1514. Fees paid by residents.
''Sec. 1515. Chief Operating Officer.
''Sec. 1516. Local Boards of Trustees.
''Sec. 1517. Directors, Deputy Directors, and staff of facilities.
''Sec. 1518. Inspection of Retirement Home.
''Sec. 1519. Armed Forces Retirement Home Trust Fund.
''Sec. 1520. Disposition of effects of deceased persons; unclaimed property.
''Sec. 1521. Payment of residents for services.
''Sec. 1522. Authority to accept certain uncompensated services.
''Sec. 1523. Preservation of historic buildings and grounds at the Armed Forces Retirement Home—Washington.
''PART B—TRANSITIONAL PROVISIONS
''Sec. 1531. Temporary Continuation of Armed Forces Retirement Home Board.
''Sec. 1532. Temporary Continuation of Director of the Armed Forces Retirement Home—Washington.
''Sec. 1533. Temporary Continuation of Incumbent Deputy Directors.''.

SEC. 1051. AMENDMENTS OF OTHER LAWS.

(a) EMPLOYEE PERFORMANCE APPRAISALS.—Section 4301(2) of title 5, United States Code, is amended—

(1) by striking ''or'' at the end of subparagraph (G);

(2) by striking ''and'' at the end of subparagraph (H) and inserting ''or''; and

(3) by inserting at the end the following new subparagraph:

''(I) the Chief Operating Officer and the Deputy Directors of the Armed Forces Retirement Home; and''.

(b) EXCLUSION OF CERTAIN OFFICERS FROM CERTAIN LIMITATIONS APPLICABLE TO GENERAL AND FLAG OFFICERS ON ACTIVE DUTY.—(1) Section 525 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(e) An officer while serving as a Director of the Armed Forces Retirement Home, if serving in the grade of major general or rear admiral, is in addition to the number that would otherwise be permitted for that officer's armed force for that grade under subsection (a).''.

(2)(A) Section 526 of such title is amended by adding at the end the following new subsection:

''(e) EXCLUSION OF DIRECTORS OF ARMED FORCES RETIREMENT HOME.—The limitations of this section do not apply to a general or flag officer while the officer is assigned as the Director of a facility of the Armed Forces Retirement Home.''.

(B) Subsection (d) of such section is amended by inserting ''RESERVE COMPONENT'' after ''EXCLUSION OF CERTAIN''.

(3) Section 688(e)(2) of such title is amended by adding at the end the following new subparagraph:

''(D) A general officer or flag officer assigned as the Director of a facility of the Armed Forces Retirement Home for the period of active duty to which ordered.''.

(4) Section 690 of title 10, United States Code, is amended—

(A) in subsection (a)—

(i) by striking the second sentence and inserting the following: ''The following officers are not counted for the purposes of this subsection:''; and

(ii) by adding at the end the following:

''(1) A retired officer ordered to active duty for a period of 60 days or less.

''(2) A general or flag officer who is assigned as the Director of a facility of the Armed Forces Retirement Home for the period of active duty to which ordered.''; and

(B) in subsection (b), by adding at the end of paragraph (2) the following new subparagraph:

''(E) A general officer or flag officer assigned as the Director of a facility of the Armed Forces Retirement Home for the period of active duty to which ordered.''.

Subtitle E—Other Matters

SEC. 1061. REQUIREMENT TO CONDUCT CERTAIN PREVIOUSLY AUTHORIZED EDUCATIONAL PROGRAMS FOR CHILDREN AND YOUTH.

(a) NATIONAL GUARD CHALLENGE PROGRAM.—Section 509(a) of title 32, United States Code, is amended by striking ''The Secretary of Defense may'' and inserting ''The Secretary of Defense shall''.

(b) STARBASE PROGRAM.—Section 2193b(a) of title 10, United States Code, is amended by striking ''The Secretary of Defense may'' and inserting ''The Secretary of Defense shall''.

SEC. 1062. AUTHORITY TO ENSURE DEMILITARIZATION OF SIGNIFICANT MILITARY EQUIPMENT FORMERLY OWNED BY THE DEPARTMENT OF DEFENSE.

(a) PROHIBITION.—It is unlawful for any person to possess significant military equipment formerly owned by the Department of Defense unless—

(1) the military equipment has been demilitarized in accordance with standards prescribed by the Secretary of Defense;

(2) the person is in possession of the military equipment for the purpose of demilitarizing the equipment pursuant to a Federal Government contract; or

(3) the person is specifically authorized by law or regulation to possess the military equipment.

(b) REFERRAL TO ATTORNEY GENERAL.—The Secretary of Defense shall notify the Attorney General of any potential violation of subsection (a) of which the Secretary becomes aware.

(c) AUTHORITY TO REQUIRE DEMILITARIZATION.—(1) The Attorney General may require any person who, in violation of subsection (a), is in possession of significant military equipment formerly owned by the Department of Defense—

(A) to demilitarize the equipment;

(B) to have the equipment demilitarized by a third party; or

(C) to return the equipment to the Federal Government for demilitarization.

(2) When the demilitarization of significant military equipment is carried out pursuant to subparagraph (A) or (B) of paragraph (1), an officer or employee of the United States designated by the Attorney General shall have the right to confirm, by inspection or other means authorized by the Attorney General, that the equipment has been demilitarized.

(3) If significant military equipment is not demilitarized or returned to the Federal

Government for demilitarization as required under paragraph (1) within a reasonable period after the Attorney General notifies the person in possession of the equipment of the requirement to do so, the Attorney General may request that a court of the United States issue a warrant authorizing the seizure of the military equipment in the same manner as is provided for a search warrant. If the court determines that there is probable cause to believe that the person is in possession of significant military equipment in violation of subsection (a), the court shall issue a warrant authorizing the seizure of such equipment.

(d) DEMILITARIZATION OF EQUIPMENT.—(1) The Attorney General shall transfer any military equipment returned to the Federal Government or seized pursuant to subsection (c) to the Department of Defense for demilitarization.

(2) If the person in possession of significant military equipment obtained the equipment in accordance with any other provision of law, the Secretary of Defense shall bear all costs of transportation and demilitarization of the equipment and shall either—

(A) return the equipment to the person upon completion of the demilitarization; or

(B) reimburse the person for the cost incurred by that person to acquire the equipment if the Secretary determines that the cost to demilitarize and return the property to the person would be prohibitive.

(e) ESTABLISHMENT OF DEMILITARIZATION STANDARDS.—(1) The Secretary of Defense shall prescribe regulations regarding the demilitarization of military equipment.

(2) The regulations shall be designed to ensure that—

(A) the equipment, after demilitarization, does not constitute a significant risk to public safety and does not have—

(i) a significant capability for use as a weapon; or

(ii) a uniquely military capability; and

(B) any person from whom private property is taken for public use under this section receives just compensation for the taking of the property.

(3) The regulations shall, at a minimum, define—

(A) the classes of significant military equipment requiring demilitarization before disposal; and

(B) what constitutes demilitarization for each class of significant military equipment.

(f) DEFINITION OF SIGNIFICANT MILITARY EQUIPMENT.—In this section, the term ''significant military equipment'' means equipment that has a capability described in clause (i) or (ii) of subsection (e)(2) and—

(1) is a defense article listed on the United States Munitions List maintained under section 38 of the Arms Export Control Act (22 U.S.C. 2778) that is designated on that list as significant military equipment; or

(2) is designated by the Secretary of Defense under the regulations prescribed under subsection (e) as being equipment that it is necessary in the interest of public safety to demilitarize before disposal by the United States.

SEC. 1063. CONVEYANCES OF EQUIPMENT AND RELATED MATERIALS LOANED TO STATE AND LOCAL GOVERNMENTS AS ASSISTANCE FOR EMERGENCY RESPONSE TO A USE OR THREATENED USE OF A WEAPON OF MASS DESTRUCTION.

Section 1412(e) of the Defense Against Weapons of Mass Destruction Act of 1996 (title XIV of Public Law 104–201; 110 Stat. 2718; 50 U.S.C. 2312(e)) is amended by adding at the end the following new paragraph:

''(5) A conveyance of ownership of United States property to a State or local government, without cost and without regard to subsection (f) and title II of the Federal Property and Administrative Services Act of 1949 (or any other provision of law relating to the disposal of property of the United States), if the property is equipment, or equipment and related materials, that is in the possession of the State or local government on the date of the enactment of the National Defense Authorization Act for Fiscal Year 2002 pursuant to a loan of the property as assistance under this section.''.

SEC. 1064. AUTHORITY TO PAY GRATUITY TO MEMBERS OF THE ARMED FORCES AND CIVILIAN EMPLOYEES OF THE UNITED STATES FOR SLAVE LABOR PERFORMED FOR JAPAN DURING WORLD WAR II.

(a) PAYMENT OF GRATUITY AUTHORIZED.—The Secretary of Veterans Affairs may pay a gratuity to a covered veteran or civilian internee, or to the surviving spouse of a covered veteran or civilian internee, in the amount of $20,000.

(b) COVERED VETERAN OR CIVILIAN INTERNEE DEFINED.—In this section, the term ''covered veteran or civilian internee'' means any individual who—

(1) was a member of the Armed Forces, a civilian employee of the United States, or an employee of a contractor of the United States during World War II;

(2) served in or with United States combat forces during World War II;

(3) was captured and held as a prisoner of war or prisoner by Japan in the course of such service; and

(4) was required by the Imperial Government of Japan, or one or more Japanese corporations, to perform slave labor during World War II.

(c) RELATIONSHIP TO OTHER PAYMENTS.—Any amount paid a person under this section for activity described in subsection (b) is in addition to any other amount paid such person for such activity under any other provision of law.

SEC. 1065. RETENTION OF TRAVEL PROMOTIONAL ITEMS.

(a) IN GENERAL.—To the extent provided in subsection (b), a Federal employee, member of the foreign service, member of a uniformed service, any family member or dependent of such an employee or member, or other individual traveling at Government expense who receives a promotional item (including frequent flyer miles, upgrades, or access to carrier clubs or facilities) as a result of using travel or transportation services procured by the United States or accepted under section 1353 of title 31, United States Code, may retain the promotional item for personal use if the promotional item is obtained under the same terms as those offered to the general public and at no additional cost to the Government.

(b) APPLICABILITY TO EXECUTIVE BRANCH ONLY.—Subsection (a)—

(1) applies only to travel that is at the expense of the executive branch; and

(2) does not apply to travel by any officer, employee, or other official of the Government outside the executive branch.

(c) CONFORMING AMENDMENT.—Section 6008 of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 5 U.S.C. 5702 note) is amended by adding at the end the following new subsection:

''(d) INAPPLICABILITY TO EXECUTIVE BRANCH.—The guidelines issued under subsection (a) and the requirement under subsection (b) shall not apply to any agency of the executive branch or to any Federal employee or other personnel in the executive branch.''.

(d) APPLICABILITY.—This section shall apply with respect to promotional items received before, on, or after the date of enactment of this Act.

SEC. 1066. RADIATION EXPOSURE COMPENSATION ACT MANDATORY APPROPRIATIONS.

Section 3(e) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended to read as follows:

''(e) APPROPRIATION.—

''(1) IN GENERAL.—Subject to the limits in paragraph (2), there are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year 2002, and each fiscal year thereafter through 2011, such sums as may be necessary to the Fund for the purpose of making payments to eligible beneficiaries under this Act.

''(2) LIMITATION.—Amounts appropriated pursuant to paragraph (1) may not exceed—

''(A) in fiscal year 2002, $172,000,000;

''(B) in fiscal year 2003, $143,000,000;

''(C) in fiscal year 2004, $107,000,000;

''(D) in fiscal year 2005, $65,000,000;

''(E) in fiscal year 2006, $47,000,000;

''(F) in fiscal year 2007, $29,000,000;

''(G) in fiscal year 2008, $29,000,000;

''(H) in fiscal year 2009, $23,000,000;

''(I) in fiscal year 2010, $23,000,000; and

''(J) in fiscal year 2011, $17,000,000.''.

SEC. 1067. LEASING OF NAVY SHIPS FOR UNIVERSITY NATIONAL OCEANOGRAPHIC LABORATORY SYSTEM.

Subsection (g) of section 2667 of title 10, United States Code (section 1061, National Defense Authorization Act, 1998, P.L. 105–85) is amended by adding a new paragraph at the end as follows:

''(3) The requirements of paragraph (1) shall not apply to renewals or extensions of a lease with a selected institution for operation of a ship within the University National Oceanographic Laboratory System, if—

''(A) use of the ship is restricted to federally supported research programs and non-Federal uses under specific conditions with approval by the Secretary of the Navy;

''(B) because of the anticipated value to the Navy of the oceanographic research and training that will result from the ship's operation, no monetary lease payments are required from the lessee under the initial lease or under any renewals or extensions; and

''(C) the lessee is required to maintain the ship in a good state of repair readiness, and efficient operating conditions, conform to all applicable regulatory requirements, and assume full responsibility for the safety of the ship, its crew, and scientific personnel aboard.''.

SEC. 1068. SMALL BUSINESS PROCUREMENT COMPETITION.

(a) DEFINITION OF COVERED CONTRACTS.—Section 15(e)(4) of the Small Business Act (15 U.S.C. 644(e)(4)) is amended—

(1) by inserting after ''bundled contract'' the following: '', the aggregate dollar value of which is anticipated to be less than $5,000,000, or any contract, whether or not the contract is a bundled contract, the aggregate dollar value of which is anticipated to be $5,000,000 or more'';

(2) by striking ''In the'' and inserting the following:

''(A) IN GENERAL.—In the''; and

(3) by adding at the end the following:

''(B) CONTRACTING GOALS.—

''(i) IN GENERAL.—A contract award under this paragraph to a team that is comprised entirely of small business concerns shall be counted toward the small business contracting goals of the contracting agency, as required by this Act.

''(ii) PREPONDERANCE TEST.—The ownership of the small business that conducts the preponderance of the work in a contract awarded to a team described in clause (i) shall determine the category or type of award for purposes of meeting the contracting goals of the contracting agency.''.

(b) PROPORTIONATE WORK REQUIREMENTS FOR BUNDLED CONTRACTS.—

(1) SECTION 8.—Section 8(a)(14)(A) of the Small Business Act (15 U.S.C. 637(a)(14)(A)) is amended—

(A) in clause (i), by striking ''and'' at the end;

(B) in clause (ii), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(iii) notwithstanding clauses (i) and (ii), in the case of a bundled contract—

''(I) the concern will perform work for at least 33 percent of the aggregate dollar value of the anticipated award;

''(II) no other concern will perform a greater proportion of the work on that contract; and

''(III) no other concern that is not a small business concern will perform work on the contract.''.

(2) QUALIFIED HUBZONE SMALL BUSINESS CONCERNS.—Section 3(p)(5)(A)(i)(III) of the Small Business Act (15 U.S.C. 632(p)(5)(A)(i)(III)) is amended—

(A) in item (bb), by striking ''and'' at the end;

(B) by redesignating item (cc) as item (dd); and

(C) by inserting after item (bb) the following:

''(cc) notwithstanding items (aa) and (bb), in the case of a bundled contract, the concern will perform work for at least 33 percent of the aggregate dollar value of the anticipated award, no other concern will perform a greater proportion of the work on that contract, and no other concern that is not a small business concern will perform work on the contract; and''.

(3) SECTION 15.—Section 15(o)(1) of the Small Business Act (15 U.S.C. 644(o)(1)) is amended—

(A) in subparagraph (A), by striking ''and'' at the end;

(B) in subparagraph (B), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(C) notwithstanding subparagraphs (A) and (B), in the case of a bundled contract—

''(i) the concern will perform work for at least 33 percent of the aggregate dollar value of the anticipated award;

''(ii) no other concern will perform a greater proportion of the work on that contract; and

''(iii) no other concern that is not a small business concern will perform work on the contract.''.

(c) SMALL BUSINESS PROCUREMENT COMPETITION PILOT PROGRAM.—

(1) DEFINITIONS.—In this subsection—

(A) the term ''Administrator'' means the Administrator of the Small Business Administration;

(B) the term ''Federal agency'' has the same meaning as in section 3 of the Small Business Act (15 U.S.C. 632);

(C) the term ''Program'' means the Small Business Procurement Competition Program established under paragraph (2);

(D) the term ''small business concern'' has the same meaning as in section 3 of the Small Business Act (15 U.S.C. 632); and

(E) the term ''small business-only joint ventures'' means a team described in section 15(e)(4) of the Small Business Act (15 U.S.C. 644(e)(4)) comprised of only small business concerns.

(2) ESTABLISHMENT OF PROGRAM.—The Administrator shall establish in the Small Business Administration a pilot program to be known as the ''Small Business Procurement Competition Program''.

(3) PURPOSES OF PROGRAM.—The purposes of the Program are—

(A) to encourage small business-only joint ventures to compete for contract awards to fulfill the procurement needs of Federal agencies;

(B) to facilitate the formation of joint ventures for procurement purposes among small business concerns;

(C) to engage in outreach to small business-only joint ventures for Federal agency procurement purposes; and

(D) to engage in outreach to the Director of the Office of Small and Disadvantaged Business Utilization and the procurement officer within each Federal agency.

(4) OUTREACH.—Under the Program, the Administrator shall establish procedures to conduct outreach to small business concerns interested in forming small business-only joint ventures for the purpose of fulfilling procurement needs of Federal agencies, subject to the rules of the Administrator, in consultation with the heads of those Federal agencies.

(5) REGULATORY AUTHORITY.—The Administrator shall promulgate such regulations as may be necessary to carry out this subsection.

(6) SMALL BUSINESS ADMINISTRATION DATABASE.—The Administrator shall establish and maintain a permanent database that identifies small business concerns interested in forming small business-only joint ventures, and shall make the database available to each Federal agency and to small business concerns in electronic form to facilitate the formation of small business-only joint ventures.

(7) TERMINATION OF PROGRAM.—The Program (other than the database established under paragraph (6)) shall terminate 3 years after the date of enactment of this Act.

(8) REPORT TO CONGRESS.—Not later than 60 days before the date of termination of the Program, the Administrator shall submit a report to Congress on the results of the Program, together with any recommendations for improvements to the Program and its potential for use Governmentwide.

(9) RELATIONSHIP TO OTHER LAWS.—Nothing in this subsection waives or modifies the applicability of any other provision of law to procurements of any Federal agency in which small business-only joint ventures may participate under the Program.

SEC. 1069. CHEMICAL AND BIOLOGICAL PROTECTIVE EQUIPMENT FOR MILITARY AND CIVILIAN PERSONNEL OF THE DEPARTMENT OF DEFENSE.

(a) REPORT REQUIRED.—(1) Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the requirements of the Department of Defense, including the reserve components, for chemical and biological protective equipment.

(2) The report shall set forth the following:

(A) A description of any current shortfalls in requirements for chemical and biological protective equipment, whether for individuals or units, for military personnel.

(B) A plan for providing appropriate chemical and biological protective equipment for all military personnel and for all civilian personnel of the Department of Defense.

(C) An assessment of the costs associated with carrying out the plan under subparagraph (B).

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Defense should consider utilizing funds available to the Secretary for chemical and biological defense programs, including funds available for such program under this Act and funds available for such programs under the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States, to provide an appropriate level of protection from chemical and biological attack, including protective equipment, for all military personnel and for all civilian personnel of the Department of Defense who are not currently protected from chemical or biological attack.

SEC. 1070. AUTHORIZATION OF THE SALE OF GOODS AND SERVICES BY THE NAVAL MAGAZINE, INDIAN ISLAND.

The Secretary of the Navy may sell to a person outside the Department of Defense articles and services provided by the Naval Magazine, Indian Island facility that are not available from any United States commercial source: *Provided,* That a sale pursuant to this section shall conform to the requirements of section 2563 (c) and (d) of title 10, United States Code: *Provided further,* That the proceeds from the sales of articles and services under this section shall be credited to operation and maintenance funds of the Navy, that are current when the proceeds are received.

SEC. 1071. ASSISTANCE FOR FIREFIGHTERS.

Section 33(e) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2229(e)) is amended by striking paragraph (2) and inserting the following new paragraphs:

''(2) $600,000,000 for fiscal year 2002.

''(3) $800,000,000 for fiscal year 2003.

''(4) $1,000,000,000 for fiscal year 2004.''.

SEC. 1072. PLAN TO ENSURE EMBARKATION OF CIVILIAN GUESTS DOES NOT INTERFERE WITH OPERATIONAL READINESS AND SAFE OPERATION OF NAVY VESSELS.

(a) PLAN.—The Secretary of the Navy shall, not later than February 1, 2002, submit to Congress a plan to ensure that the embarkation of selected civilian guests does not interfere with the operational readiness and safe operation of Navy vessels. The plan shall include, at a minimum—

(1) procedures to ensure that guest embarkations are conducted only within the framework of regularly scheduled operations and that underway operations are not conducted solely to accommodate nonofficial civilian guests,

(2) guidelines for the maximum number of guests that can be embarked on the various classes of Navy vessels,

(3) guidelines and procedures for supervising civilians operating or controlling any equipment on Navy vessels,

(4) guidelines to ensure that proper standard operating procedures are not hindered by activities related to hosting civilians,

(5) any other guidelines or procedures the Secretary shall consider necessary or appropriate.

(b) DEFINITION.—For the purposes of this section, civilian guests are defined as civilians invited to embark on Navy ships solely for the purpose of furthering public awareness of the Navy and its mission. It does not include civilians conducting official business.

SEC. 1073. MODERNIZING AND ENHANCING MISSILE WING HELICOPTER SUPPORT—STUDY AND PLAN.

(a) REPORT AND RECOMMENDATIONS.—With the submission of the fiscal year 2003 budget request, the Secretary of Defense shall provide to the congressional defense committees a report and the Secretary's recommendations on options for providing the helicopter support missions for the ICBM wings at Minot AFB, North Dakota; Malmstrom AFB, Montana; and F.E. Warren AFB, Wyoming, for as long as these missions are required.

(b) OPTIONS.—Options to be reviewed include—

(1) the Air Force's current plan for replacement or modernization of UH–1N helicopters currently flown by the Air Force at the missile wings;

(2) replacement of the UH–1N helicopters currently flown by the Air Force with UH–60 Black Hawk helicopters, the UH–1Y, or another platform;

(3) replacement of UH–1N helicopters with UH–60 helicopters and transition of the mission to the Army National Guard, as detailed in a November 2000 Air Force Space Command/Army National Guard plan, ''ARNG Helicopter Support to Air Force Space Command'';

(4) replacement of UH–1N helicopters with UH–60 helicopters or another platform, and establishment of composite units combining active duty Air Force and Army National Guard personnel; and

(5) other options as the Secretary deems appropriate.

(c) FACTORS.—Factors to be considered in this analysis include—

(1) any implications of transferring the helicopter support missions on the command and control of and responsibility for missile field force protection;

(2) current and future operational requirements, and the capabilities of the UH–1N, the UH–60 or other aircraft to meet them;

(3) cost, with particular attention to opportunities to realize efficiencies over the long run;

(4) implications for personnel training and retention; and

(5) evaluation of the assumptions used in the plan specified in subsection (b)(3).

(d) CONSIDERATION.—The Secretary shall consider carefully the views of the Secretary of the Army, Secretary of the Air Force, Commander in Chief of the United States Strategic Command, and the Chief of the National Guard Bureau.

SEC. 1074. SENSE OF THE SENATE THAT THE SECRETARY OF THE TREASURY SHOULD IMMEDIATELY ISSUE SAVINGS BONDS, TO BE DESIGNATED AS "UNITY BONDS", IN RESPONSE TO THE TERRORIST ATTACKS AGAINST THE UNITED STATES ON SEPTEMBER 11, 2001.

(a) FINDINGS.—The Senate finds that—

(1) a national tragedy occurred on September 11, 2001, whereby enemies of freedom and democracy attacked the United States of America and injured or killed thousands of innocent victims;

(2) the perpetrators of these reprehensible attacks destroyed brick and mortar buildings, but the American spirit and the American people have become stronger as they have united in defense of their country;

(3) the American people have responded with incredible acts of heroism, kindness, and generosity;

(4) the outpouring of volunteers, blood donors, and contributions of food and money demonstrates that America will unite to provide relief to the victims of these cowardly terrorist acts;

(5) the American people stand together to resist all attempts to steal their freedom; and

(6) united, Americans will be victorious over their enemies, whether known or unknown.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the Secretary of the Treasury should—

(A) immediately issue savings bonds, to be designated as ''Unity Bonds''; and

(B) report quarterly to Congress on the revenue raised from the sale of Unity Bonds; and

(2) the proceeds from the sale of Unity Bonds should be directed to the purposes of rebuilding America and fighting the war on terrorism.

SEC. 1075. PERSONNEL PAY AND QUALIFICATIONS AUTHORITY FOR DEPARTMENT OF DEFENSE PENTAGON RESERVATION CIVILIAN LAW ENFORCEMENT AND SECURITY FORCE.

Section 2674(b) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' before the text in the first paragraph of that subsection;

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively; and

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

''(2) For positions whose permanent duty station is the Pentagon Reservation, the Secretary, in his sole and exclusive discretion, may without regard to the pay provisions of title 5, fix the rates of basic pay for such positions occupied by civilian law enforcement and security personnel appointed under the authority of this section so as to place such personnel on a comparable basis with other similar Federal law enforcement and security organizations within the vicinity of the Pentagon Reservation, not to exceed basic pay for personnel performing similar duties in the Uniformed Division of the Secret Service or the Park Police.

SEC. 1076. WAIVER OF VEHICLE WEIGHT LIMITS DURING PERIODS OF NATIONAL EMERGENCY.

Section 127 of title 23, United States Code, is amended by adding at the end the following:

''(h) WAIVER FOR A ROUTE IN STATE OF MAINE DURING PERIODS OF NATIONAL EMERGENCY.—

''(1) IN GENERAL.—Notwithstanding any other provision of this section, the Secretary, in consultation with the Secretary of Defense, may waive or limit the application of any vehicle weight limit established under this section with respect to the portion of Interstate Route 95 in the State of Maine between Augusta and Bangor for the purpose of making bulk shipments of jet fuel to the Air National Guard Base at Bangor International Airport during a period of national emergency in order to respond to the effects of the national emergency.

''(2) APPLICABILITY.—Emergency limits established under paragraph (1) shall preempt any inconsistent State vehicle weight limits.''.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL POLICY

Subtitle A—Intelligence Personnel

SEC. 1101. AUTHORITY TO INCREASE MAXIMUM NUMBER OF POSITIONS IN THE DEFENSE INTELLIGENCE SENIOR EXECUTIVE SERVICE.

Section 1606(a) of title 10, United States Code, is amended by striking ''517.'' and inserting the following: ''517, except that the Secretary may increase such maximum number by one position for each Senior Intelligence Service position in the Central Intelligence Agency that is permanently eliminated by the Director of Central Intelligence after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2002. In no event may the number of positions in the Defense Intelligence Senior Executive Service exceed 544.''.

SEC. 1102. CONTINUED APPLICABILITY OF CERTAIN CIVIL SERVICE PROTECTIONS FOR EMPLOYEES INTEGRATED INTO THE NATIONAL IMAGERY AND MAPPING AGENCY FROM THE DEFENSE MAPPING AGENCY.

Section 1612(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(4)(A) If not otherwise applicable to an employee described in subparagraph (B), subchapters II and IV of chapter 75 of title 5 shall continue to apply to the employee for as long as the employee serves on and after October 1, 1996, without a break in service, as an employee of the Department of Defense in any position, or successively in two or more positions, in the National Imagery and Mapping Agency.

''(B) This paragraph applies to a person who—

''(i) on September 30, 1996, was employed as an employee of the Department of Defense in a position in the Defense Mapping Agency to whom subchapters II and IV of title 5 applied; and

''(ii) on October 1, 1996, became an employee of the National Imagery and Mapping Agency under paragraph 1601(a) of this title.''.

Subtitle B—Matters Relating to Retirement

SEC. 1111. FEDERAL EMPLOYMENT RETIREMENT CREDIT FOR NONAPPROPRIATED FUND INSTRUMENTALITY SERVICE.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—(1) Section 8332(b) of title 5, United States Code, is amended—

(A) by striking ''and'' at the end of paragraph (15);

(B) by striking the period at the end of paragraph (16) and inserting ''; and'';

(C) by inserting after paragraph (16) the following new paragraph:

''(17) service performed by any individual as an employee of a nonappropriated fund instrumentality of the Department of Defense or the Coast Guard described in section 2105(c) of this title that is not covered by paragraph (16), if the individual elects (in accordance with regulations prescribed by the Office) at the time of separation from service to have such service credited under this paragraph.'';

(D) in the last sentence, by inserting ''or (17)'' after ''service of the type described in paragraph (16)''; and

(E) by inserting after the last sentence the following: ''Service credited under paragraph (17) may not also be credited under any other retirement system provided for employees of a nonappropriated fund instrumentality.''.

(2) Section 8334 of such title is amended by adding at the end the following new subsection:

''(o) Notwithstanding subsection (c), no deposit may be made with respect to service credited under section 8332(b)(17) of this title.''.

(3) Section 8339 of such title is amended by adding at the end the following new subsection:

''(u) The annuity of an employee retiring under this subchapter with service credited under section 8332(b)(17) of this title shall be reduced to the maximum amount necessary to ensure that the present value of the annuity payable to the employee is actuarially equivalent to the present value of the annuity that would be payable to the employee under this subchapter if it were computed on the basis of service that does not include service credited under section 8332(b)(17) of this title. The amount of the reduction shall be computed under regulations prescribed by the Office of Personnel Management for the administration of this subsection.''.

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—(1) Section 8411 of such title is amended—

(A) in subsection (b)—

(i) by striking ''and'' at the end of paragraph (4);

(ii) by striking the period at the end of paragraph (5) and inserting ''; and''; and

(iii) by inserting after paragraph (5) the following new paragraph:

''(6) service performed by any individual as an employee of a nonappropriated fund instrumentality of the Department of Defense or the Coast Guard described in section 2105(c) of this title, if the individual elects (in accordance with regulations prescribed by the Office) at the time of separation from service to have such service credited under this paragraph.''; and

(B) by adding at the end the following new subsection:

''(k)(1) The Office of Personnel Management shall accept, for the purposes if this

chapter, the certification of the head of a nonappropriated fund instrumentality of the United States concerning service of the type described in subsection (b)(6) that was performed for such nonappropriated fund instrumentality.

''(2) Service credited under subsection (b)(6) may not also be credited under any other retirement system provided for employees of a nonappropriated fund instrumentality.''.

(2)(A) Section 8422 of such title is amended by adding at the end the following new subsection:

''(g) No deposit may be made with respect to service credited under section 8411(b)(6) of this title.''.

(B) The heading for such section is amended to read as follows:

''§ 8422. Deductions from pay; contributions for other service''.

(C) The item relating to such section in the table of contents at the beginning of chapter 84 of title 5, United States Code, is amended to read as follows:

''8422. Deductions from pay; contributions for other service.''.

(3) Section 8415 of such title is amended by adding at the end the following new subsection:

''(j) The annuity of an employee retiring under this chapter with service credited under section 8411(b)(6) of this title shall be reduced to the maximum amount necessary to ensure that the present value of the annuity payable to the employee under this subchapter is actuarially equivalent to the present value of the annuity that would be payable to the employee under this subchapter if it were computed on the basis of service that does not include service credited under section 8411(b)(6) of this title. The amount of the reduction shall be computed under regulations prescribed by the Office of Personnel Management for the administration of this subsection.''.

(c) APPLICABILITY.—The amendments made by this section shall apply only to separations from service as an employee of the United States on or after the date of the enactment of this Act.

SEC. 1112. IMPROVED PORTABILITY OF RETIREMENT COVERAGE FOR EMPLOYEES MOVING BETWEEN CIVIL SERVICE EMPLOYMENT AND EMPLOYMENT BY NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—Section 8347(q) of title 5, United States Code, is amended—

(1) in paragraph (1)—

(A) by inserting ''and'' at the end of subparagraph (A);

(B) by striking subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B); and

(2) in paragraph (2)(B)—

(A) by striking ''vested''; and

(B) by striking '', as the term'' and all that follows through ''such system''.

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—Section 8461(n) of such title is amended—

(1) in paragraph (1)—

(A) by inserting ''and'' at the end of subparagraph (A);

(B) by striking subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B); and

(2) in paragraph (2)(B)—

(A) by striking ''vested''; and

(B) by striking '', as the term'' and all that follows through ''such system''.

SEC. 1113. REPEAL OF LIMITATIONS ON EXERCISE OF VOLUNTARY SEPARATION INCENTIVE PAY AUTHORITY AND VOLUNTARY EARLY RETIREMENT AUTHORITY.

Section 1153(b) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–323) is amended—

(1) in paragraph (1), by striking ''Subject to paragraph (2), the'' and inserting ''The'';

(2) by striking paragraph (2); and

(3) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively.

Subtitle C—Other Matters

SEC. 1121. HOUSING ALLOWANCE FOR THE CHAPLAIN FOR THE CORPS OF CADETS AT THE UNITED STATES MILITARY ACADEMY.

Section 4337 of title 10, United States Code, is amended by striking the second sentence and inserting the following: ''The chaplain is entitled to a housing allowance equal to the basic allowance for housing that is applicable for an officer in pay grade O–5 at the Academy under section 403 of title 37, and to fuel and light for quarters in kind.''.

SEC. 1122. STUDY OF ADEQUACY OF COMPENSATION PROVIDED FOR TEACHERS IN THE DEPARTMENT OF DEFENSE OVERSEAS DEPENDENTS' SCHOOLS.

(a) REQUIREMENT FOR STUDY.—The Comptroller General shall carry out a study of the adequacy of the pay and other elements of the compensation provided for teachers in the defense dependents' education system established under the Defense Dependents' Education Act of 1978 (20 U.S.C. 921 et seq.).

(b) SPECIFIC CONSIDERATIONS.—In carrying out the study, the Comptroller General shall consider the following issues:

(1) Whether the compensation is adequate for recruiting and retaining high quality teachers.

(2) Whether any revision of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 901 et seq) or the regulations under that Act is advisable to address any problems identified with respect to the recruitment and retention of high quality teachers or for other purposes.

(c) REPORT.—The Comptroller General shall submit a report on the results of the study to Congress not later than March 1, 2002. The report shall include the following:

(1) The Comptroller General's conclusions on the issues considered.

(2) Any recommendations for actions that the Comptroller General considers appropriate.

SEC. 1123. PILOT PROGRAM FOR PAYMENT OF RETRAINING EXPENSES INCURRED BY EMPLOYERS OF PERSONS INVOLUNTARILY SEPARATED FROM EMPLOYMENT BY THE DEPARTMENT OF DEFENSE.

(a) AUTHORITY.—The Secretary of Defense may carry out a pilot program in accordance with this section to facilitate the reemployment of employees of the Department of Defense who are being separated as described in subsection (b) by providing employers outside the Federal Government with retraining incentive payments to encourage those employers to hire, train, and retain such employees.

(b) COVERED EMPLOYEES.—A retraining incentive payment may be made under subsection (c) with respect to a person who—

(1) has been involuntarily separated from employment by the United States due to—

(A) a reduction in force (within the meaning of chapter 35 of title 5, United States Code); or

(B) a relocation resulting from a transfer of function (within the meaning of section 3503 of title 5, United States Code), realignment, or change of duty station; and

(2) when separated—

(A) was employed without time limitation in a position in the Department of Defense;

(B) had been employed in such position or any combination of positions in the Department of Defense for a continuous period of at least one year;

(C) was not a reemployed annuitant under subchapter III of chapter 83 of title 5, United States Code, chapter 84 of such title, or another retirement system for employees of the Federal Government;

(D) was not eligible for an immediate annuity under subchapter III of chapter 83 of title 5, United States Code, or subchapter II of chapter 84 of such title; and

(E) was not eligible for disability retirement under any of the retirement systems referred to in subparagraph (C).

(c) RETRAINING INCENTIVE.—(1) Under the pilot program, the Secretary may pay a retraining incentive to any person outside the Federal Government that, pursuant to an agreement entered into under subsection (d), employs a former employee of the United States referred to in subsection (b).

(2) For employment of a former employee that is continuous for one year, the amount of any retraining incentive paid to the employer under paragraph (1) shall be the lesser of—

(A) the amount equal to the total cost incurred by the employer for any necessary training provided to the former employee in connection with the employment by that employer, as determined by the Secretary taking into consideration a certification by the employer under subsection (d); or

(B) $10,000.

(3) For employment of a former employee that terminates within one year after the employment begins, the amount of any retraining incentive paid to the employer under paragraph (1) shall be equal to the amount that bears the same ratio to the amount computed under paragraph (2) as the period of continuous employment of the employee by that employer bears to one year.

(4) The cost of the training of a former employee of the United States for which a retraining incentive is paid to an employer under this subsection may include any cost incurred by the employer for training that commenced for the former employee after the former employee, while still employed by the Department of Defense, received a notice of the separation from employment by the United States.

(5) Not more than one retraining incentive may be paid with respect to a former employee under this subsection.

(d) EMPLOYER AGREEMENT.—Under the pilot program, the Secretary shall enter into an agreement with an employer outside the Federal Government that provides for the employer—

(1) to employ a person described in subsection (b) for at least one year for a salary or rate of pay that is mutually agreeable to the employer and such person; and

(2) to certify to the Secretary the cost incurred by the employer for any necessary training provided to such person in connection with the employment of the person by that employer.

(e) NECESSARY TRAINING.—For the purposes of this section, the necessity of training provided a former employee of the Department of Defense shall be determined under regulations prescribed by the Secretary of Defense for the administration of this section.

(f) TERMINATION OF PILOT PROGRAM.—No retraining incentive may be paid under this section for training commenced after September 30, 2005.

SEC. 1124. PARTICIPATION OF PERSONNEL IN TECHNICAL STANDARDS DEVELOPMENT ACTIVITIES.

Subsection (d) of section 12 of the National Technology Transfer and Advancement Act of 1995 (109 Stat. 783; 15 U.S.C. 272 note) is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph (4):

''(4) EXPENSES OF GOVERNMENT PERSONNEL.—Section 5946 of title 5, United States Code, shall not apply with respect to any activity of an employee of a Federal agency or department that is determined by the head of that agency or department as being an activity undertaken in carrying out this subsection.''.

SEC. 1125. AUTHORITY TO EXEMPT CERTAIN HEALTH CARE PROFESSIONALS FROM EXAMINATION FOR APPOINTMENT IN THE COMPETITIVE CIVIL SERVICE.

(a) AUTHORITY TO EXEMPT.—Chapter 81 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 1599d. Appointment in competitive civil service of certain health care professionals: exemption from examination

''(a) AUTHORITY TO EXEMPT.—The Secretary of Defense may appoint in the competitive civil service without regard to the provisions of subchapter I of chapter 33 of title 5 (other than sections 3303, 3321, and 3328 of such title) an individual who has a recognized degree or certificate from an accredited institution in a covered health-care profession or occupation.

''(b) COVERED HEALTH-CARE PROFESSION OR OCCUPATION.—For purposes of subsection (a), a covered health-care profession or occupation is any of the following:

''(1) Physician.
''(2) Dentist.
''(3) Podiatrist.
''(4) Optometrist.
''(5) Pharmacist.
''(6) Nurse.
''(7) Physician assistant.
''(8) Audiologist.
''(9) Expanded-function dental auxiliary.
''(10) Dental hygienist.

''(c) PREFERENCES IN HIRING.—In using the authority provided by this section, the Secretary shall apply the principles of preference for the hiring of veterans and other persons established in subchapter I of chapter 33 of title 5.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''1599d. Appointment in competitive civil service of certain health care professionals: exemption from examination.''.

SEC. 1126. PROFESSIONAL CREDENTIALS.

(a) IN GENERAL.—Chapter 57 of title 5, United States Code, as amended by this Act, is amended by adding at the end the following:

''§ 5758. Expenses for credentials

''(a) An agency may use appropriated or other available funds to pay for—

''(1) employee credentials, including professional accreditation, State-imposed and professional licenses, and professional certifications; and

''(2) examinations to obtain such credentials.

''(b) No authority under subsection (a) may be exercised on behalf of any employee occupying or seeking to qualify for appointment to any position which is excepted from the competitive service because of its confidential, policy-determining, policy-making, or policy-advocating character.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 57 of title 5, United States Code, is amended by adding at the end the following:

''5758. Expenses for credentials.''.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—Cooperative Threat Reduction With States of the Former Soviet Union

SEC. 1201. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) SPECIFICATION OF CTR PROGRAMS.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note).

(b) FISCAL YEAR 2002 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term ''fiscal year 2002 Cooperative Threat Reduction funds'' means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs shall be available for obligation for three fiscal years.

SEC. 1202. FUNDING ALLOCATIONS.

(a) FUNDING FOR SPECIFIC PURPOSES.—Of the $403,000,000 authorized to be appropriated to the Department of Defense for fiscal year 2002 in section 301(23) for Cooperative Threat Reduction programs, not more than the following amounts may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $133,405,000.

(2) For strategic nuclear arms elimination in Ukraine, $51,500,000.

(3) For weapons of mass destruction infrastructure elimination in Ukraine, $6,024,000.

(4) For weapons of mass destruction infrastructure elimination in Kazakhstan, $6,000,000.

(5) For weapons transportation security in Russia, $9,500,000.

(6) For weapons storage security in Russia, $56,000,000.

(7) For implementation of a cooperative program with the Government of Russia to eliminate the production of weapons grade plutonium at Russian reactors, $41,700,000.

(8) For biological weapons proliferation prevention activities in the former Soviet Union, $17,000,000.

(9) For chemical weapons destruction in Russia, $50,000,000.

(10) For activities designated as Other Assessments/Administrative Support, $13,221,000.

(11) For defense and military contacts, $18,650,000.

(b) REPORT ON OBLIGATION OR EXPENDITURE OF FUNDS FOR OTHER PURPOSES.—No fiscal year 2002 Cooperative Threat Reduction funds may be obligated or expended for a purpose other than a purpose listed in paragraphs (1) through (11) of subsection (a) until 30 days after the date that the Secretary of Defense submits to Congress a report on the purpose for which the funds will be obligated or expended and the amount of funds to be obligated or expended. Nothing in the preceding sentence shall be construed as authorizing the obligation or expenditure of fiscal year 2002 Cooperative Threat Reduction funds for a purpose for which the obligation or expenditure of such funds is specifically prohibited under this title or any other provision of law.

(c) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—(1) Subject to paragraph (2), in any case in which the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may obligate amounts appropriated for fiscal year 2002 for a purpose listed in any of the paragraphs in subsection (a) in excess of the amount specifically authorized for such purpose.

(2) An obligation of funds for a purpose stated in any of the paragraphs in subsection (a) in excess of the specific amount authorized for such purpose may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

(B) 15 days have elapsed following the date of the notification.

(3) The Secretary may not, under the authority provided in paragraph (1), obligate amounts for the purposes stated in paragraph (7), (10) or (11) of subsection (a) in excess of 115 percent of the amount specifically authorized for such purposes.

SEC. 1203. CHEMICAL WEAPONS DESTRUCTION.

Section 1305 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 794; 22 U.S.C. 5952 note) is amended—

(1) by inserting ''(a) LIMITATION.—'' before ''No fiscal year'';

(2) in subsection (a), as so designated, by inserting before the period at the end the following: ''until the Secretary of Defense submits to Congress a certification that there has been—

''(1) full and accurate disclosure by Russia of the size of its existing chemical weapons stockpile;

''(2) a demonstrated annual commitment by Russia to allocate at least $25,000,000 to chemical weapons elimination;

''(3) development by Russia of a practical plan for destroying its stockpile of nerve agents;

''(4) enactment of a law by Russia that provides for the elimination of all nerve agents at a single site;

''(5) an agreement by Russia to destroy or convert its chemical weapons production facilities at Volgograd and Novocheboksark; and

''(6) a demonstrated commitment from the international community to fund and build infrastructure needed to support and operate the facility.''; and

(3) by adding at the end the following new subsection:

''(b) OMISSION OF CERTAIN INFORMATION.—The Secretary may omit from the certification under subsection (a) the matter specified in paragraph (1) of that subsection, and the certification with the matter so omitted shall be effective for purposes of that subsection, if the Secretary includes with the certification notice to Congress of a determination by the Secretary that it is not in the national security interests of the United States for the matter specified in that paragraph to be included in the certification, together with a justification of the determination.''.

SEC. 1204. MANAGEMENT OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) AUTHORITY OVER MANAGEMENT.—The Secretary of Defense shall have authority, direction, and control over the management of Cooperative Threat Reduction programs and the funds for such programs.

(b) IMPLEMENTING AGENT.—The Defense Threat Reduction Agency shall be the implementing agent of the Department of Defense for the functions of the Department relating to Cooperative Threat Reduction programs.

(c) SPECIFICATION OF FUNDS IN DEPARTMENT OF DEFENSE BUDGET.—The budget justification materials submitted to Congress in support of the budget of the Department of Defense for each fiscal year (as submitted with the budget of the President under section 1105(a) of title 31, United States Code) shall include amounts, if any, requested for such fiscal year for Cooperative Threat Reduction programs.

SEC. 1205. ADDITIONAL MATTER IN ANNUAL REPORT ON ACTIVITIES AND ASSISTANCE UNDER COOPERATIVE THREAT REDUCTION PROGRAMS.

Section 1308(c) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (at enacted by Public Law 106–398; 114 Stat. 1654A–341) is amended by adding at the end of the following new paragraph:

''(6) A description of the amount of the financial commitment from the international community, and from Russia, for the chemical weapons destruction facility located at Shchuch'ye, Russia, for the fiscal year beginning in the year in which the report is submitted.''.

Subtitle B—Other Matters

SEC. 1211. SUPPORT OF UNITED NATIONS-SPONSORED EFFORTS TO INSPECT AND MONITOR IRAQI WEAPONS ACTIVITIES.

(a) LIMITATION ON AMOUNT OF ASSISTANCE IN FISCAL YEAR 2002—The total amount of the assistance for fiscal year 2002 that is provided by the Secretary of Defense under section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) as activities of the Department of Defense in support of activities under that Act may not exceed $15,000,000.

(b) EXTENSION OF AUTHORITY TO PROVIDE ASSISTANCE.—Subsection (f) of section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) is amended by striking ''2001'' and inserting ''2002''.

SEC. 1212. COOPERATIVE RESEARCH AND DEVELOPMENT PROJECTS WITH NATO AND OTHER COUNTRIES.

(a) ELIGIBILITY OF FRIENDLY FOREIGN COUNTRIES.—Section 2350a of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting ''(1)'' after ''(a) AUTHORITY TO ENGAGE IN COOPERATIVE R&D PROJECTS.—'';

(B) by striking ''major allies of the United States or NATO organizations'' and inserting ''countries or organizations referred to in paragraph (2)''; and

(C) by adding at the end the following new paragraph:

''(2) The countries and organizations with which the Secretary may enter into a memorandum of agreement (or other formal agreement) under paragraph (1) are as follows:

''(A) The North Atlantic Treaty Organization.

''(B) A NATO organization.

''(C) A member nation of the North Atlantic Treaty Organization.

''(D) A major non-NATO ally.

''(E) Any other friendly foreign country.'';

(2) in subsection (b), by striking ''its major non-NATO allies'' and inserting ''a country or organization referred to in subsection (a)(2)'';

(3) in subsection (d)—

(A) in paragraph (1), by striking ''the major allies of the United States'' and inserting ''countries and organizations referred to in subsection (a)(2)''; and

(B) in paragraph (2)—

(i) by striking ''major ally of the United States'' and inserting ''country or organization referred to in subsection (a)(2)''; and

(ii) by striking ''ally's'' and inserting ''country's or organization's'';

(4) in subsection (e)(2)—

(A) in subparagraph (A), by striking ''one or more of the major allies of the United States'' and inserting ''any country or organization referred to in subsection (a)(2)'';

(B) in subparagraph (B), by striking ''major allies of the United States or NATO organizations'' and inserting ''countries and organizations referred to in subsection (a)(2)'';

(C) in subparagraph (C), by striking ''major allies of the United States'' and inserting ''countries and organizations referred to in subsection (a)(2)''; and

(D) in subparagraph (D), by striking ''major allies of the United States'' and inserting ''countries and organizations referred to in subsection (a)(2)'';

(5) paragraphs (1)(A) and (4)(A) of subsection (g), by striking ''major allies of the United States and other friendly foreign countries'' and inserting ''countries referred to in subsection (a)(2)''; and

(6) in subsection (i)—

(A) in paragraph (1), by striking ''major allies of the United States or NATO organizations'' and inserting ''countries and organizations referred to in subsection (a)(2)'';

(B) by striking paragraph (2); and

(C) by redesignating paragraph (4) as paragraph (2), and by transferring that paragraph, as so redesignated, within that subsection and inserting the paragraph after paragraph (1).

(b) DELEGATION OF AUTHORITY TO DETERMINE ELIGIBILITY OF PROJECTS.—Subsection (b)(2) of such section is amended by striking ''or the Under Secretary of Defense for Acquisition and Technology'' and inserting ''and to one other official of the Department of Defense''.

(c) REVISION OF REQUIREMENT FOR ANNUAL REPORT ON ELIGIBLE COUNTRIES.—Subsection (f)(2) of such section is amended to read as follows:

''(2) Not later than January 1 of each year, the Secretary of Defense shall submit to the Committees on Armed Services and on Foreign Relations of the Senate and to the Committees on Armed Services and on International Relations of the House of Representatives a report specifying—

''(A) the countries that are eligible to participate in a cooperative project agreement under this section; and

''(B) the criteria used to determine the eligibility of such countries.''.

(d) CONFORMING AMENDMENTS.—(1) The heading of such section is amended to read as follows:

''§ 2350a. Cooperative research and development agreements: NATO and foreign countries''.

(2) The item relating to such section in the table of sections at the beginning of subchapter II of chapter 138 of title 10, United States Code, is amended to read as follows:

''2350a. Cooperative research and development agreements: NATO and foreign countries.''.

SEC. 1213. INTERNATIONAL COOPERATIVE AGREEMENTS ON USE OF RANGES AND OTHER FACILITIES FOR TESTING OF DEFENSE EQUIPMENT.

(a) AUTHORITY.—Chapter 138 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2350l. Cooperative use of ranges and other facilities for testing of defense equipment: agreements with foreign countries and international organizations

''(a) AUTHORITY.—The Secretary of Defense, with the concurrence of the Secretary of State, may enter into a memorandum of understanding (or other formal agreement) with a foreign country or international organization to provide reciprocal access by the United States and such country or organization to each other's ranges and other facilities for testing of defense equipment.

''(b) PAYMENT OF COSTS.—A memorandum or other agreement entered into under subsection (a) shall include provisions for charging a user of a range or other facility for test and evaluation services furnished by the officers, employees, or governmental agencies of the supplying country or international organization under the memorandum or other agreement. The provisions for charging a user shall conform to the following pricing principles:

''(1) The user shall be charged the amount equal to the direct costs incurred by the country or international organization to supply the services.

''(2) The user may also be charged indirect costs of the use of the range or other facility, but only to the extent specified in the memorandum or other agreement.

''(c) RETENTION OF FUNDS COLLECTED BY THE UNITED STATES.—Amounts collected from the user of a range or other facility of the United States under a memorandum of understanding or other formal agreement entered into under subsection (a) shall be credited to the appropriation from which the costs incurred by the United States in providing support for the use of the range or other facility by that user were paid.

''(d) DELEGATION OF AUTHORITY.—The Secretary of Defense may delegate only to the Deputy Secretary of Defense and to one other official of the Department of Defense authority to determine the appropriateness of the amount of indirect costs charged the United States under a memorandum or other agreement entered into under subsection (a).

''(e) DEFINITIONS.—In this section:

''(1) The term 'direct cost', with respect to testing and evaluation under a memorandum or other agreement entered into under subsection (a)—

''(A) means any item of cost that—

''(i) is easily and readily identified to a specific unit of work or output within the range or other facility where the testing and evaluation occurred under the memorandum or other agreement; and

''(ii) would not have been incurred if the testing and evaluation had not taken place; and

''(B) may include costs of labor, materials, facilities, utilities, equipment, supplies, and any other resources of the range or other facility that are consumed or damaged in connection with—

''(i) the conduct of the test and evaluation; or

''(ii) the maintenance of the range or other facility for the use of the country or international organization under the memorandum or other agreement.

''(2) The term 'indirect cost', with respect to testing and evaluation under a memorandum or other agreement entered into under subsection (a)—

''(A) means any item of cost that cannot readily be identified directly to a specific unit of work or output; and

''(B) may include general and administrative expenses for such activities as supporting base operations, manufacturing, supervision, procurement of office supplies, and utilities that are accumulated costs allocated among several users.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''2350l. Cooperative use of ranges and other facilities for testing of defense equipment: agreements with foreign countries and international organizations.''.

SEC. 1214. CLARIFICATION OF AUTHORITY TO FURNISH NUCLEAR TEST MONITORING EQUIPMENT TO FOREIGN GOVERNMENTS.

(a) REDESIGNATION OF EXISTING AUTHORITY.—(1) Section 2555 of title 10, United States Code, as added by section 1203 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 1654A–324), is redesignated as section 2565 of that title.

(2) The table of sections at the beginning of chapter 152 of that title is amended by striking the item relating to section 2555, as so added, and inserting the following new item:

''2565. Nuclear test monitoring equipment: furnishing to foreign governments.''.

(b) CLARIFICATION OF AUTHORITY.—Section 2565 of that title, as so redesignated by subsection (a), is further amended—

(1) in subsection (a)—

(A) by striking ''CONVEY OR'' in the subsection heading and inserting ''TRANSFER TITLE TO OR OTHERWISE'';

(B) in paragraph (1)—

(i) by striking ''convey'' and inserting ''transfer title''; and

(ii) by striking ''and'' at the end;

(C) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(D) by adding at the end the following new paragraph:

''(3) inspect, test, maintain, repair, or replace any such equipment.''; and

(2) in subsection (b)—

(A) by striking ''conveyed or otherwise provided'' and inserting ''provided to a foreign government'';

(B) by inserting ''and'' at the end of paragraph (1);

(C) by striking ''; and'' at the end of paragraph (2) and inserting a period; and

(D) by striking paragraph (3).

SEC. 1215. PARTICIPATION OF GOVERNMENT CONTRACTORS IN CHEMICAL WEAPONS INSPECTIONS AT UNITED STATES GOVERNMENT FACILITIES UNDER THE CHEMICAL WEAPONS CONVENTION.

(a) AUTHORITY.—Section 303(b)(2) of the Chemical Weapons Convention Implementation Act of 1998 (22 U.S.C. 6723(b)(2)) is amended by inserting after ''designation of employees of the Federal Government'' the following: ''(and, in the case of an inspection of a United States Government facility, the designation of contractor personnel who shall be led by an employee of the Federal Government)''.

(b) CREDENTIALS.—Section 304(c) of such Act (22 U.S.C. 6724(c)) is amended by striking ''Federal government'' and inserting ''Federal Government (and, in the case of an inspection of a United States Government facility, any accompanying contractor personnel)''.

SEC. 1216. AUTHORITY TO TRANSFER NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES.

(a) TRANSFERS BY GRANT.—The President is authorized to transfer vessels to foreign countries on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) as follows:

(1) POLAND.—To the Government of Poland, the OLIVER HAZARD PERRY class guided missile frigate WADSWORTH (FFG 9).

(2) TURKEY.—To the Government of Turkey, the KNOX class frigates CAPODANNO (FF 1093), THOMAS C. HART (FF 1092), DONALD B. BEARY (FF 1085), MCCANDLESS (FF 1084), REASONER (FF 1063), and BOWEN (FF 1079).

(b) TRANSFERS BY SALE.—The President is authorized to transfer vessels to foreign governments and foreign governmental entities on a sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761) as follows:

(1) TAIWAN.—To the Taipei Economic and Cultural Representative Office in the United States (which is the Taiwan instrumentality designated pursuant to section 10(a) of the Taiwan Relations Act), the KIDD class guided missile destroyers KIDD (DDG 993), CALLAGHAN (DDG 994), SCOTT (DDG 995), and CHANDLER (DDG 996).

(2) TURKEY.—To the Government of Turkey, the OLIVER HAZARD PERRY class guided missile frigates ESTOCIN (FFG 15) and SAMUEL ELIOT MORISON (FFG 13).

(c) ADDITIONAL CONGRESSIONAL NOTIFICATION NOT REQUIRED.—Except as provided in subsection (d), the following provisions do not apply with respect to transfers authorized by this section:

(1) Section 516(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(f)).

(2) Section 524 of the Foreign Operations, Export Financing, and Related Programs Appropriation Act, 2001 (as enacted by Public Law 106–429; 114 Stat. 1900A–30) and any similar successor provision.

(d) GRANTS NOT COUNTED IN ANNUAL TOTAL OF TRANSFERRED EXCESS DEFENSE ARTICLES.—The value of a vessel transferred to another country on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) pursuant to authority provided by subsection (a) shall not be counted for the purposes of subsection (g) of that section in the aggregate value of excess defense articles transferred to countries under that section in any fiscal year.

(e) COSTS OF TRANSFERS ON GRANT BASIS.—Any expense incurred by the United States in connection with a transfer authorized by this section shall be charged to the recipient (notwithstanding section 516(e)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e)(1))) in the case of a transfer authorized to be made on a grant basis under subsection (a).

(f) REPAIR AND REFURBISHMENT IN UNITED STATES SHIPYARDS.—To the maximum extent practicable, the President shall require, as a condition of the transfer of a vessel under this section, that the country to which the vessel is transferred have such repair or refurbishment of the vessel as is needed, before the vessel joins the naval forces of that country, performed at a shipyard located in the United States, including a United States Navy shipyard.

(g) EXPIRATION OF AUTHORITY.—The authority to transfer a vessel under this section shall expire at the end of the 2-year period beginning on the date of the enactment of this Act.

SEC. 1217. ACQUISITION OF LOGISTICAL SUPPORT FOR SECURITY FORCES.

Section 5 of the Multinational Force and Observers Participation Resolution (22 U.S.C. 3424) is amended by adding at the end the following new subsection:

''(d)(1) The United States may use contractors to provide logistical support to the Multinational Force and Observers under this section in lieu of providing such support through a logistical support unit composed of members of the United States Armed Forces.

''(2) Notwithstanding subsections (a) and (b) and section 7(b), support by a contractor under this subsection may be provided without reimbursement whenever the President determines that such action enhances or supports the national security interests of the United States.''.

SEC. 1218. PERSONAL SERVICES CONTRACTS TO BE PERFORMED BY INDIVIDUALS OR ORGANIZATIONS ABROAD.

Section 2 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2669) is amended by adding at the end the following:

''(n) exercise the authority provided in subsection (c), upon the request of the Secretary of Defense or the head of any other department or agency of the United States, to enter into personal service contracts with individuals to perform services in support of the Department of Defense or such other department or agency, as the case may be.''.

SEC. 1219. ALLIED DEFENSE BURDENSHARING.

It is the sense of the Senate that—

(1) the efforts of the President to increase defense burdendsharing by allied and friendly nations deserve strong support;

(2) host nations support agreements with those nations in which United States military personnel are assigned to permanent duty ashore should be negotiated consistent with section 1221(a)(1) of the National Defense Authorization Act for Fiscal Year 1998 (P.L. 105–85) which sets forth a goal of obtaining financial contributions from host nations that amount to 75 percent of the nonpersonnel costs incurred by the United States Government for stationing military personnel in those nations.

SEC. 1220. RELEASE OF RESTRICTION ON USE OF CERTAIN VESSELS PREVIOUSLY AUTHORIZED TO BE SOLD.

Section 3603(a) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2273) is amended by striking ''for full use as an oiler''.

TITLE XIII—CONTINGENT AUTHORIZATION OF APPROPRIATIONS

SEC. 1301. AUTHORIZATION OF APPROPRIATIONS CONTINGENT ON INCREASED ALLOCATION OF NEW BUDGET AUTHORITY.

(a) IN GENERAL.—Notwithstanding any other provision of this Act, the total amounts authorized to be appropriated under subtitle A of title I, sections 201, 301, and 302, and division B are authorized to be appropriated in accordance with those provisions without reduction under section 1302 only if—

(1) the Chairman of the Committee on the Budget of the Senate—

(A) determines, for the purposes of section 217(b) of the Concurrent Resolution on the Budget for Fiscal Year 2002, that the appropriation of all of the amounts specified in section 1302 would not, when taken together with all other previously enacted legislation (except for legislation enacted pursuant to section 211 of such concurrent resolution) reduce the on-budget surplus below the level of the Medicare Hospital Insurance Trust Fund surplus in any fiscal year covered by the concurrent resolution; and

(B) increases the allocation of new budget authority for defense spending in accordance with section 217(a) of the Concurrent Resolution on the Budget for Fiscal Year 2002; or

(2) the Senate—

(A) by a vote of at least three-fifths of the Members of the Senate duly chosen and sworn, waives the point of order under section 302(f) of the Congressional Budget and Impoundment Control Act of 1974 with respect to an appropriation bill or resolution that provides new budget authority for the National Defense major functional category (050) in excess of the amount specified for the defense category in section 203(c)(1)(A) of the Concurrent Resolution on the Budget for Fiscal Year 2002; and

(B) approves the appropriation bill or resolution.

(b) FULL OR PARTIAL AUTHORIZATION.—(1) If the total amount of the new budget authority allocated or available for the National Defense major functional category (050) for fiscal year 2002 is increased as described in subsection (a) by at least $18,448,601,000 over the amount of the new budget authority allocated for that category for fiscal year 2002

by the Concurrent Resolution on the Budget for Fiscal Year 2002, the reductions under section 1302 shall not be made.

(2) If the total amount of new budget authority allocated or available for the National Defense major functional category (050) for fiscal year 2002 is increased as described in subsection (a) by less than $18,448,601,000 over the amount of the new budget authority allocated for that category for fiscal year 2002 by the Concurrent Resolution on the Budget for Fiscal Year 2002, each of the total amounts referred to in section 1302 shall be reduced by a proportionate amount of the difference between $18,448,601,000 and the amount of the increase in the allocated new budget authority.

SEC. 1302. REDUCTIONS.

Until such time as the amount of the new budget authority allocated or available for the National Defense major functional category (050) for fiscal year 2002 is increased as described in section 1301(a), the total amounts authorized to be appropriated by provisions of this Act are reduced as follows:

(1) For the total amount authorized to be appropriated for procurement by subtitle A of title I, the reduction is $2,100,854,000.

(2) For the total amount authorized to be appropriated for research, development, test and evaluation by section 201, the reduction is $3,033,434,000.

(3) For the total amount authorized to be appropriated for operation and maintenance by section 301, the reduction is $8,737,773,000.

(4) For the total amount authorized to be appropriated for working capital and revolving funds by section 302, the reduction is $1,018,394,000.

(5) For the total amount authorized to be appropriated by division B, the reduction is $348,065,000.

SEC. 1303. REFERENCE TO CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002.

For the purposes of this title, a reference to the Concurrent Resolution on the Budget for Fiscal Year 2002 is a reference to House Concurrent Resolution 83 (107th Congress, 1st session).

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the ''Military Construction Authorization Act for Fiscal Year 2002''.

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or location	Amount
Alabama	Anniston Army Depot	$5,150,000
	Fort Rucker	$11,400,000
	Redstone Arsenal	$7,200,000
Alaska	Fort Richardson	$115,000,000
	Fort Wainwright	$27,200,000
Arizona	Fort Huachuca	$6,100,000
Colorado	Fort Carson	$66,000,000
District of Columbia	Fort McNair	$11,600,000
Georgia	Fort Benning	$23,900,000
	Fort Gillem	$34,600,000
	Fort Gordon	$34,000,000
	Fort Stewart/Hunter Army Air Field	$39,800,000
Hawaii	Navy Public Works Center, Pearl Harbor	$11,800,000
	Pohakuloa Training Facility	$6,600,000
	Wheeler Army Air Field	$50,000,000
Illinois	Rock Island Arsenal	$3,500,000
Kansas	Fort Riley	$10,900,000
Kentucky	Fort Campbell	$88,900,000
	Fort Knox	$11,600,000
Louisiana	Fort Polk	$21,200,000
Maryland	Aberdeen Proving Ground	$58,300,000
	Fort Meade	$5,800,000
Missouri	Fort Leonard Wood	$7,850,000
New Jersey	Fort Monmouth	$20,000,000
New Mexico	White Sands Missile Range	$7,600,000
New York	Fort Drum	$37,850,000
North Carolina	Fort Bragg	$21,300,000
	Sunny Point Military Ocean Terminal	$11,400,000
Oklahoma	Fort Sill	$40,100,000
South Carolina	Fort Jackson	$62,000,000
Texas	Fort Hood	$86,200,000
	Fort Sam Houston	$2,250,000
Virginia	Fort Belvoir	$35,950,000
	Fort Eustis	$34,650,000
	Fort Lee	$23,900,000
Washington	Fort Lewis	$238,200,000
	Total:	$1,279,500,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Amount
Germany	Area Support Group, Bamberg	$36,000,000
	Area Support Group, Darmstadt	$13,500,000
	Baumholder	$9,000,000
	Hanau	$7,200,000
	Heidelberg	$15,300,000
	Mannheim	$16,000,000
	Wiesbaden Air Base	$26,300,000
Korea	Camp Carroll	$16,593,000
	Camp Casey	$8,500,000
	Camp Hovey	$35,750,000
	Camp Humphreys	$14,500,000
	Camp Jackson	$6,100,000
	Camp Stanley	$28,000,000
Kwajalein	Kwajalein Atoll	$11,000,000
	Total:	$243,743,000

(c) UNSPECIFIED WORLDWIDE.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(3), the Secretary of the Army may acquire real property and carry out military construction projects for the installation and location, and in the amount, set forth in the following table:

Army: Unspecified Worldwide

Location	Installation	Amount
Unspecified Worldwide	Classified Location	$4,000,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State or county	Installation or location	Purpose	Amount
Alaska	Fort Wainwright	32 Units	$12,000,000
Arizona	Fort Huachuca	72 Units	$10,800,000
Kansas	Fort Leavenworth	40 Units	$20,000,000
Texas	Fort Bliss	76 Units	$13,600,000
	Fort Sam Houston	80 Units	$11,200,000
Korea	Camp Humphreys	54 Units	$12,800,000
	Total:		$80,400,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $12,702,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $220,750,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2001, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $3,068,303,000, as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $1,027,300,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $243,743,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2101(c), $4,000,000.

(4) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $18,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $142,198,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $313,852,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,108,991,000.

(7) For the Homeowners Assistance Program, as authorized by section 2832 of title 10, United States Code, $10,119,000, to remain available until expended.

(8) For the construction of the Cadet Development Center, United States Military Academy, West Point, New York, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2182), $37,900,000.

(9) For the construction of a Barracks Complex—Tagaytay Street Phase 2C, Fort Bragg, North Carolina, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 824), $17,500,000.

(10) For the construction of a Barracks Complex—Wilson Street, Phase 1C, Schofield Barracks, Hawaii, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2000 (113 Stat. 824), $23,000,000.

(11) For construction of a Basic Combat Training Complex Phase 2, Fort Leonard Wood, Missouri, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–389), $27,000,000.

(12) For the construction of the Battle Simulation Center Phase 2, Fort Drum, New York, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (114 Stat. 1654A–389), $9,000,000.

(13) For the construction of a Barracks Complex—Bunter Road Phase 2, Fort Bragg, North Carolina, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (114 Stat. 1654A–389), $49,000,000.

(14) For the construction of a Barracks Complex—Longstreet Road Phase 2, Fort Bragg, North Carolina, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (114 Stat. 1654A–389), $27,000,000.

(15) For the construction of a Multipurpose Digital Training Range, Fort Hood, Texas, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (114 Stat. 1654A–389), $13,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a);

(2) $52,000,000 (the balance of the amount authorized under section 2101(a) for Barracks Complex D Street Phase at Fort Richardson, Alaska);

(3) $41,000,000 (the balance of the amount authorized under section 2101(a) for Barracks Complex—Nelson Boulevard (Phase I) at Fort Carson, Colorado);

(4) $36,000,000 (the balance of the amount authorized under section 2101(a) for Basic Combat Training Complex (Phase I) at Fort Jackson, South Carolina);

(5) $102,000,000 (the balance of the amount authorized under section 2101(a) for Barracks Complex—17th & B Street (Phase I) at Fort Lewis, Washington); and

(6) $21,500,000 (the balance of the amount authorized under section 2101(a) for Consolidated Logistics Complex (Phase I) at Fort Sill, Oklahoma).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (7) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs reduced by $3,300,000, which represents savings resulting from adjustments to foreign currency exchange rates for military family housing construction and military family housing support outside the United States.

SEC. 2105. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2001 PROJECTS.

(a) MODIFICATION.—The table in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–389) is amended—

(1) in the item relating to Fort Leonard Wood, Missouri, by striking ''$65,400,000'' in the amount column and inserting ''$69,800,000'';

(2) in the item relating to Fort Drum, New York, by striking ''$18,000,000'' in the amount column and inserting ''$21,000,000'';

(3) in the item relating to Fort Hood, Texas, by striking ''$36,492,000'' in the amount column and inserting ''$39,492,000''; and

(4) by striking the amount identified as the total in the amount column and inserting ''$626,374,000''.

(b) CONFORMING AMENDMENTS.—Section 2104 of that Act (114 Stat. 1654A–391) is amended—

(1) in subsection (a), in the matter preceding paragraph (1), by striking ''$1,925,344,000'' and inserting ''$1,935,744,000''; and

(2) in subsection (b)—

(A) in paragraph (2), by striking ''$22,600,000'' and inserting ''$27,000,000'';

(B) in paragraph (3), by striking ''$10,000,000'' and inserting ''$13,000,000''; and

(C) in paragraph (6), by striking ''$6,000,000'' and inserting ''$9,000,000''.

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
Arizona	Marine Corps Air Station, Yuma	$22,570,000
California	Marine Air-Ground Task Force Training Center, Twentynine Palms	$75,125,000
	Marine Corps Air Station, Camp Pendleton	$4,470,000
	Marine Corps Base, Camp Pendleton	$96,490,000
	Naval Air Facility, El Centro	$23,520,000
	Naval Air Station, Lemoore	$10,010,000
	Naval Air Warfare Center, Point Mugu, San Nicholas Island	$13,730,000
	Naval Amphibious Base, Coronado	$8,610,000
	Naval Construction Battalion Center, Port Hueneme	$12,400,000
	Naval Construction Training Center, Port Hueneme	$3,780,000
	Naval Station, San Diego	$47,240,000
District of Columbia	Naval Air Facility, Washington	$9,810,000
Florida	Naval Air Station, Key West	$11,400,000
	Naval Air Station, Pensacola	$3,700,000
	Naval Air Station, Whiting Field, Milton	$2,140,000
	Naval Station, Mayport	$16,420,000
Hawaii	Marine Corps Base, Kaneohe	$24,920,000
	Naval Magazine, Lualualei	$6,000,000
	Naval Shipyard, Pearl Harbor	$20,000,000
	Naval Station, Pearl Harbor	$54,700,000
	Navy Public Works Center, Pearl Harbor	$16,900,000
Illinois	Naval Training Center, Great Lakes	$82,260,000
Indiana	Naval Surface Warfare Center, Crane	$5,820,000
Maine	Naval Air Station, Brunswick	$67,395,000
	Naval Shipyard, Kittery-Portsmouth	$14,620,000
Maryland	Naval Air Warfare Center, Patuxent River	$2,260,000
	Naval Explosive Ordinance Disposal Technology Center, Indian Head	$1,250,000
Mississippi	Naval Construction Battalion Center, Gulfport	$21,660,000
	Naval Air Station, Meridian	$3,370,000
	Naval Station, Pascagoula	$4,680,000
Missouri	Marine Corp Support Activity, Kansas City	$9,010,000
Nevada	Naval Air Station, Fallon	$6,150,000
New Jersey	Naval Weapons Station, Earle	$4,370,000
North Carolina	Marine Corps Air Station, New River	$4,050,000
	Marine Corps Base, Camp LeJeune	$67,070,000
Rhode Island	Naval Station, Newport	$15,290,000
	Naval Undersea Warfare Center, Newport	$9,370,000
South Carolina	Marine Corps Air Station, Beaufort	$8,020,000
	Marine Corps Recruit Depot, Parris Island	$5,430,000
Tennessee	Naval Support Activity, Millington	$3,900,000
Texas	Naval Air Station, Kingsville	$6,160,000
Virginia	Marine Corps Air Facility, Quantico	$3,790,000
	Marine Corps Combat Development Command, Quantico	$9,390,000
	Naval Station, Norfolk	$139,270,000
Washington	Naval Air Station, Whidbey Island	$7,370,000
	Naval Station, Everett	$6,820,000
	Strategic Weapons Facility, Bangor	$3,900,000
	Total:	$996,610,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or location	Amount
Greece	Naval Support Activity Joint Headquarters Command, Larissa	$12,240,000
	Naval Support Activity, Souda Bay	$3,210,000
Guam	Naval Station, Guam	$9,300,000
	Navy Public Works Center, Guam	$14,800,000
Iceland	Naval Air Station, Keflavik	$2,820,000
Italy	Naval Air Station, Sigonella	$3,060,000
Spain	Naval Station, Rota	$2,240,000
	Total:	$47,670,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Navy: Family Housing

State or country	Installation or location	Purpose	Amount
Arizona	Marine Corps Air Station, Yuma	51 Units	$9,017,000
California	Marine Air-Ground Task Force Training Center, Twentynine Palms	74 Units	$16,250,000
Hawaii	Marine Corps Base, Kaneohe	172 Units	$55,187,000
	Naval Station, Pearl Harbor	70 Units	$16,827,000
Mississippi	Naval Construction Battalion Center, Gulfport	160 Units	$23,354,000
Italy	Naval Air Station, Sigonella	10 Units	$2,403,000
		Total:	$123,038,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $6,499,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $183,054,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2001, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,377,634,000, as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $963,370,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $47,670,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $10,546,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $35,752,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $312,591,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $918,095,000.

(6) For replacement of a pier at Naval Station, San Diego, California, authorized in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–395), $17,500,000.

(7) For replacement of Pier Delta at Naval Station, Bremerton, Washington, authorized in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2001, $24,460,000.

(8) For construction of the Commander-in-Chief Headquarters, Pacific Command, Camp Smith, Hawaii, authorized in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 828), $37,580,000.

(9) For construction of an Advanced Systems Integration Facility, phase 6, at Naval Air Warfare Center, Patuxent River, Maryland, authorized in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2590), $10,770,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a); and

(2) $33,240,000 (the balance of the amount authorized under section 2201(a) for Pier Replacement (Increment I), Naval Station, Norfolk, Virginia).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (5) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs reduced by $700,000, which represents savings resulting from adjustments to foreign currency exchange rates for military family housing construction and military family housing support outside the United States.

SEC. 2205. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2001 PROJECTS.

The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–395) is amended—

(1) in the item relating to Naval Shipyard, Bremerton, Puget Sound, Washington, by striking ''$100,740,000'' in the amount column and inserting ''$98,740,000'';

(2) in the item relating to Naval Station, Bremerton, Washington, by striking ''$11,930,000'' in the amount column and inserting ''$1,930,000''; and

(3) by striking the amount identified as the total in the amount column and inserting ''$799,497,000''.

SEC. 2206. MODIFICATION OF AUTHORITY TO CARRY OUT FISCAL YEAR 2000 PROJECT.

(a) MODIFICATION.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 828) is amended—

(1) in the item relating to Camp Smith, Hawaii, by striking ''$86,050,000'' in the amount column and inserting ''$89,050,000''; and

(2) by striking the amount identified as the total in the amount column and inserting ''$820,230,000''.

(b) CONFORMING AMENDMENT.—Section 2204(b)(3) of that Act (113 Stat. 831) is amended by striking ''$70,180,000'' and inserting ''$73,180,000''.

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or location	Amount
Alabama	Maxwell Air Force Base	$34,400,000
Alaska	Eareckson Air Force Base	$4,600,000
	Elmendorf Air Force Base	$32,200,000
Arizona	Davis-Monthan Air Force Base	$17,300,000
Arkansas	Little Rock Air Force Base	$18,100,000
California	Edwards Air Force Base	$16,300,000
	Los Angeles Air Force Base	$23,000,000
	Travis Air Force Base	$16,400,000
	Vandenberg Air Force Base	$11,800,000
Colorado	Buckley Air Force Base	$23,200,000
	Schriever Air Force Base	$19,000,000
	United States Air Force Academy	$25,500,000
Delaware	Dover Air Force Base	$7,300,000
District of Columbia	Bolling Air Force Base	$2,900,000
Florida	Cape Canaveral Air Force Station	$7,800,000
	Eglin Air Force Base	$11,400,000
	Hurlburt Field	$10,400,000
	MacDill Air Force Base	$10,000,000
	Tyndall Air Force Base	$15,050,000
Georgia	Moody Air Force Base	$8,600,000
	Robins Air Force Base	$14,650,000
Idaho	Mountain Home Air Force Base	$14,600,000
Louisiana	Barksdale Air Force Base	$5,000,000
Maryland	Andrews Air Force Base	$19,420,000
Massachusetts	Hanscom Air Force Base	$9,400,000
Mississippi	Columbus Air Force Base	$5,000,000
	Keesler Air Force Base	$28,600,000
Montana	Malmstrom Air Force Base	$4,650,000
Nebraska	Offet Air Force Base	$10,400,000
Nevada	Nellis Air Force Base	$31,600,000
New Jersey	McGuire Air Force Base	$36,550,000
New Mexico	Cannon Air Force Base	$9,400,000
	Kirtland Air Force Base	$15,500,000
North Carolina	Pope Air Force Base	$17,800,000
North Dakota	Grand Forks Air Force Base	$7,800,000
Ohio	Wright-Patterson Air Force Base	$24,850,000
Oklahoma	Altus Air Force Base	$20,200,000
	Tinker Air Force Base	$21,400,000

Air Force: Inside the United States—Continued

State	Installation or location	Amount
	Vance Air Force Base	$4,800,000
South Carolina	Shaw Air Force Base	$5,800,000
South Dakota	Ellsworth Air Force Base	$12,000,000
Tennessee	Arnold Air Force Base	$24,400,000
Texas	Lackland Air Force Base	$12,800,000
	Laughlin Air Force Base	$12,000,000
	Sheppard Air Force Base	$37,000,000
Utah	Hill Air Force Base	$14,000,000
Virginia	Langley Air Force Base	$47,300,000
Washington	Fairchild Air Force Base	$2,800,000
	McChord Air Force Base	$20,700,000
Wyoming	F.E. Warren Air Force Base	$10,200,000
	Total:	$811,370,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or location	Amount
Germany	Ramstein Air Force Base	$42,900,000
	Spangdahlem Air Base	$8,700,000
Guam	Andersen Air Force Base	$10,150,000
Italy	Aviano Air Base	$11,800,000
Korea	Kunsan Air Base	$12,000,000
	Osan Air Base	$101,142,000
Oman	Masirah Island	$8,000,000
Turkey	Eskisehir	$4,000,000
United Kingdom	Royal Air Force, Lakenheath	$11,300,000
	Royal Air Force, Mildenhall	$22,400,000
Wake Island	Wake Island	$25,000,000
	Total:	$257,392,000

(c) UNSPECIFIED WORLDWIDE.—Using the amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(3), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installation and location and in the amount, set forth in the following table:

Air Force: Unspecified Worldwide

Location	Installation	Amount
Unspecified Worldwide	Classified Location	$4,458,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State or country	Installation or location	Purpose	Amount
Arizona	Luke Air Force Base	120 Units	$15,712,000
California	Travis Air Force Base	118 Units	$18,150,000
Colorado	Buckley Air Force Base	55 Units	$11,400,000
Delaware	Dover Air Force Base	120 Units	$18,145,000
District of Columbia	Bolling Air Force Base	136 Units	$16,926,000
Hawaii	Hickam Air Force Base	102 Units	$25,037,000
Louisiana	Barksdale Air Force Base	56 Units	$7,300,000
South Dakota	Ellsworth Air Force Base	78 Units	$13,700,000
Virginia	Langley Air Force Base	4 Units	$1,200,000
Portugal	Lajes Field, Azores	64 Units	$13,230,000
		Total:	$140,800,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $24,558,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $375,379,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2001, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $2,587,791,000, as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $816,070,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $257,392,000.

(3) For the military construction projects at unspecified worldwide locations authorized by section 2301(c), $4,458,000.

(4) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $11,250,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $90,419,000.

(6) For military housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $542,381,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $869,121,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (6) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs reduced by $3,300,000, which represents savings resulting from adjustments to foreign currency exchange rates for military family housing construction and military family housing support outside the United States.

SEC. 2305. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2001 PROJECT.

The table in section 2302(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–400) is amended in the item relating to Mountain Home Air Force Base, Idaho, by striking ''119 Units'' in the purpose column and inserting ''46 Units''.

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2403(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation or location	Amount
Defense Education Activity	Laurel Bay, South Carolina	$12,850,000
	Marine Corps Base, Camp LeJeune, North Carolina	$8,857,000
Defense Logistics Agency	Defense Distribution Depot Tracy, California	$30,000,000
	Defense Distribution Depot, Susquehanna, New Cumberland, Pennsylvania	$19,900,000
	Eielson Air Force Base, Alaska	$8,800,000
	Fort Belvoir, Virginia	$900,000
	Grand Forks Air Force Base, North Dakota	$9,110,000
	Hickam Air Force Base, Hawaii	$29,200,000
	McGuire Air Force Base, New Jersey	$4,400,000
	Minot Air Force Base, North Dakota	$14,000,000
	Philadelphia, Pennsylvania	$2,429,000
	Pope Air Force Base, North Carolina	$3,400,000
Special Operations Command	Aberdeen Proving Ground, Maryland	$3,200,000
	Fort Benning, Georgia	$5,100,000
	Fort Bragg, North Carolina	$33,562,000
	Fort Lewis, Washington	$6,900,000
	Hurlburt Field, Florida	$13,400,000
	MacDill Air Force Base, Florida	$12,000,000
	Naval Station, San Diego, California	$13,650,000
	CONUS Classified	$2,400,000
TRICARE Management Activity	Andrews Air Force Base, Maryland	$10,250,000
	Dyess Air Force Base, Texas	$3,300,000
	F.E. Warren Air Force Base, Wyoming	$2,700,000
	Fort Hood, Texas	$12,200,000
	Fort Stewart/Hunter Army Air Field, Georgia	$11,000,000
	Holloman Air Force Base, New Mexico	$5,700,000
	Hurlburt Field, Florida	$8,800,000
	Marine Corps Base, Camp Pendleton, California	$15,300,000
	Marine Corps Logistics Base, Albany, Georgia	$5,800,000
	Naval Air Station, Whidbey Island, Washington	$6,600,000
	Naval Hospital, Twentynine Palms, California	$1,600,000
	Naval Station, Mayport, Florida	$24,000,000
	Naval Station, Norfolk, Virginia	$21,000,000
	Schriever Air Force Base, Colorado	$4,000,000
Washington Headquarters Services	Pentagon Reservation, Virginia	$25,000,000
	Total:	$391,308,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2403(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or location	Amount
Defense Education Activity	Aviano Air Base, Italy	$3,647,000
	Geilenkirchen, Germany	$1,733,000
	Heidelberg, Germany	$3,312,000
	Kaiserslautern, Germany	$1,439,000
	Kitzingen, Germany	$1,394,000
	Landstuhl, Germany	$1,444,000
	Ramstein Air Base, Germany	$2,814,000
	Royal Air Force, Feltwell, United Kingdom	$22,132,000
	Vogelweh Annex, Germany	$1,558,000
	Wiesbaden Air Base, Germany	$1,378,000
	Wuerzburg, Germany	$2,684,000
Defense Logistics Agency	Andersen Air Force Base, Guam	$20,000,000
	Camp Casey, Korea	$5,500,000
	Naval Station, Rota, Spain	$3,000,000
	Yokota Air Base, Japan	$13,000,000
Office of Secretary of Defense	Comalapa Air Base, El Salvador	$12,577,000
TRICARE Management Activity	Heidelberg, Germany	$28,000,000
	Lajes Field, Azores, Portugal	$3,750,000
	Thule, Greenland	$10,800,000
	Total:	$140,162,000

SEC. 2402. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(6), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code, in the amount of $35,600,000.

SEC. 2403. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2001, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of $1,492,956,000, as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $391,308,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $140,162,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $24,492,000.

(4) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $10,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $87,382,000.

(6) For energy conservation projects authorized by section 2402 of this Act, $35,600,000.

(7) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $592,200,000.

(8) For military family housing functions:

(A) For improvement of military family housing and facilities, $250,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $43,762,000 of which not more than $37,298,000 may be obligated or expended for the leasing of military family housing units worldwide.

(C) For credit to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code, $2,000,000.

(9) For construction of the Ammunition Demilitarization Facility Phase 6, Pine Bluff Arsenal, Arkansas, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3040), as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 538), section 2408 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1982), section 2406 of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2197), and section 2408 of this Act, $26,000,000.

(10) For construction of the Ammunition Demilitarization Facility Phase 3, Pueblo Army Depot, Colorado, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839), $11,000,000.

(11) For construction of the Ammunition Demilitarization Facility Phase 4, Newport Army Depot, Indiana, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2193), $66,000,000.

(12) For construction of the Ammunition Demilitarization Facility phase 4, Aberdeen Proving Ground, Maryland, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (112 Stat. 2193), as amended by section 2407 of this Act, $66,500,000.

(13) For construction of the Ammunition Demilitarization Facility Phase 2, Blue Grass Army Depot, Kentucky, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2406 of this Act, $3,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (8) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs reduced by $1,700,000, which represents savings resulting from adjustments to foreign currency exchange rates for military family housing construction and military family housing support outside the United States.

SEC. 2404. CANCELLATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2001 PROJECTS.

(a) CANCELLATION OF PROJECTS AT CAMP PENDLETON, CALIFORNIA.—(1) The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–402) is amended—

(A) by striking the item relating to Marine Corps Base, Camp Pendleton, California, under the heading TRICARE Management Activity; and

(B) by striking the amount identified as the total in the amount column and inserting ''$242,756,000''.

(2) Of the amount authorized to be appropriated by section 2403(a) of that Act (114 Stat. 1654A–404), and paragraph (1) of that section, $14,150,000 shall be available for purposes relating to construction of the Portsmouth Naval Hospital, Virginia, as authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189). Such amount is the amount authorized to be appropriated by section 2403(a) of the Military Construction Authorization Act for Fiscal Year 2001 for purposes authorized in section 2401(a) of that Act relating to Marine Corps Base, Camp Pendleton, California.

(b) CONFORMING AMENDMENTS.—Section 2403(a) of that Act is amended—

(1) in the matter preceding paragraph (1), by striking ''$1,883,902,000'' and inserting ''$1,828,902,000''; and

(2) in paragraph (3), by striking ''$85,095,000'' and inserting ''$30,095,000''.

SEC. 2405. CANCELLATION OF AUTHORITY TO CARRY OUT ADDITIONAL FISCAL YEAR 2001 PROJECT.

(a) CANCELLATION OF AUTHORITY.—Section 2401(c) the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–404) is amended by striking ''$451,135,000'' and inserting ''$30,095,000''.

(b) CONFORMING AMENDMENTS.—Section 2403 of that Act is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking ''$1,883,902,000'' and inserting ''$1,828,902,000''; and

(B) in paragraph (3), by striking ''$85,095,000'' and inserting ''$30,095,000''; and

(2) in subsection (b), by striking ''may not exceed—'' and all that follows through the end of the subsection and inserting ''may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).''.

SEC. 2406. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2000 PROJECTS.

(a) MODIFICATION.—The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835) is amended—

(1) in the item under the heading Chemical Demilitarization relating to Blue Grass Army Depot, Kentucky, by striking ''$206,800,000'' and inserting ''$254,030,000'';

(2) under the heading relating to TRICARE Management Agency—

(A) in the item relating to Fort Wainwright, Alaska, by striking ''$133,000,000'' and inserting ''$215,000,000''; and

(B) by striking the item relating to Naval Air Station, Whidbey Island, Washington; and

(3) by striking the amount identified as the total in the amount column and inserting ''$711,950,000''.

(b) CONFORMING AMENDMENTS.—Section 2405(b) of that Act (113 Stat. 839) is amended—

(1) in paragraph (2), by striking ''$115,000,000'' and inserting ''$197,000,000''; and

(2) in paragraph (3), by striking ''$184,000,000'' and inserting ''$231,230,000''.

(c) TREATMENT OF AUTHORIZATION OF APPROPRIATIONS FOR CANCELED PROJECT.—Of the amount authorized to be appropriated by section 2405(a) of that Act (113 Stat. 837), and paragraph (1) of that section, $4,700,000 shall be available for purposes relating to construction of the Portsmouth Naval Hospital, Virginia, as authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189). Such amount is the amount authorized to be appropriated by section 2405(a) of the Military Construction Authorization Act for Fiscal Year 2000 for purposes authorized in section 2401(a) of that Act relating to Naval Air Station, Whidbey Island, Washington.

SEC. 2407. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 1999 PROJECT.

(a) MODIFICATION.—The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2193) is amended—

(1) in the item under the agency heading Chemical Demilitarization relating to Aberdeen Proving Ground, Maryland, by striking ''$186,350,000'' in the amount column and inserting ''$223,950,000''; and

(2) by striking the amount identified as the total in the amount column and inserting ''$727,616,000''.

(b) CONFORMING AMENDMENT.—Section 2404(b)(3) of that Act (112 Stat. 2196) is amended by striking ''$158,000,000'' and inserting ''$195,600,000''.

SEC. 2408. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 1995 PROJECT.

The table in section 2401 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3040), as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 539), section 2408 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1982), and section 2406 of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2197), is further amended under the agency heading relating to Chemical Weapons and Munitions Destruction in the item relating to Pine Bluff Arsenal, Arkansas, by striking ''$154,400,000'' in the amount column and inserting ''$177,400,000''.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and

the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2001, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment program authorized by section 2501, in the amount of $162,600,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

There are authorized to be appropriated for fiscal years beginning after September 30, 2001, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $365,240,000; and

(B) for the Army Reserve, $111,404,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $33,641,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $227,232,000; and

(B) for the Air Force Reserve, $53,732,000.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2004; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2005.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) for which appropriated funds have been obligated before the later of—

(1) October 1, 2004; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2005 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1999 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2199), authorizations set forth in the tables in subsection (b), as provided in section 2302 or 2601 of that Act, shall remain in effect until October 1, 2002, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2003, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Air Force: Extension of 1999 Project Authorizations

State	Installation or location	Project	Amount
Delaware	Dover Air Force Base	Replace Family Housing (55 units).	$8,998,000
Florida	Patrick Air Force Base	Replace Family Housing (46 units).	$9,692,000
New Mexico	Kirtland Air Force Base	Replace Family Housing (37 units).	$6,400,000
Ohio	Wright-Patterson Air Force Base	Replace Family Housing (40 units).	$5,600,000

Army National Guard: Extension of 1999 Project Authorizations

State	Installation or location	Project	Amount
Massachusetts	Westfield	Army Aviation Support Facility.	$9,274,000
South Carolina	Spartanburg	Readiness Center	$5,260,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1998 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1984), authorizations set forth in the tables in subsection (b), as provided in section 2102, 2202, or 2302 of that Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 1654A–408)), shall remain in effect until October 1, 2002, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2003, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1998 Project Authorization

State	Installation or location	Project	Amount
Maryland	Fort Meade	Family Housing Construction (56 units).	$7,900,000

Navy: Extension of 1998 Project Authorizations

State	Installation or location	Project	Amount
California	Naval Complex, San Diego	Replacement Family Housing Construction (94 units).	$13,500,000
California	Marine Corps Air Station, Miramar	Family Housing Construction (166 units).	$28,881,000
Louisiana	Naval Complex, New Orleans	Replacement Family Housing Construction (100 units).	$11,930,000
Texas	Naval Air Station, Corpus Christi	Family Housing Construction (212 units).	$22,250,000

Air Force: Extension of 1998 Project Authorization

State	Installation or location	Project	Amount
New Mexico	Kirtland Air Force Base	Replace Family Housing (180 units).	$20,900,000

SEC. 2704. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

(1) October 1, 2001; or

(2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. INCREASE IN THRESHOLDS FOR CERTAIN UNSPECIFIED MINOR MILITARY CONSTRUCTION PROJECTS.

(a) PROJECTS REQUIRING ADVANCE APPROVAL OF SECRETARY CONCERNED.—Subsection (b)(1) of section 2805 of title 10, United States Code, amended by striking ''$500,000'' and inserting ''$750,000''.

(b) PROJECTS USING AMOUNTS FOR OPERATION AND MAINTENANCE.—Subsection (c)(1) of that section is amended—

(1) in subparagraph (A), by striking ''$1,000,000'' and inserting ''$1,500,000''; and

(2) in subparagraph (B), by striking ''$500,000'' and inserting ''$750,000''.

SEC. 2802. UNFORESEEN ENVIRONMENTAL HAZARD REMEDIATION AS BASIS FOR AUTHORIZED COST VARIATIONS FOR MILITARY CONSTRUCTION AND FAMILY HOUSING CONSTRUCTION PROJECTS.

Subsection (d) of section 2853 of title 10, United States Code, is amended to read as follows:

''(d) The limitation on cost increases in subsection (a) does not apply to the following:

''(1) The settlement of a contractor claim under a contract.

''(2) The cost of any environmental hazard remediation required by law, including asbestos removal, radon abatement, and lead-based paint removal or abatement, if such remediation could not have reasonably been anticipated at the time the project was approved originally by Congress.''.

SEC. 2803. REPEAL OF REQUIREMENT FOR ANNUAL REPORTS TO CONGRESS ON MILITARY CONSTRUCTION AND MILITARY FAMILY HOUSING ACTIVITIES.

(a) REPEAL.—Section 2861 of title 10, United States Code is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter III of chapter 169 of such title is amended by striking the item relating to section 2861.

SEC. 2804. AUTHORITY AVAILABLE FOR LEASE OF PROPERTY AND FACILITIES UNDER ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING.

(a) LEASE AUTHORITIES AVAILABLE.—Section 2878 of title 10, United States Code, is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by inserting after subsection (b) the following new subsection (c):

''(c) LEASE AUTHORITIES AVAILABLE.—(1) The Secretary concerned may use any authority or combination of authorities available under section 2667 of this title in leasing property or facilities under this section to the extent such property or facilities, as the case may be, are described by subsection (a)(1) of such section 2667.

''(2) The limitation in subsection (b)(1) of section 2667 of this title shall not apply with respect to a lease of property or facilities under this section.''.

(b) CONFORMING AMENDMENT.—Subsection (e) of that section, as redesignated by subsection (a) of this section, is further amended—

(1) by striking paragraph (1); and

(2) by redesignated paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively.

(c) TECHNICAL AMENDMENT.—Paragraph (3) of subsection (e) of that section, as redesignated by this section, is further amended by striking ''Stewart B. McKinney Homeless Assistance Act'' and inserting ''McKinney–Vento Homeless Assistance Act''.

SEC. 2805. FUNDS FOR HOUSING ALLOWANCES OF MEMBERS ASSIGNED TO MILITARY FAMILY HOUSING UNDER ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING.

(a) IN GENERAL.—Subchapter IV of chapter 169 of title 10, United States Code, is amended by inserting after section 2883 the following new section:

''§ 2883a. Funds for housing allowances of members of the armed forces assigned to certain military family housing units

''To the extent provided in advance in appropriations Acts, the Secretary of Defense may, during the fiscal year in which a contract is awarded for the acquisition or construction of military family housing units under this subchapter that are not to be owned by the United States, transfer from appropriations available for support of military housing for the armed force concerned for that fiscal year to appropriations available for pay and allowances of military personnel of that armed force for that fiscal year amounts equal to any additional amounts payable during that fiscal year to members of that armed force assigned to such housing units as basic allowance for housing under section 403 of title 37 that would not otherwise have been payable to such members if not for assignment to such housing units.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of that subchapter is amended by inserting after the item relating to section 2883 the following new item:

''2883a. Funds for housing allowances of members of the armed forces assigned to certain military family housing units.''.

SEC. 2806. AMENDMENT OF FEDERAL ACQUISITION REGULATION TO TREAT FINANCING COSTS AS ALLOWABLE EXPENSES UNDER CONTRACTS FOR UTILITY SERVICES FROM UTILITY SYSTEMS CONVEYED UNDER PRIVATIZATION INITIATIVE.

(a) DETERMINATION OF ADVISABILITY OF AMENDMENT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall determine whether or not it is advisable to modify the Federal Acquisition Regulation in order to provide that a contract for utility services from a utility system conveyed under section 2688(a) of title 10, United States Code, may include terms and conditions that recognize financing costs, such as return on equity and interest on debt, as an allowable expense when incurred by the conveyee of the utility system to acquire, operate, renovate, replace, upgrade, repair, and expand the utility system.

(b) REPORT.—If as of the date that is 180 days after the date of the enactment of this Act, the Federal Acquisition Regulatory Council has not modified the Federal Acquisition Regulation to provide that a contract described in subsection (a) may include terms and conditions described in that subsection, or otherwise taken action to provide that a contract referred to in that subsection may include terms and conditions described in that subsection, the Secretary shall submit to Congress on that date a report setting forth a justification for the failure to take such actions.

Subtitle B—Real Property and Facilities Administration

SEC. 2811. AVAILABILITY OF PROCEEDS OF SALES OF DEPARTMENT OF DEFENSE PROPERTY FROM CLOSED MILITARY INSTALLATIONS.

Section 204(h)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)(2)) is amended by striking subparagraphs (A) and (B) and inserting the following new subparagraphs:

''(A) In the case of property located at a military installation that is closed, such amount shall be available for facility maintenance and repair or environmental restoration by the military department that had jurisdiction over such property before the closure of the military installation.

''(B) In the case of property located at any other military installation—

''(i) 50 percent of such amount shall be available for facility maintenance and repair or environmental restoration at the military installation where such property was located before it was disposed of or transferred; and

''(ii) 50 percent of such amount shall be available for facility maintenance and repair and for environmental restoration by the military department that had jurisdiction over such property before it was disposed of or transferred.''.

SEC. 2812. PILOT EFFICIENT FACILITIES INITIATIVE.

(a) INITIATIVE AUTHORIZED.—The Secretary of Defense may carry out a pilot program for purposes of determining the potential for increasing the efficiency and effectiveness of the operation of military installations. The pilot program shall be known as the ''Pilot Efficient Facilities Initiative'' (in this section referred to as the ''Initiative'').

(b) DESIGNATION OF PARTICIPATING FACILITIES.—(1) The Secretary may designate up to two installations of each military department for participation in the Initiative.

(2) The Secretary shall transmit to the Committees on Armed Services of the Senate and the House of Representatives a written notification of each installation proposed to be included in the Initiative not less than 30 days before taking any action to carry out the Initiative at such installation.

(3) The Secretary shall include in the notification regarding an installation designated for participation in the Initiative a management plan for the Initiative at the installation. Each management plan for an installation shall include the following:

(A) A description of—

(i) each proposed lease of real or personal property located at the installation;

(ii) each proposed disposal of real or personal property located at the installation;

(iii) each proposed leaseback of real or personal property leased or disposed of at the installation;

(iv) each proposed conversion of services at the installation from Federal Government performance to non-Federal Government performance, including performance by contract with a State or local government or private entity or performance as consideration for the lease or disposal of property at the installation; and

(v) each other action proposed to be taken to improve mission effectiveness and reduce the cost of providing quality installation support at the installation.

(B) With respect to each proposed action described under subparagraph (A)—

(i) an estimate of the savings expected to be achieved as a result of the action;

(ii) each regulation not required by statute that is proposed to be waived to implement the action; and

(iii) each statute or regulation required by statute that is proposed to be waived to implement the action, including—

(I) an explanation of the reasons for the proposed waiver; and

(II) a description of the action to be taken to protect the public interests served by the statute or regulation, as the case may be, proposed to be waived in the event of the waiver.

(C) A description of the steps taken by the Secretary to consult with employees at the facility, and communities in the vicinity of the facility, regarding the Initiative at the installation.

(D) Measurable criteria for the evaluation of the effects of the actions to be taken pursuant to the Initiative at the installation.

(c) WAIVER OF STATUTORY REQUIREMENTS.—The Secretary of Defense may waive any statute or regulation required by statute for purposes of carrying out the Initiative only if specific authority for the waiver of such statute or regulation is provided in an Act that is enacted after the date of the enactment of this Act.

(d) INSTALLATION EFFICIENCY PROJECT FUND.—(1) There is established on the books of the Treasury a fund to be known as the ''Installation Efficiency Project Fund'' (in this subsection referred to as the ''Fund'').

(2) There shall be deposited in the Fund all cash rents, payments, reimbursements, proceeds and other amounts from leases, sales, or other conveyances or transfers, joint activities, and other actions taken under the Initiative.

(3) To the extent provided in advance in authorization Acts and appropriations Acts, amounts in the Fund shall be available to the Secretary concerned for purposes of managing capital assets and providing support services at installations participating in the Initiative. Amounts in the Fund may be used for such purposes in addition to, or in combination with, other amounts authorized to appropriated for such purposes. Amounts in the Fund shall be available for such purposes for five years.

(4) Subject to applicable financial management regulations, the Secretary of Defense shall structure the Fund, and provide administrative policies and procedures, in order provide proper control of deposits in and disbursements from the Fund.

(e) TERMINATION.—The authority of the Secretary to carry out the Initiative shall terminate four years after the date of the enactment of this Act.

(f) REPORT.—Not later than three years after the date of the enactment of this Act, the Secretary shall submit to the committees of Congress referred to in subsection (b)(2) a report on the Initiative. The report shall contain a description of the actions taken under the Initiative and include such other information, including recommendations, as the Secretary considers appropriate in light of the Initiative.

SEC. 2813. DEMONSTRATION PROGRAM ON REDUCTION IN LONG-TERM FACILITY MAINTENANCE COSTS.

(a) AUTHORITY TO CARRY OUT PROGRAM.—Subject to the provisions of this section, the Secretary of the Army may conduct a demonstration program to assess the feasibility and desirability of including facility maintenance requirements in construction contracts for military construction projects. The purpose of the demonstration program is to determine whether or not such requirements facilitate reductions in the long-term facility maintenance costs of the military departments.

(b) CONTRACTS.—(1) The demonstration program shall cover contracts entered into on or after the date of the enactment of this Act.

(2) Not more than three contracts entered into in any year may contain requirements referred to in subsection (a) for the purpose of the demonstration program.

(c) EFFECTIVE PERIOD OF REQUIREMENTS.—The effective period of a requirement referred to in subsection (a) that is included in a contract for the purpose of the demonstration program shall be any period elected by the Secretary not in excess of five years.

(d) REPORTS.—(1) Not later than January 31, 2003, and annually thereafter until the year following the cessation of effectiveness of any requirements referred to in subsection (a) in contracts under the demonstration program, the Secretary shall submit to the congressional defense committees a report on the demonstration program.

(2) Each report under paragraph (1) shall include, for the year covered by such report, the following:

(A) A description of the contracts entered into during the year that contain requirements referred to in subsection (a) for the purpose of the demonstration program.

(B) The experience of the Secretary during the year with respect to any contracts containing requirements referred to in subsection (a) for the purpose of the demonstration program that were in force during the year.

(3) The final report under this subsection shall include, in addition to the matters required under paragraph (2), an evaluation of the demonstration program and any recommendations, including recommendations for the termination, continuation, or expansion of the demonstration program, that the Secretary considers appropriate.

(e) EXPIRATION.—The authority under subsection (a) to include requirements referred to in that subsection in contracts under the demonstration program shall expire on September 30, 2006.

(f) FUNDING.—Amounts authorized to be appropriated for the Army for a fiscal year for military construction shall be available for the demonstration program under this section in such fiscal year.

Subtitle C—Land Conveyances

SEC. 2821. LAND CONVEYANCE, ENGINEER PROVING GROUND, FORT BELVOIR, VIRGINIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the Commonwealth of Virginia (in this section referred to as the ''Commonwealth'') all right, title, and interest of United States in and to two parcels of real property, including any improvements thereon, located at the Engineer Proving Ground, Fort Belvoir, Virginia, as follows:

(1) The parcel, consisting of approximately 170 acres, that is to be used for a portion of the Fairfax County Parkway, including for construction of that portion of the parkway.

(2) The parcel, consisting of approximately 11.45 acres, that is subject to an easement previously granted to the Commonwealth as Army easement DACA 31–3–96–440 for the construction of a portion of Interstate Highway 95.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the Commonwealth shall—

(1) design and construct, at its expense and for public benefit, the portion of the Fairfax County Parkway through the Engineer Proving Ground;

(2) provide a conceptual design for eventual incorporation and construction by others of access into the Engineer Proving Ground at the Rolling Road Interchange from Fairfax County Parkway as specified in Virginia Department of Transportation Project #R000–029–249, C514;

(3) provide such easements or rights of way for utilities under or across the Fairfax County Parkway as the Secretary considers appropriate for the optimum development of the Engineer Proving Ground; and

(4) pay the United States an amount, jointly determined by the Secretary and the Commonwealth, appropriate to cover the costs of constructing a replacement building for building 5089 located on the Engineer Proving Ground.

(c) RESPONSIBILITY FOR ENVIRONMENTAL CLEANUP.—The Secretary shall retain liability under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.), and any other applicable environmental statute or regulation, for any environmental hazard on the property conveyed under subsection (a) as of the date of the conveyance under that subsection.

(d) ACCEPTANCE AND DISPOSITION OF FUNDS.—(1) The Secretary of the Army may accept the funds paid by the Commonwealth as consideration under subsection (b)(4) and shall credit the accepted funds to the appropriation or appropriations that are appropriate for paying the costs of the replacement of Building 5089, located on the Engineer Proving Ground, Fort Belvoir, Virginia, consistent with paragraphs (2) and (3) of this subsection.

(2) Funds accepted under paragraph (1) shall be available, until expended, for the replacement of Building 5089.

(3) Funds appropriated pursuant to the authorization of appropriations in section 301(1), and funds appropriated pursuant to the authorization of appropriations in section 2104(a)(4), shall be available in accordance with section 2805 of title 10, United States Code, for the excess, if any, of the cost of the replacement of Building 5089 over the amount available for such project under paragraph (2).

(e) DESCRIPTION OF PROPERTY.—(1) The exact acreage and legal description of the real property to be conveyed under subsection (a)(1) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Commonwealth.

(2) The exact acreage and legal description of the real property to be conveyed under subsection (a)(2) are as set forth in Army easement DACA 31–3–96–440.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2822. MODIFICATION OF AUTHORITY FOR CONVEYANCE OF NAVAL COMPUTER AND TELECOMMUNICATIONS STATION, CUTLER, MAINE.

Section 2853(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–430) is amended by inserting ''any or'' before ''all right''.

SEC. 2823. LAND TRANSFER AND CONVEYANCE, NAVAL SECURITY GROUP ACTIVITY, WINTER HARBOR, MAINE.

(a) TRANSFER OF ADMINISTRATIVE JURISDICTION.—(1) The Secretary of the Navy may transfer to the Secretary of the Interior administrative jurisdiction of a parcel of real property, including any improvements thereon and appurtenances thereto, consisting of approximately 26 acres as generally depicted as Tract 15–116 on the map entitled ''Acadia National Park Schoodic Point Area'', numbered 123/80,418 and dated May 2001. The map shall be on file and available for inspection in the appropriate offices of the National Park Service.

(2) The transfer authorized by this subsection shall occur, if at all, concurrently with the reversion of administrative jurisdiction of a parcel of real property consisting of approximately 71 acres, as depicted as

Tract 15–115 on the map referred to in paragraph (1), from the Secretary of the Navy to the Secretary of the Interior as authorized by Public Law 80–260 (61 Stat. 519) and to be executed on or about June 30, 2002.

(b) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey, without consideration, to the State of Maine, any political subdivision of the State of Maine, or any tax-supported agency in the State of Maine, all right, title, and interest of the United States in and to any of the parcels of real property, including any improvements thereon and appurtenances thereto, consisting of approximately 485 acres and comprising the former facilities of the Naval Security Group Activity, Winter Harbor, Maine, located in Hancock County, Maine, less the real property described in subsection (a)(1), for the purpose of economic redevelopment.

(c) TRANSFER OF PERSONAL PROPERTY.—The Secretary of the Navy may transfer, without consideration, to the Secretary of the Interior in the case of the real property transferred under subsection (a), or to any recipient of such real property in the case of real property conveyed under subsection (b), any or all personal property associated with such real property so transferred or conveyed, including any personal property required to continue the maintenance of the infrastructure of such real property (including the generators for an uninterrupted power supply in building 154 at the Corea site).

(d) MAINTENANCE OF PROPERTY PENDING CONVEYANCE.—(1) The Secretary of the Navy shall maintain any real property, including any improvements thereon, appurtenances thereto, and supporting infrastructure, to be conveyed under subsection (b) in accordance with the protection and maintenance standards specified in section 101–47.4913 of title 41, Code of Federal Regulations, until the earlier of—

(A) the date of the conveyance of such real property under subsection (b); or

(B) September 30, 2003.

(2) The requirement in paragraph (1) shall not be construed as authority to improve the real property, improvements, and infrastructure referred to in that paragraph so as to bring such real property, improvements, or infrastructure into compliance with any zoning or property maintenance codes or to repair any damage to such improvements and infrastructure through an Act of God.

(e) INTERIM LEASE.—(1) Until such time as any parcel of real property to be conveyed under subsection (b) is conveyed by deed under that subsection, the Secretary of the Navy may lease such parcel to any person or entity determined by the Secretary to be an appropriate lessee of such parcel.

(2) The amount of rent for a lease under paragraph (1) shall be the amount determined by the Secretary to be appropriate, and may be an amount less than the fair market value of the lease.

(3) Notwithstanding any other provision of law, the Secretary shall credit any amount received for a lease of real property under paragraph (1) to the appropriation or account providing funds for the operation and maintenance of such property or for the procurement of utility services for such property. Amounts so credited shall be merged with funds in the appropriation or account to which credited, and shall be available for the same purposes, and subject to the same conditions and limitations, as the funds with which merged.

(f) REIMBURSEMENT FOR ENVIRONMENTAL AND OTHER ASSESSMENTS.—(1) The Secretary of the Navy may require each recipient of real property conveyed under subsection (b) to reimburse the Secretary for the costs incurred by the Secretary for any environmental assessment, study, or analysis carried out by the Secretary with respect to such property before completing the conveyance under that subsection.

(2) The amount of any reimbursement required under paragraph (1) shall be determined by the Secretary, but may not exceed the cost of the assessment, study, or analysis for which reimbursement is required.

(3) Section 2695(c) of title 10, United States Code, shall apply to any amount received by the Secretary under this subsection.

(g) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property transferred under subsection (a), and each parcel of real property conveyed under subsection (b), shall be determined by a survey satisfactory to the Secretary of the Navy. The cost of any survey under the preceding sentence for real property conveyed under subsection (b) shall be borne by the recipient of the real property.

(h) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Navy may require such additional terms and conditions in connection with any conveyance under subsection (b), and any lease under subsection (e), as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2824. CONVEYANCE OF SEGMENT OF LORING PETROLEUM PIPELINE, MAINE, AND RELATED EASEMENTS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Air Force may convey, without consideration, to the Loring Development Authority, Maine (in this section referred to as the ''Authority''), all right, title, and interest of the United States in and to the segment of the Loring Petroleum (POL) Pipeline, Maine, consisting of approximately 27 miles in length and running between the Searsport terminal and Bangor Air National Guard Base.

(b) RELATED EASEMENTS.—As part of the conveyance authorized by subsection (a), the Secretary may convey to the Authority, without consideration, all right, title, and interest of the United States in and to any easements or rights-of-way necessary for the operation or maintenance of the segment of pipeline conveyed under that subsection.

(c) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1) The Authority shall reimburse the Secretary for the costs incurred by the Secretary for any environmental assessment, study, or analysis, or for any other expense incurred by the Secretary, for a conveyance authorized by this section.

(2) The amount of the reimbursement under paragraph (1) for an activity shall be determined by the Secretary, but may not exceed the cost of the activity.

(3) Section 2695(c) of title 10, United States Code, shall apply to any amount received by the Secretary under this subsection.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the segment of pipeline conveyed under subsection (a), and of any easements or rights-of-way conveyed under subsection (b), shall be determined by surveys and other means satisfactory to the Secretary. The cost of any survey or other services performed at the direction of the Secretary under the preceding sentence shall be borne by the Authority.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2825. LAND CONVEYANCE, PETROLEUM TERMINAL SERVING FORMER LORING AIR FORCE BASE AND BANGOR AIR NATIONAL GUARD BASE, MAINE.

(a) CONVEYANCE AUTHORIZED.—(1) The Secretary of the Air Force may convey to the Maine Port Authority of the State of Maine (in this section referred to as the ''Authority'') all right, title, and interest of the United States in and to the Petroleum Terminal (POL) at Mack Point, Searsport, Maine, which served former Loring Air Force Base and Bangor Air National Guard Base, Maine.

(2) The conveyance under paragraph (1) may include the following:

(A) A parcel of real property, including any improvements thereon, consisting of approximately 20 acres and comprising a portion of the Petroleum Terminal.

(B) Any additional fuel tanks, other improvements, and equipment located on the 43-acre parcel of property adjacent to the property described in subparagraph (A), and currently leased by the Secretary, which constitutes the remaining portion of the Petroleum Terminal.

(b) CONDITION OF CONVEYANCE.—The Secretary may not make the conveyance under subsection (a) unless the Authority agrees to utilize the property to be conveyed under that subsection solely for economic development purposes.

(c) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the Authority shall lease to the Air Force approximately one acre of the real property conveyed under that subsection, together with any improvements thereon, that constitutes the Aerospace Fuels Laboratory (also known as Building 14).

(2) The real property leased under this subsection shall include the parking lot, outbuildings, and other improvements associated with the Aerospace Fuels Laboratory and such easements of ingress and egress to the real property, including easements for utilities, as are required for the operations of the Aerospace Fuels Laboratory.

(3) As part of the lease of real property under this subsection, the Authority shall maintain around the real property for the term of the lease a zone, not less than 75 feet in depth, free of improvements or encumbrances.

(4) The lease under this subsection shall be without cost to the United States.

(5) The term of the lease under this subsection may not exceed 25 years. If operations at the Aerospace Fuels Laboratory cease before the expiration of the term of the lease otherwise provided for under this subsection, the lease shall be deemed to have expired upon the cessation of such operations.

(d) CONVEYANCE CONTINGENT ON EXPIRATION OF LEASE OF FUEL TANKS.—The Secretary may not make the conveyance under subsection (a) until the expiration of the lease referred to in paragraph (2)(B) of that subsection.

(e) ENVIRONMENTAL REMEDIATION.—The Secretary may not make the conveyance under subsection (a) until the completion of any environmental remediation required by law with respect to the property to be conveyed under that subsection.

(f) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1) The Authority shall reimburse the Secretary for the costs incurred by the Secretary for any environmental assessment, study, or analysis, or for any other expense incurred by the Secretary, for the conveyance authorized by subsection (a).

(2) The amount of the reimbursement under paragraph (1) for an activity shall be determined by the Secretary, but may not exceed the cost of the activity.

(3) Section 2695(c) of title 10, United States Code, shall apply to any amount received by the Secretary under this subsection.

(g) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Authority.

(h) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a), and the lease under subsection (c), as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2826. LAND CONVEYANCE, NAVAL WEAPONS INDUSTRIAL RESERVE PLANT, TOLEDO, OHIO.

(a) CONVEYANCE AUTHORIZED.—(1) The Secretary of the Navy may convey, without consideration, to the Toledo-Lucas County Port Authority, Ohio (in this section referred to as the ''Port Authority''), any or all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 29 acres and comprising the Naval Weapons Industrial Reserve Plant, Toledo, Ohio.

(2) The Secretary may include in the conveyance under paragraph (1) such facilities, equipment, fixtures, and other personal property located or based on the parcel conveyed under that paragraph, or used in connection with the parcel, as the Secretary determines to be excess to the Navy.

(b) LEASE AUTHORITY.—Until such time as the real property described in subsection (a)(1) is conveyed by deed, the Secretary may lease such real property, and any personal property described in subsection (a)(2), to the Port Authority in exchange for such security, fire protection, and maintenance services as the Secretary considers appropriate.

(c) CONDITIONS OF CONVEYANCE.—The conveyance under subsection (a), and any lease under subsection (b), shall be subject to the conditions that the Port Authority—

(1) accept the real and personal property concerned in their condition at the time of the conveyance or lease, as the case may be; and

(2) except as provided in subsection (d), use the real and personal property concerned, whether directly or through an agreement with a public or private entity, for economic development or such other public purposes as the Port Authority considers appropriate.

(d) SUBSEQUENT USE.—(1) The Port Authority may, following entry into a lease under subsection (b) for real property, personal property, or both, sublease such property for a purpose set forth in subsection (c)(2) if the Secretary approves the sublease of such property for that purpose.

(2) The Port Authority may, following the conveyance of real property under subsection (a), lease or reconvey such real property, and any personal property conveyed with such real property under that subsection, for a purpose set forth in subsection (c)(2).

(e) REIMBURSEMENT FOR COSTS OF CONVEYANCE AND LEASE.—(1) The Port Authority shall reimburse the Secretary for the costs incurred by the Secretary for any environmental assessment, study, or analysis, or for any other expense incurred by the Secretary, for the conveyance authorized by subsection (a) or any lease authorized by subsection (b).

(2) The amount of the reimbursement under paragraph (1) for an activity shall be determined by the Secretary, but may not exceed the cost of the activity.

(3) Section 2695(c) of title 10, United States Code, shall apply to any amount received by the Secretary under this subsection.

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal of the real property to be conveyed under subsection (a)(1), and an appropriate inventory or other description of the personal property to be conveyed under subsection (a)(2), shall be determined by a survey and other means satisfactory to the Secretary.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a)(1), and any lease under subsection (b), as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2827. MODIFICATION OF LAND CONVEYANCE, MUKILTEO TANK FARM, EVERETT, WASHINGTON.

(a) MODIFICATION.—Section 2866 of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 436) is amended—

(1) in subsection (a), by striking ''22 acres'' and inserting ''20.9 acres'';

(2) by redesignating subsections (b), (c), (d), and (e) as subsections (c), (d), (e), and (f), respectively; and

(3) by inserting after subsection (a) the following new subsection (b):

''(b) TRANSFER OF JURISDICTION.—(1) At the same time the Secretary of the Air Force makes the conveyance authorized by subsection (a), the Secretary shall transfer to the Secretary of Commerce administrative jurisdiction over a parcel of real property, including improvements thereon, consisting of approximately 1.1 acres located at the Mukilteo Tank Farm and including the National Marine Fisheries Service Mukilteo Research Center facility.

''(2) The Secretary of Commerce may, with the consent of the Port, exchange with the Port all or any portion of the property received under paragraph (1) for a parcel of real property of equal area at the Mukilteo Tank Farm that is owned by the Port.

''(3) The Secretary of Commerce shall administer the property under the jurisdiction of the Secretary under this subsection through the Administrator of the National Oceanic and Atmospheric Administration as part of the Administration.

''(4) The Administrator shall use the property under the jurisdiction of the Secretary of Commerce under this subsection as the location of a research facility, and may construct a new facility on the property for such research purposes as the Administrator considers appropriate.

''(5)(A) If after the 12-year period beginning on the date of the enactment of the National Defense Authorization Act for Fiscal Year 2002, the Administrator is not using any portion of the real property under the jurisdiction of the Secretary of Commerce under this subsection, the Administrator shall convey, without consideration, to the Port all right, title, and interest in and to such portion of the real property, including improvements thereon.

''(B) The Port shall use any real property conveyed to the Port under this paragraph for the purpose specified in subsection (a).''.

(b) CONFORMING AMENDMENT.—The section heading for that section is amended to read as follows:

''SEC. 2866. LAND CONVEYANCE AND TRANSFER, MUKILTEO TANK FARM, EVERETT, WASHINGTON.''.

SEC. 2828. LAND CONVEYANCES, CHARLESTON AIR FORCE BASE, SOUTH CAROLINA.

(a) CONVEYANCE TO STATE OF SOUTH CAROLINA AUTHORIZED.—The Secretary of the Air Force may convey, without consideration, to the State of South Carolina (in this section referred to as the ''State''), all right, title, and interest of the United States in and to a portion (as determined under subsection (c)) of the real property, including any improvements thereon, consisting of approximately 24 acres at Charleston Air Force Base, South Carolina, and comprising the Air Force Family Housing Annex. The purpose of the conveyance is to facilitate the Remount Road Project.

(b) CONVEYANCE TO CITY OF NORTH CHARLESTON AUTHORIZED.—The Secretary may convey, without consideration, to the City of North Charleston, South Carolina (in this section referred to as the ''City''), all right, title, and interest of the United States in and to a portion (as determined under subsection (c)) of the real property, including any improvements thereon, referred to in subsection (a). The purpose of the conveyance is to permit the use of the property by the City for municipal purposes.

(c) DETERMINATION OF PORTIONS OF PROPERTY TO BE CONVEYED.—(1) Subject to paragraph (2), the Secretary, the State, and the City shall jointly determine the portion of the property referred to in subsection (a) that is to be conveyed to the State under subsection (a) and the portion of the property that is to be conveyed to the City under subsection (b).

(2) In determining under paragraph (1) the portions of property to be conveyed under this section, the portion to be conveyed to the State shall be the minimum portion of the property required by the State for the purpose specified in subsection (a), and the portion to be conveyed to the City shall be the balance of the property.

(d) LIMITATION ON CONVEYANCES.—The Secretary may not carry out the conveyance of property authorized by subsection (a) or subsection (b) until the completion of an assessment of environmental contamination of the property authorized to be conveyed by such subsection for purposes of determining responsibility for environmental remediation of such property.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsections (a) and (b) shall be determined by surveys satisfactory to the Secretary. The cost of the survey for the property to be conveyed under subsection (a) shall be borne by the State, and the cost of the survey for the property to be conveyed under subsection (b) shall be borne by the City.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under subsections (a) and (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2829. LAND CONVEYANCE, FORT DES MOINES, IOWA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to Fort Des Moines Memorial Park, Inc., a nonprofit organization (in this section referred to as the ''Memorial Park''), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 4.6 acres located at Fort Des Moines United States Army Reserve Center, Des Moines, Iowa, for the purpose of the establishment of the Fort Des Moines Memorial Park and Education Center.

(b) CONDITION OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the condition that the Memorial Park use the property for museum and park purposes.

(c) REVERSION.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used for museum and park purposes, all right, title, and interest in and to the real property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(d) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1) The Memorial Park shall reimburse the Secretary for the costs incurred by the Secretary for any environmental assessment, study, or analysis, or for any other expenses incurred by the Secretary, for the conveyance authorized in (a).

(2) The amount of the reimbursement under paragraph (1) for any activity shall be

determined by the Secretary, but may not exceed the cost of such activity.

(3) Section 2695(c) of title 10 United States Code, shall apply to any amount received under this subsection.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by survey satisfactory to the Secretary. The cost of the survey shall be borne by the Memorial Park.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2830. LAND CONVEYANCES, CERTAIN FORMER MINUTEMAN III ICBM FACILITIES IN NORTH DAKOTA.

(a) CONVEYANCES REQUIRED.—(1) The Secretary of the Air Force may convey, without consideration, to the State Historical Society of North Dakota (in this section referred to as the ''Historical Society'') all right, title, and interest of the United States in and to parcels of real property, together with any improvements thereon, of the Minuteman III ICBM facilities of the former 321st Missile Group at Grand Forks Air Force Base, North Dakota, as follows:

(A) The parcel consisting of the launch facility designated ''November–33''.

(B) The parcel consisting of the missile alert facility and launch control center designated ''Oscar-O''.

(2) The purpose of the conveyance of the facilities is to provide for the establishment of an historical site allowing for the preservation, protection, and interpretation of the facilities.

(b) CONSULTATION.—The Secretary shall consult with the Secretary of State and the Secretary of Defense in order to ensure that the conveyances required by subsection (a) are carried out in accordance with applicable treaties.

(c) HISTORIC SITE.—The Secretary may, in cooperation with the Historical Society, enter into one or more cooperative agreements with appropriate public or private entities or individuals in order to provide for the establishment and maintenance of the historic site referred to in subsection (a)(2).

SEC. 2831. LAND ACQUISITION, PERQUIMANS COUNTY, NORTH CAROLINA.

The Secretary of the Navy may, using funds previously appropriated for such purpose, acquire any and all right, title, and interest in and to a parcel of real property, including improvements thereon, consisting of approximately 240 acres, or any portion thereof, in Perquimans County, North Carolina, for purposes of including such parcel in the Harvey Point Defense Testing Activity, Hertford, North Carolina.

SEC. 2832. LAND CONVEYANCE, ARMY RESERVE CENTER, KEWAUNEE, WISCONSIN.

(a) CONVEYANCE REQUIRED.—The Administrator of General Services may convey, without consideration, to the City of Kewaunee, Wisconsin (in this section referred to as the ''City''), all right, title, and interest of the United States in and to a parcel of Federal real property, including improvements thereon, that is located at 401 5th Street in Kewaunee, Wisconsin, and contains an excess Army Reserve Center. After such conveyance, the property may be used and occupied only by the City, or by another local or State government entity approved by the City.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Administrator. The cost of the survey shall be borne by the City.

(c) REVERSIONARY INTEREST.—During the 20-year period beginning on the date the Administrator makes the conveyance under subsection (a), if the Administrator determines that the conveyed property is not being used and occupied in accordance with such subsection, all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States. Upon reversion, the United States shall immediately proceed to a public sale of the property.

(d) ADDITIONAL TERMS AND CONDITIONS.—(1) The property shall not be used for commercial purposes.

(2) The Administrator may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Administrator considers appropriate to protect the interests of the United States.

SEC. 2833. TREATMENT OF AMOUNTS RECEIVED.

Any net proceeds received by the United States as payment under subsection (c) of section 2832 shall be deposited into the Land and Water Conservation Fund.

Subtitle D—Other Matters

SEC. 2841. DEVELOPMENT OF UNITED STATES ARMY HERITAGE AND EDUCATION CENTER AT CARLISLE BARRACKS, PENNSYLVANIA.

(a) AUTHORITY TO ENTER INTO AGREEMENT.—(1) The Secretary of the Army may enter into an agreement with the Military Heritage Foundation, a not-for-profit organization, for the design, construction, and operation of a facility for the United States Army Heritage and Education Center at Carlisle Barracks, Pennsylvania.

(2) The facility referred to in paragraph (1) is to be used for curation and storage of artifacts, research facilities, classrooms, and offices, and for education and other activities, agreed to by the Secretary, relating to the heritage of the Army. The facility may also be used to support such education and training as the Secretary considers appropriate.

(b) DESIGN AND CONSTRUCTION.—The Secretary may, at the election of the Secretary—

(1) accept funds from the Military Heritage Foundation for the design and construction of the facility referred to in subsection (a); or

(2) permit the Military Heritage Foundation to contract for the design and construction of the facility.

(c) ACCEPTANCE OF FACILITY.—(1) Upon satisfactory completion, as determined by the Secretary, of the facility referred to in subsection (a), and upon the satisfaction of any and all financial obligations incident thereto by the Military Heritage Foundation, the Secretary shall accept the facility from the Military Heritage Foundation, and all right, title, and interest in and to the facility shall vest in the United States.

(2) Upon becoming property of the United States, the facility shall be under the jurisdiction of the Secretary.

(d) USE OF CERTAIN GIFTS.—(1) Under regulations prescribed by the Secretary, the Commandant of the Army War College may, without regard to section 2601 of title 10, United States Code, accept, hold, administer, invest, and spend any gift, devise, or bequest of personnel property of a value of $250,000 or less made to the United States if such gift, devise, or bequest is for the benefit of the United States Army Heritage and Education Center.

(2) The Secretary may pay or authorize the payment of any reasonable and necessary expense in connection with the conveyance or transfer of a gift, devise, or bequest under this subsection.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the agreement authorized to be entered into by subsection (a) as the Secretary considers appropriate to protect the interest of the United States.

SEC. 2842. REPEAL OF LIMITATION ON COST OF RENOVATION OF PENTAGON RESERVATION.

Section 2864 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2806) is repealed.

SEC. 2843. NAMING OF PATRICIA C. LAMAR ARMY NATIONAL GUARD READINESS CENTER, OXFORD, MISSISSIPPI.

(a) DESIGNATION.—The Oxford Army National Guard Readiness Center, Oxford, Mississippi, shall be known and designated as the ''Patricia C. Lamar Army National Guard Readiness Center''.

(b) REFERENCE TO READINESS CENTER.—Any reference to the Oxford Army National Guard Readiness Center, Oxford, Mississippi, in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Patricia C. Lamar Army National Guard Readiness Center.

SEC. 2844. CONSTRUCTION OF PARKING GARAGE AT FORT DERUSSY, HAWAII.

(a) AUTHORITY TO ENTER INTO AGREEMENT FOR CONSTRUCTION.—The Secretary of the Army may authorize the Army Morale, Welfare, and Recreation Fund, a non-appropriated fund instrumentality of the Department of Defense (in this section referred to as the ''Fund''), to enter into an agreement with a governmental, quasi-governmental, or commercial entity for the construction of a parking garage at Fort DeRussy, Hawaii.

(b) FORM OF AGREEMENT.—The agreement under subsection (a) may take the form of a non-appropriated fund contract, conditional gift, or other agreement determined by the Fund to be appropriate for purposes of construction of the parking garage.

(c) USE OF PARKING GARAGE BY PUBLIC.—The agreement under subsection (a) may permit the use by the general public of the parking garage constructed under the agreement if the Fund determines that use of the parking garage by the general public will be advantageous to the Fund.

(d) TREATMENT OF REVENUES OF FUND PARKING GARAGES AT FORT DERUSSY.—Notwithstanding any other provision of law, amounts received by the Fund by reason of operation of parking garages at Fort DeRussy, including the parking garage constructed under the agreement under subsection (a), shall be treated as non-appropriated funds, and shall accrue to the benefit of the Fund or its component funds, including the Armed Forces Recreation Center–Hawaii (Hale Koa Hotel).

SEC. 2845. ACCEPTANCE OF CONTRIBUTIONS TO REPAIR OR ESTABLISHMENT MEMORIAL AT PENTAGON RESERVATION.

(a) AUTHORITY TO ACCEPT CONTRIBUTIONS.—The Secretary of Defense may accept contributions made for the purpose of establishing a memorial or assisting in the repair of the damage caused to the Pentagon Reservation by the terrorist attack that occurred on September 11, 2001.

(b) DEPOSIT OF CONTRIBUTIONS.—The Secretary shall deposit contributions accepted under subsection (a) in the Pentagon Reservation Maintenance Revolving Fund established by section 2674(e) of title 10, United States Code.

TITLE XXIX—DEFENSE BASE CLOSURE AND REALIGNMENT

Subtitle A—Modifications of 1990 Base Closure Law

SEC. 2901. AUTHORITY TO CARRY OUT BASE CLOSURE ROUND IN 2003.

(a) COMMISSION MATTERS.—

(1) APPOINTMENT.—Section 2902(c)(1) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(A) in subparagraph (B)—

(i) by striking ''and'' at the end of clause (ii);

(ii) by striking the period at the end of clause (iii) and inserting ''; and''; and

(iii) by adding at the end the following new clause:

''(iv) by no later than January 24, 2003, in the case of members of the Commission whose terms will expire at the end of the first session of the 108th Congress.''; and

(B) in subparagraph (C), by striking ''or for 1995 in clause (iii) of such subparagraph'' and inserting '', for 1995 in clause (iii) of that subparagraph, or for 2003 in clause (iv) of that subparagraph''.

(2) MEETINGS.—Section 2902(e) of that Act is amended by striking ''and 1995'' and inserting ''1995, and 2003''.

(3) FUNDING.—Section 2902(k) of that Act is amended by adding at the end the following new paragraph (4):

''(4) If no funds are appropriated to the Commission by the end of the second session of the 107th Congress for the activities of the Commission in 2003, the Secretary may transfer to the Commission for purposes of its activities under this part in that year such funds as the Commission may require to carry out such activities. The Secretary may transfer funds under the preceding sentence from any funds available to the Secretary. Funds so transferred shall remain available to the Commission for such purposes until expended.''.

(4) TERMINATION.—Section 2902(l) of that Act is amended by striking ''December 31, 1995'' and inserting ''December 31, 2003''.

(b) PROCEDURES.—

(1) FORCE-STRUCTURE PLAN.—Section 2903(a) of that Act is amended—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(B) by inserting after paragraph (1) the following new paragraph (2):

''(2)(A) As part of the budget justification documents submitted to Congress in support of the budget for the Department of Defense for fiscal year 2003, the Secretary shall include a force-structure plan for the Armed Forces based on the assessment of the Secretary in the quadrennial defense review under section 118 of title 10, United States Code, in 2001 of the probable threats to the national security during the twenty-year period beginning with fiscal year 2003.

''(B) The Secretary may revise the force-structure plan submitted under subparagraph (A). If the Secretary revises the force-structure plan, the Secretary shall submit the revised force-structure plan to Congress as part of the budget justification documents submitted to Congress in support of the budget for the Department of Defense for fiscal year 2004.''; and

(C) in paragraph (3), as redesignated by subparagraph (A) of this paragraph—

(i) in the matter preceding subparagraph (A), by striking ''Such plan'' and inserting ''Each force-structure plan under this subsection''; and

(ii) in subparagraph (A), by striking ''referred to in paragraph (1)'' and inserting ''on which such force-structure plan is based''.

(2) SELECTION CRITERIA.—Section 2903(b) of that Act is amended—

(A) in paragraph (1), by inserting ''and by no later than December 31, 2001, for purposes of activities of the Commission under this part in 2003,'' after ''December 31, 1990,''; and

(B) in paragraph (2)(A)—

(i) in the first sentence, by inserting ''and by no later than February 15, 2002, for purposes of activities of the Commission under this part in 2003,'' after ''February 15, 1991,''; and

(ii) in the second sentence, by inserting '', or enacted on or before March 31, 2002, in the case of criteria published and transmitted under the preceding sentence in 2001'' after ''March 15, 1991''.

(3) DEPARTMENT OF DEFENSE RECOMMENDATIONS.—Section 2903(c)(1) of that Act is amended by striking ''and March 1, 1995'' and inserting ''March 1, 1995, and March 14, 2003''.

(4) COMMISSION REVIEW AND RECOMMENDATIONS.—Section 2903(d) of that Act is amended—

(A) in paragraph (2)(A), by inserting ''or by no later than July 7 in the case of recommendations in 2003,'' after ''pursuant to subsection (c),'';

(B) in paragraph (4), by inserting ''or after July 7 in the case of recommendations in 2003,'' after ''under this subsection,''; and

(C) in paragraph (5)(B), by inserting ''or by no later than May 1 in the case of such recommendations in 2003,'' after ''such recommendations,''.

(5) REVIEW BY PRESIDENT.—Section 2903(e) of that Act is amended—

(A) in paragraph (1), by inserting ''or by no later than July 22 in the case of recommendations in 2003,'' after ''under subsection (d),'';

(B) in the second sentence of paragraph (3), by inserting ''or by no later than August 18 in the case of 2003,'' after ''the year concerned,''; and

(C) in paragraph (5), by inserting ''or by September 3 in the case of recommendations in 2003,'' after ''under this part,''.

(c) RELATIONSHIP TO OTHER BASE CLOSURE AUTHORITY.—Section 2909(a) of that Act is amended by striking ''December 31, 1995,'' and inserting ''December 31, 2003,''.

SEC. 2902. BASE CLOSURE ACCOUNT 2003.

(a) ESTABLISHMENT.—The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by inserting after section 2906 the following new section:

''SEC. 2906A. BASE CLOSURE ACCOUNT 2003.

''(a) IN GENERAL.—(1) There is hereby established on the books of the Treasury an account to be known as the 'Department of Defense Base Closure Account 2003' (in this section referred to as the 'Account'). The Account shall be administered by the Secretary as a single account.

''(2) There shall be deposited into the Account—

''(A) funds authorized for and appropriated to the Account;

''(B) any funds that the Secretary may, subject to approval in an appropriation Act, transfer to the Account from funds appropriated to the Department of Defense for any purpose, except that such funds may be transferred only after the date on which the Secretary transmits written notice of, and justification for, such transfer to the congressional defense committees; and

''(C) except as provided in subsection (d), proceeds received from the lease, transfer, or disposal of any property at a military installation that is closed or realigned under this part pursuant to a closure or realignment the date of approval of which is after September 30, 2003.

''(3) The Account shall be closed at the time and in the manner provided for appropriation accounts under section 1555 of title 31, United States Code. Unobligated funds which remain in the Account upon closure shall be held by the Secretary of the Treasury until transferred by law after the congressional defense committees receive the final report transmitted under subsection (c)(2).

''(b) USE OF FUNDS.—(1) The Secretary may use the funds in the Account only for the purposes described in section 2905 with respect to military installations the date of approval of closure or realignment of which is after September 30, 2003.

''(2) When a decision is made to use funds in the Account to carry out a construction project under section 2905(a) and the cost of the project will exceed the maximum amount authorized by law for a minor military construction project, the Secretary shall notify in writing the congressional defense committees of the nature of, and justification for, the project and the amount of expenditures for such project. Any such construction project may be carried out without regard to section 2802(a) of title 10, United States Code.

''(c) REPORTS.—(1)(A) No later than 60 days after the end of each fiscal year in which the Secretary carries out activities under this part using amounts in the Account, the Secretary shall transmit a report to the congressional defense committees of the amount and nature of the deposits into, and the expenditures from, the Account during such fiscal year and of the amount and nature of other expenditures made pursuant to section 2905(a) during such fiscal year.

''(B) The report for a fiscal year shall include the following:

''(i) The obligations and expenditures from the Account during the fiscal year, identified by subaccount, for each military department and Defense Agency.

''(ii) The fiscal year in which appropriations for such expenditures were made and the fiscal year in which funds were obligated for such expenditures.

''(iii) Each military construction project for which such obligations and expenditures were made, identified by installation and project title.

''(iv) A description and explanation of the extent, if any, to which expenditures for military construction projects for the fiscal year differed from proposals for projects and funding levels that were included in the justification transmitted to Congress under section 2907(1), or otherwise, for the funding proposals for the Account for such fiscal year, including an explanation of—

''(I) any failure to carry out military construction projects that were so proposed; and

''(II) any expenditures for military construction projects that were not so proposed.

''(2) No later than 60 days after the termination of the authority of the Secretary to carry out a closure or realignment under this part with respect to military installations the date of approval of closure or realignment of which is after September 30, 2003, and no later than 60 days after the closure of the Account under subsection (a)(3), the Secretary shall transmit to the congressional defense committees a report containing an accounting of—

''(A) all the funds deposited into and expended from the Account or otherwise expended under this part with respect to such installations; and

''(B) any amount remaining in the Account.

''(d) DISPOSAL OR TRANSFER OF COMMISSARY STORES AND PROPERTY PURCHASED WITH NONAPPROPRIATED FUNDS.—(1) If any real property or facility acquired, constructed, or improved (in whole or in part) with commissary store funds or nonappropriated funds is transferred or disposed of in connection with the closure or realignment of a military installation under this part the date of approval of closure or realignment of which is after September 30, 2003, a portion of the proceeds of the transfer or other disposal of property on that installation shall be deposited in the reserve account established under section 204(b)(7)(C) of the Defense Authorization Amendments and Base Closure and Realignment Act (10 U.S.C. 2687 note).

''(2) The amount so deposited shall be equal to the depreciated value of the investment made with such funds in the acquisition, construction, or improvement of that particular real property or facility. The depreciated value of the investment shall be computed in accordance with regulations prescribed by the Secretary of Defense.

''(3) The Secretary may use amounts in the account (in such an aggregate amount as is provided in advance in appropriation Acts) for the purpose of acquiring, constructing, and improving—

''(A) commissary stores; and

''(B) real property and facilities for nonappropriated fund instrumentalities.

''(4) In this subsection, the terms 'commissary store funds', 'nonappropriated funds', and 'nonappropriated fund instrumentality' shall have the meaning given those terms in section 2906(d)(4).

''(e) ACCOUNT EXCLUSIVE SOURCE OF FUNDS FOR ENVIRONMENTAL RESTORATION PROJECTS.—Except as provided in section 2906(e) with respect to funds in the Department of Defense Base Closure Account 1990 under section 2906 and except for funds deposited into the Account under subsection (a), funds appropriated to the Department of Defense may not be used for purposes described in section 2905(a)(1)(C). The prohibition in this subsection shall expire upon the closure of the Account under subsection (a)(3).''.

(b) CONFORMING AMENDMENTS.—Section 2906 of that Act is amended—

(1) in subsection (a)(2)(C), by inserting ''the date of approval of closure or realignment of which is before September 30, 2003'' after ''under this part'';

(2) in subsection (b)(1), by inserting ''with respect to military installations the date of approval of closure or realignment of which is before September 30, 2003,'' after ''section 2905'';

(3) in subsection (c)(2)—

(A) in the matter preceding subparagraph (A), by inserting ''with respect to military installations the date of approval of closure or realignment of which is before September 30, 2003,'' after ''under this part''; and

(B) in subparagraph (A), by inserting ''with respect to such installations'' after ''under this part'';

(4) in subsection (d)(1), by inserting ''the date of approval of closure or realignment of which is before September 30, 2003'' after ''under this part''; and

(5) in subsection (e), by striking ''Except for'' and inserting ''Except as provided in section 2906A(e) with respect to funds in the Department of Defense Base Closure Account 2001 under section 2906A and except for''.

(c) CLERICAL AMENDMENT.—The section heading of section 2906 of that Act is amended to read as follows:

''SEC. 2906. BASE CLOSURE ACCOUNT 1990.''.

SEC. 2903. ADDITIONAL MODIFICATIONS OF BASE CLOSURE AUTHORITIES.

(a) INCREASE IN MEMBERS OF COMMISSION.—Section 2902(c)(1)(A) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2867 note) is amended by striking ''eight members'' and inserting ''nine members''.

(b) SELECTION CRITERIA.—Section 2903(b) of that Act is amended by adding at the end the following new paragraphs:

''(3) The selection criteria shall ensure that military value is the primary consideration in the making of recommendations for the closure or realignment of military installations under this part.

''(4) Any selection criteria proposed by the Secretary relating to the cost savings or return on investment from the proposed closure or realignment of a military installation shall take into account the effect of the proposed closure or realignment on the costs of any other Federal agency that may be required to assume responsibility for activities at the military installation.''.

(c) DEPARTMENT OF DEFENSE RECOMMENDATIONS TO COMMISSION.—Section 2903(c) of that Act is amended—

(1) by redesignating paragraphs (1), (2), (3), (4), (5), and (6) as paragraphs (2), (3), (4), (6), (7), and (8), respectively;

(2) by inserting before paragraph (2), as so redesignated, by the following new paragraph (1):

''(1) The Secretary shall carry out a comprehensive review of the military installations of the Department of Defense inside the United States based on the force-structure plan submitted under subsection (a)(2), and the final criteria transmitted under subsection (b)(2), in 2002. The review shall cover every type of facility or other infrastructure operated by the Department of Defense.'';

(3) in paragraph (4), as so redesignated—

(A) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively;

(B) by inserting after subparagraph (A) the following new subparagraph (B):

''(B) In considering military installations for closure or realignment under this part in any year after 2001, the Secretary shall consider the anticipated continuing need for and availability of military installations worldwide. In evaluating the need for military installations inside the United States, the Secretary shall take into account current restrictions on the use of military installations outside the United States and the potential for future prohibitions or restrictions on the use of such military installations.''; and

(C) in subparagraph (D), as so redesignated, by striking ''subparagraph (B)'' and inserting ''subparagraph (C)'';

(4) by inserting after paragraph (4), as so redesignated, the following new paragraph (5):

''(5)(A) In making recommendations to the Commission under this subsection in any year after 2001, the Secretary shall consider any notice received from a local government in the vicinity of a military installation that the government would approve of the closure or realignment of the installation.

''(B) Notwithstanding the requirement in subparagraph (A), the Secretary shall make the recommendations referred to in that subparagraph based on the force-structure plan and final criteria otherwise applicable to such recommendations under this section.

''(C) The recommendations made by the Secretary under this subsection in any year after 2001 shall include a statement of the result of the consideration of any notice described in subparagraph (A) that is received with respect to an installation covered by such recommendations. The statement shall set forth the reasons for the result.''; and

(5) in paragraph (8), as so redesignated—

(A) in the first sentence, by striking ''paragraph (5)(B)'' and inserting ''paragraph (7)(B)''; and

(B) in the second sentence, by striking ''24 hours'' and inserting ''48 hours''.

(d) COMMISSION CHANGES IN RECOMMENDATIONS OF SECRETARY.—Section 2903(d)(2) of that Act is amended—

(1) in subparagraph (B), by striking ''if'' and inserting ''only if'';

(2) in subparagraph (C)—

(A) in clause (iii), by striking ''and'' at the end;

(B) in clause (iv), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following new clause:

''(v) invites the Secretary to testify at a public hearing, or a closed hearing if classified information is involved, on the proposed change.'';

(3) by redesignating subparagraph (E) as subparagraph (F); and

(4) by inserting after subparagraph (D) the following new subparagraph (E):

''(E) In the case of a change not described in subparagraph (D) in the recommendations made by the Secretary, the Commission may make the change only if the Commission—

''(i) makes the determination required by subparagraph (B);

''(ii) determines that the change is consistent with the force-structure plan and final criteria referred to in subsection (c)(1); and

''(iii) invites the Secretary to testify at a public hearing, or a closed hearing if classified information is involved, on the proposed change.''.

(e) PRIVATIZATION IN PLACE.—Section 2904(a) of that Act is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by inserting after paragraph (2) the following new paragraph (3):

''(3) carry out the privatization in place of a military installation recommended for closure or realignment by the Commission in each such report after 2001 only if privatization in place is a method of closure or realignment of the installation specified in the recommendation of the Commission in such report and is determined by the Commission to be the most-cost effective method of implementation of the recommendation;''.

(f) IMPLEMENTATION.—

(1) PAYMENT FOR CERTAIN SERVICES FOR PROPERTY LEASED BACK BY THE UNITED STATES.—Section 2905(b)(4)(E) of that Act is amended—

(1) in clause (iii), by striking ''A lease'' and inserting ''Except as provided in clause (v), a lease''; and

(2) by adding at the end the following new clause (v):

''(v)(I) Notwithstanding clause (iii), a lease under clause (i) may require the United States to pay the redevelopment authority concerned, or the assignee of the redevelopment authority, for facility services and common area maintenance provided for the leased property by the redevelopment authority or assignee, as the case may be.

''(II) The rate charged the United States for services and maintenance provided by a redevelopment authority or assignee under subclause (I) may not exceed the rate charged non-Federal tenants leasing property at the installation for such services and maintenance.

''(III) For purposes of this clause, facility services and common area maintenance shall not include municipal services that the State or local government concerned is required by law to provide without direct charge to landowners, or firefighting or security-guard functions.''.

(2) TRANSFERS IN CONNECTION WITH PAYMENT OF ENVIRONMENTAL REMEDIATION.—Section 2905(e) of that Act is amended—

(A) in paragraph (1)(B), by adding at the end the following new sentence: ''The real property and facilities referred to in subparagraph (A) are also the real property and facilities located at an installation approved for closure or realignment under this part after 2001 that are available for purposes other than to assist the homeless.'';

(B) in paragraph (2)(A), by striking ''to be paid by the recipient of the property or facilities'' and inserting ''otherwise to be paid by the Secretary with respect to the property or facilities'';

(C) by striking paragraph (6);

(D) by redesignating paragraphs (3), (4), and (5) as paragraphs (4), (5), (6), respectively; and

(E) by inserting after paragraph (2) the following new paragraph (3):

''(3) In the case of property or facilities covered by a certification under paragraph (2)(A), the Secretary may pay the recipient of such property or facilities an amount equal to the lesser of—

''(A) the amount by which the costs incurred by the recipient of such property or facilities for all environmental restoration, waste, management, and environmental compliance activities with respect to such property or facilities exceed the fair market value of such property or facilities as specified in such certification; or

''(B) the amount by which the costs (as determined by the Secretary) that would otherwise have been incurred by the Secretary for such restoration, management, and activities with respect to such property or facilities exceed the fair market value of such property or facilities as so specified.''.

(3) SCOPE OF INDEMNIFICATION OF TRANSFEREES IN CONNECTION WITH PAYMENT OF ENVIRONMENTAL REMEDIATION.—Paragraph (6) of section 2905(e) of that Act, as redesignated by paragraph (1) of this subsection, is further amended by inserting before the period the following: '', except in the case of releases or threatened releases not disclosed pursuant to paragraph (4)''.

SEC. 2904. TECHNICAL AND CLARIFYING AMENDMENTS.

(a) COMMENCEMENT OF PERIOD FOR NOTICE OF INTEREST IN PROPERTY FOR HOMELESS.—Section 2905(b)(7)(D)(ii)(I) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2867 note) is amended by striking ''that date'' and inserting ''the date of publication of such determination in a newspaper of general circulation in the communities in the vicinity of the installation under subparagraph (B)(i)(IV)''.

(b) OTHER CLARIFYING AMENDMENTS.—(1) That Act is further amended by inserting ''or realignment'' after ''closure'' each place it appears in the following provisions:

(A) Section 2905(b)(3).
(B) Section 2905(b)(5).
(C) Section 2905(b)(7)(B)(iv).
(D) Section 2905(b)(7)(N).
(E) Section 2910(10)(B).

(2) That Act is further amended by inserting ''or realigned'' after ''closed'' each place it appears in the following provisions:

(A) Section 2905(b)(3)(C)(ii).
(B) Section 2905(b)(3)(D).
(C) Section 2905(b)(3)(E).
(D) Section 2905(b)(4)(A).
(E) Section 2905(b)(5)(A).
(F) Section 2910(9).
(G) Section 2910(10).

(3) Section 2905(e)(1)(B) of that Act is amended by inserting '', or realigned or to be realigned,'' after ''closed or to be closed''.

Subtitle B—Modification of 1988 Base Closure Law

SEC. 2911. PAYMENT FOR CERTAIN SERVICES PROVIDED BY REDEVELOPMENT AUTHORITIES FOR PROPERTY LEASED BACK BY THE UNITED STATES.

Section 204(b)(4) of the Defense Authorization Amendments and Base Closure and Realignment Act of (Public Law 100–526; 10 U.S.C. 2687 note) is amended by adding at the end the following new subparagraph (J):

''(J)(i) The Secretary may transfer real property at an installation approved for closure or realignment under this title (including property at an installation approved for realignment which will be retained by the Department of Defense or another Federal agency after realignment) to the redevelopment authority for the installation if the redevelopment authority agrees to lease, directly upon transfer, one or more portions of the property transferred under this subparagraph to the Secretary or to the head of another department or agency of the Federal Government. Subparagraph (B) shall apply to a transfer under this subparagraph.

''(ii) A lease under clause (i) shall be for a term of not to exceed 50 years, but may provide for options for renewal or extension of the term by the department or agency concerned.

''(iii) Except as provided in clause (v), a lease under clause (i) may not require rental payments by the United States.

''(iv) A lease under clause (i) shall include a provision specifying that if the department or agency concerned ceases requiring the use of the leased property before the expiration of the term of the lease, the remainder of the lease term may be satisfied by the same or another department or agency of the Federal Government using the property for a use similar to the use under the lease. Exercise of the authority provided by this clause shall be made in consultation with the redevelopment authority concerned.

''(v)(I) Notwithstanding clause (iii), a lease under clause (i) may require the United States to pay the redevelopment authority concerned, or the assignee of the redevelopment authority, for facility services and common area maintenance provided for the leased property by the redevelopment authority or assignee, as the case may be.

''(II) The rate charged the United States for services and maintenance provided by a redevelopment authority or assignee under subclause (I) may not exceed the rate charged non-Federal tenants leasing property at the installation for such services and maintenance.

''(III) For purposes of this clause, facility services and common area maintenance shall not include municipal services that the State or local government concerned is required by law to provide without direct charge to landowners, or firefighting or security-guard functions.''.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

SEC. 3101. NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) IN GENERAL.—Subject to subsection (b), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2002 for the activities of the National Nuclear Security Administration in carrying out programs necessary for national security in the amount of $7,351,721,000, to be allocated as follows:

(1) WEAPONS ACTIVITIES.—For weapons activities, $5,481,795,000, to be allocated as follows:

(A) For stewardship operation and maintenance, $4,687,443,000, to be allocated as follows:

(i) For directed stockpile work, $1,016,922,000.

(ii) For campaigns, $2,137,300,000, to be allocated as follows:

(I) For operation and maintenance, $1,767,328,000.

(II) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $369,972,000, to be allocated as follows:

Project 01–D–101, distributed information systems laboratory, Sandia National Laboratories, Livermore, California, $5,400,000.

Project 00–D–103, terascale simulation facility, Lawrence Livermore National Laboratory, Livermore, California, $22,000,000.

Project 00–D–105, strategic computing complex, Los Alamos National Laboratory, Los Alamos, New Mexico, $11,070,000.

Project 00–D–107, joint computational engineering laboratory, Sandia National Laboratories, Albuquerque, New Mexico, $5,377,000.

Project 98–D–125, tritium extraction facility, Savannah River Plant, Aiken, South Carolina, $81,125,000.

Project 96–D–111, national ignition facility (NIF), Lawrence Livermore National Laboratory, Livermore, California, $245,000,000.

(iii) For readiness in technical base and facilities, $1,533,221,000, to be allocated as follows:

(I) For operation and maintenance, $1,356,107,000.

(II) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $177,114,000, to be allocated as follows:

Project 02–D–101, microsystems and engineering sciences applications (MESA), Sandia National Laboratories, Albuquerque, New Mexico, $39,000,000.

Project 02–D–103, project engineering and design (PE&D), various locations, $31,130,000.

Project 02–D–107, electrical power systems safety communications and bus upgrades, Nevada Test Site, Nevada, $3,507,000.

Project 01–D–103, preliminary project design and engineering, various locations, $16,379,000.

Project 01–D–124, highly enriched uranium (HEU) materials storage facility, Y–12 Plant, Oak Ridge, Tennessee, $0.

Project 01–D–126, weapons evaluation test laboratory, Pantex Plant, Amarillo, Texas, $7,700,000.

Project 01–D–800, sensitive compartmented information facility, Lawrence Livermore National Laboratory, Livermore, California, $12,993,000.

Project 99–D–103, isotope sciences facilities, Lawrence Livermore National Laboratory, Livermore, California, $4,400,000.

Project 99–D–104, protection of real property (roof reconstruction, phase II), Lawrence Livermore National Laboratory, Livermore, California, $2,800,000.

Project 99–D–106, model validation and system certification center, Sandia National Laboratories, Albuquerque, New Mexico, $4,955,000.

Project 99–D–108, renovation of existing roadways, Nevada Test Site, Nevada, $2,000,000.

Project 99–D–125, replace boilers and controls, Kansas City Plant, Kansas City, Missouri, $300,000.

Project 99–D–127, stockpile management restructuring initiative, Kansas City Plant, Kansas City, Missouri, $22,200,000.

Project 99–D–128, stockpile management restructuring initiative, Pantex Plant, Amarillo, Texas, $3,300,000.

Project 98–D–123, stockpile management restructuring initiative, tritium facility modernization and consolidation, Savannah River Plant, Aiken, South Carolina, $13,700,000.

Project 98–D–124, stockpile management restructuring initiative, Y–12 Plant consolidation, Oak Ridge, Tennessee, $6,850,000.

Project 97–D–123, structural upgrades, Kansas City Plant, Kansas City, Missouri, $3,000,000.

Project 96–D–102, stockpile stewardship facilities revitalization, Phase VI, various locations, $2,900,000.

(B) For secure transportation asset, $77,571,000, to be allocated for operation and maintenance.

(C) For safeguards and security, $448,881,000, to be allocated as follows:

(i) For operation and maintenance, $439,281,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $9,600,000, to be allocated as follows:

Project 99–D–132, stockpile management restructuring initiative, nuclear material safeguards and security upgrade project, Los Alamos National Laboratory, Los Alamos, New Mexico, $9,600,000.

(D) For facilities and infrastructure, $267,900,000.

(2) DEFENSE NUCLEAR NONPROLIFERATION.—For other nuclear security activities, $872,500,000, to be allocated as follows:

(A) For nonproliferation and verification research and development, $258,161,000, to be allocated as follows:

(i) For operation and maintenance, $222,355,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $35,806,000, to be allocated as follows:

Project 00–D–192, nonproliferation and international security center (NISC), Los Alamos National Laboratory, Los Alamos, New Mexico, $35,806,000.

(B) For arms control, $138,000,000.

(C) For international materials protection, control, and accounting, $143,800,000.

(D) For highly enriched uranium transparency implementation, $13,950,000.

(E) For international nuclear safety, $19,500,000.

(F) For fissile materials control and disposition, $299,089,000, to be allocated as follows:

(i) For United States surplus fissile materials disposition, $233,089,000, to be allocated as follows:

(I) For operation and maintenance, $130,089,000.

(II) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $103,000,000, to be allocated as follows:

Project 01–D–142, immobilization and associated processing facility, (Title I and II design), Savannah River Site, Aiken, South Carolina, $0.

Project 01–D–407, highly enriched uranium blend-down, Savannah River Site, Aiken, South Carolina, $24,000,000.

Project 99–D–141, pit disassembly and conversion facility (Title I and II design), Savannah River Site, Aiken, South Carolina, $16,000,000.

Project 99–D–143, mixed oxide fuel fabrication facility (Title I and II design), Savannah River Site, Aiken, South Carolina, $63,000,000.

(ii) For Russian fissile materials disposition, $66,000,000.

(3) NAVAL REACTORS.—For naval reactors, $688,045,000, to be allocated as follows:

(A) For naval reactors development, $665,445,000, to be allocated as follows:

(i) For operation and maintenance, $652,245,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $13,200,000, to be allocated as follows:

Project 01–D–200, major office replacement building, Schenectady, New York, $9,000,000.

Project 90–N–102, expended core facility dry cell project, Naval Reactors Facility, Idaho, $4,200,000.

(B) For program direction, $22,600,000.

(4) OFFICE OF ADMINISTRATOR FOR NUCLEAR SECURITY.—For the Office of the Administrator for Nuclear Security, and for program direction for the National Nuclear Security Administration (other than for naval reactors), $380,366,000.

(b) ADJUSTMENTS.—The amount authorized to be appropriated by subsection (a) is hereby reduced by $70,985,000, as follows:

(1) The amount authorized to be appropriated by paragraph (1) of that subsection is hereby reduced by $28,985,000, which is to be derived from offsets and use of prior year balances.

(2) The amount authorized to be appropriated by paragraph (2) of that subsection is hereby reduced by $42,000,000, which is to be derived from use of prior year balances.

SEC. 3102. DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) IN GENERAL.—Subject to subsection (b), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2002 for environmental restoration and waste management activities in carrying out programs necessary for national security in the amount of $6,047,617,000, to be allocated as follows:

(1) CLOSURE PROJECTS.—For closure projects carried out in accordance with section 3143 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2836; 42 U.S.C. 7277n), $1,080,538,000.

(2) SITE/PROJECT COMPLETION.—For site completion and project completion in carrying out environmental management activities necessary for national security programs, $943,196,000, to be allocated as follows:

(A) For operation and maintenance, $919,030,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $24,166,000, to be allocated as follows:

Project 02–D–402, Intec cathodic protection system expansion, Idaho National Engineering and Environmental Laboratory, Idaho Falls, Idaho, $3,256,000.

Project 01–D–414, preliminary project engineering and design (PE&D), various locations, $6,254,000.

Project 99–D–402, tank farm support services, F&H areas, Savannah River Site, Aiken, South Carolina, $5,040,000.

Project 99–D–404, health physics instrumentation laboratory, Idaho National Engineering and Environmental Laboratories, Idaho Falls, Idaho, $2,700,000.

Project 98–D–453, plutonium stabilization and handling system for plutonium finishing plant, Richland, Washington, $1,910,000.

Project 96–D–471, chlorofluorocarbon heating, ventilation, and air conditioning and chiller retrofit, Savannah River Site, Aiken, South Carolina, $4,244,000.

Project 92–D–140, F&H canyon exhaust upgrades, Savannah River Site, Aiken, South Carolina, $0.

Project 86–D–103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, $762,000.

(3) POST-2006 COMPLETION.—For post-2006 completion in carrying out environmental restoration and waste management activities necessary for national security programs, $3,245,201,000, to be allocated as follows:

(A) For operation and maintenance, $1,955,979,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $6,754,000, to be allocated as follows:

Project 93–D–187, high-level waste removal from filled waste tanks, Savannah River Site, Aiken, South Carolina, $6,754,000.

(C) For the Office of River Protection in carrying out environmental restoration and waste management activities necessary for national security programs, $862,468,000, to be allocated as follows:

(i) For operation and maintenance, $322,151,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $540,317,000, to be allocated as follows:

Project 01–D–416, waste treatment and immobilization plant, Richland, Washington, $500,000,000.

Project 97–D–402, tank farm restoration and safe operations, Richland, Washington, $33,473,000.

Project 94–D–407, initial tank retrieval systems, Richland, Washington, $6,844,000.

(4) SCIENCE AND TECHNOLOGY DEVELOPMENT.—For science and technology development in carrying out environmental restoration and waste management activities necessary for national security programs, $216,000,000.

(5) EXCESS FACILITIES.—For excess facilities in carrying out environmental restoration and waste management activities necessary for national security programs, $1,300,000.

(6) SAFEGUARDS AND SECURITY.—For safeguards and security in carrying out environmental restoration and waste management activities necessary for national security programs, $205,621,000.

(7) PROGRAM DIRECTION.—For program direction in carrying out environmental restoration and waste management activities necessary for national security programs, $355,761,000.

(b) ADJUSTMENT.—The total amount authorized to be appropriated by subsection (a) is the sum of the amounts authorized to be appropriated by paragraphs (2) through (7) of that subsection, reduced by $42,161,000, to be derived from offsets and use of prior year balances.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

(a) IN GENERAL.—Subject to subsection (b), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2002 for other defense activities in carrying out programs necessary for national security in the amount of $512,195,000, to be allocated as follows:

(1) INTELLIGENCE.—For intelligence, $40,844,000.

(2) COUNTERINTELLIGENCE.—For counterintelligence, $46,389,000.

(3) SECURITY AND EMERGENCY OPERATIONS.—For security and emergency operations, $247,565,000, to be allocated as follows:

(A) For nuclear safeguards and security, $121,188,000.

(B) For security investigations, $44,927,000.

(C) For program direction, $81,450,000.

(4) INDEPENDENT OVERSIGHT AND PERFORMANCE ASSURANCE.—For independent oversight and performance assurance, $14,904,000.

(5) ENVIRONMENT, SAFETY, AND HEALTH.—For the Office of Environment, Safety, and

Health, $114,600,000, to be allocated as follows:

(A) For environment, safety, and health (defense), $91,307,000.

(B) For program direction, $23,293,000.

(6) WORKER AND COMMUNITY TRANSITION ASSISTANCE.—For worker and community transition assistance, $20,000,000, to be allocated as follows:

(A) For worker and community transition, $18,000,000.

(B) For program direction, $2,000,000.

(7) OFFICE OF HEARINGS AND APPEALS.—For the Office of Hearings and Appeals, $2,893,000.

(8) NATIONAL SECURITY PROGRAMS ADMINISTRATIVE SUPPORT.—For national security programs administrative support, $25,000,000.

(b) ADJUSTMENTS.—

(1) SECURITY AND EMERGENCY OPERATIONS, FOR PROGRAM DIRECTION.—The amount authorized to be appropriated pursuant to subsection (a)(3)(B) is reduced by $712,000 to reflect an offset provided by user organizations for security investigations.

(2) OTHER.—The total amount authorized to be appropriated pursuant to paragraphs (1), (2), (4), (5), (6), (7), and (8) of subsection (a) is hereby reduced by $10,000,000 to reflect use of prior year balances.

SEC. 3104. DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2002 for privatization initiatives in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $157,537,000, to be allocated as follows:

Project 02–PVT–1, Paducah disposal facility, Paducah, Kentucky, $13,329,000.

Project 02–PVT–2, Portsmouth disposal facility, Portsmouth, Ohio, $2,000,000.

Project 98–PVT–2, spent nuclear fuel dry storage, Idaho Falls, Idaho, $49,332,000.

Project 98–PVT–5, environmental management/waste management disposal, Oak Ridge, Tennessee, $26,065,000.

Project 97–PVT–2, advanced mixed waste treatment project, Idaho Falls, Idaho, $56,000,000.

Project 97–PVT–3, transuranic waste treatment, Oak Ridge, Tennessee, $10,826,000.

SEC. 3105. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2002 for payment to the Nuclear Waste Fund established in section 302(C) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $250,000,000.

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(a) IN GENERAL.—Until the Secretary of Energy submits to the congressional defense committees the report referred to in subsection (b) and a period of 30 days has elapsed after the date on which such committees receive the report, the Secretary may not use amounts appropriated pursuant to this title for any program—

(1) in amounts that exceed, in a fiscal year—

(A) 110 percent of the amount authorized for that program by this title; or

(B) $2,000,000 more than the amount authorized for that program by this title; or

(2) which has not been presented to, or requested of, Congress.

(b) REPORT.—(1) The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the proposed action.

(2) In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) LIMITATIONS.—(1) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

(2) Funds appropriated pursuant to this title may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. LIMITS ON MINOR CONSTRUCTION PROJECTS.

(a) IN GENERAL.—The Secretary of Energy may carry out any minor construction project using operation and maintenance funds, or facilities and infrastructure funds, authorized by this title.

(b) ANNUAL REPORT.—The Secretary shall submit to the congressional defense committees on an annual basis a report on each exercise of the authority in subsection (a) during the preceding year. Each report shall give a brief description of each minor construction project covered by such report.

(c) MINOR CONSTRUCTION PROJECT DEFINED.—In this section, the term ''minor construction project'' means any plant project not specifically authorized by law if the approved total estimated cost of the plant project does not exceed $5,000,000.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever the current estimated cost of the construction project, authorized by 3101, 3102, or 3103, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there is excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(b) EXCEPTION.—Subsection (a) does not apply to a construction project with a current estimated cost of less than $5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title to other Federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same time period as the authorizations of the Federal agency to which the amounts are transferred.

(b) TRANSFER WITHIN DEPARTMENT OF ENERGY.—(1) Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title between any such authorizations. Amounts of authorizations so transferred may be merged with and be available for the same purposes and for the same period as the authorization to which the amounts are transferred.

(2) Not more than 5 percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased or decreased by more than 5 percent by a transfer under such paragraph.

(c) LIMITATIONS.—The authority provided by this subsection to transfer authorizations—

(1) may be used only to provide funds for items relating to activities necessary for national security programs that have a higher priority than the items from which the funds are transferred; and

(2) may not be used to provide funds for an item for which Congress has specifically denied funds.

(d) NOTICE TO CONGRESS.—The Secretary of Energy shall promptly notify the Committees on Armed Services of the Senate and House of Representatives of any transfer of funds to or from authorizations under this title.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(a) REQUIREMENT OF CONCEPTUAL DESIGN.—(1) Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project.

(2) If the estimated cost of completing a conceptual design for a construction project exceeds $3,000,000, the Secretary shall submit to Congress a request for funds for the conceptual design before submitting a request for funds for the construction project.

(3) The requirement in paragraph (1) does not apply to a request for funds—

(A) for a minor construction project the total estimated cost of which is less than $5,000,000; or

(B) for emergency planning, design, and construction activities under section 3126.

(b) AUTHORITY FOR CONSTRUCTION DESIGN.—(1) Within the amounts authorized by this title, the Secretary of Energy may carry out construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed $600,000.

(2) If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for that design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) AUTHORITY.—The Secretary of Energy may use any funds available to the Department of Energy pursuant to an authorization in this title, including funds authorized to be appropriated for advance planning, engineering, and construction design, and for plant projects, under sections 3101, 3102, 3103, and 3104 to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, to meet the needs of national defense, or to protect property.

(b) LIMITATION.—The Secretary may not exercise the authority under subsection (a) in the case of any construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making those activities necessary.

(c) SPECIFIC AUTHORITY.—The requirement of section 3125(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriation Acts and section 3121, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AVAILABILITY OF FUNDS.

(a) IN GENERAL.—Except as provided in subsection (b), when so specified in an appropriations Act, amounts appropriated for operation and maintenance or for plant projects may remain available until expended.

(b) EXCEPTION FOR PROGRAM DIRECTION FUNDS.—Amounts appropriated for program direction pursuant to an authorization of appropriations in subtitle A shall remain available to be expended only until the end of fiscal year 2004.

SEC. 3129. TRANSFER OF DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.

(a) TRANSFER AUTHORITY FOR DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.—The Secretary of Energy shall provide the manager of each field office of the Department of Energy with the authority to transfer defense environmental management funds from a program or project under the jurisdiction of the office to another such program or project.

(b) LIMITATIONS.—(1) Not more than three transfers may be made to or from any program or project under subsection (a) in a fiscal year.

(2) The amount transferred to or from a program or project under in any one transfer under subsection (a) may not exceed $5,000,000.

(3) A transfer may not be carried out by a manager of a field office under subsection (a) unless the manager determines that the transfer is necessary to address a risk to health, safety, or the environment or to assure the most efficient use of defense environmental management funds at the field office.

(4) Funds transferred pursuant to subsection (a) may not be used for an item for which Congress has specifically denied funds or for a new program or project that has not been authorized by Congress.

(c) EXEMPTION FROM REPROGRAMMING REQUIREMENTS.—The requirements of section 3121 shall not apply to transfers of funds pursuant to subsection (a).

(d) NOTIFICATION.—The Secretary, acting through the Assistant Secretary of Energy for Environmental Management, shall notify Congress of any transfer of funds pursuant to subsection (a) not later than 30 days after such transfer occurs.

(e) DEFINITIONS.—In this section:

(1) The term ''program or project'' means, with respect to a field office of the Department of Energy, any of the following:

(A) A program referred to or a project listed in paragraph (2) or (3) of section 3102(a).

(B) A program or project not described in subparagraph (A) that is for environmental restoration or waste management activities necessary for national security programs of the Department, that is being carried out by the office, and for which defense environmental management funds have been authorized and appropriated before the date of the enactment of this Act.

(2) The term ''defense environmental management funds'' means funds appropriated to the Department of Energy pursuant to an authorization for carrying out environmental restoration and waste management activities necessary for national security programs.

(f) DURATION OF AUTHORITY.—The managers of the field offices of the Department may exercise the authority provided under subsection (a) during the period beginning on October 1, 2001, and ending on September 30, 2002.

SEC. 3130. TRANSFER OF WEAPONS ACTIVITIES FUNDS.

(a) TRANSFER AUTHORITY FOR WEAPONS ACTIVITIES FUNDS.—The Secretary of Energy shall provide the manager of each field office of the Department of Energy with the authority to transfer weapons activities funds from a program or project under the jurisdiction of the office to another such program or project.

(b) LIMITATIONS.—(1) Not more than three transfers may be made to or from any program or project under subsection (a) in a fiscal year.

(2) The amount transferred to or from a program or project in any one transfer under subsection (a) may not exceed $5,000,000.

(3) A transfer may not be carried out by a manager of a field office under subsection (a) unless the manager determines that the transfer is necessary to address a risk to health, safety, or the environment or to assure the most efficient use of weapons activities funds at the field office.

(4) Funds transferred pursuant to subsection (a) may not be used for an item for which Congress has specifically denied funds or for a new program or project that has not been authorized by Congress.

(c) EXEMPTION FROM REPROGRAMMING REQUIREMENTS.—The requirements of section 3121 shall not apply to transfers of funds pursuant to subsection (a).

(d) NOTIFICATION.—The Secretary, acting through the Administrator for Nuclear Security, shall notify Congress of any transfer of funds pursuant to subsection (a) not later than 30 days after such transfer occurs.

(e) DEFINITIONS.—In this section:

(1) The term ''program or project'' means, with respect to a field office of the Department of Energy, any of the following:

(A) A program referred to or a project listed in 3101(1).

(B) A program or project not described in subparagraph (A) that is for weapons activities necessary for national security programs of the Department, that is being carried out by the office, and for which weapons activities funds have been authorized and appropriated before the date of the enactment of this Act.

(2) The term ''weapons activities funds'' means funds appropriated to the Department of Energy pursuant to an authorization for carrying out weapons activities necessary for national security programs.

(f) DURATION OF AUTHORITY.—The managers of the field offices of the Department may exercise the authority provided under subsection (a) during the period beginning on October 1, 2001, and ending on September 30, 2002.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. LIMITATION ON AVAILABILITY OF FUNDS FOR WEAPONS ACTIVITIES FOR FACILITIES AND INFRASTRUCTURE.

Not more than 50 percent of the funds authorized to be appropriated by section 3101(a)(1)(D) for the National Nuclear Security Administration for weapons activities for facilities and infrastructure may be obligated or expended until the Administrator for Nuclear Security submits to the congressional defense committees a report setting forth the following:

(1) Criteria for the selection of projects to be carried out using such funds.

(2) Criteria for establishing priorities among projects so selected.

(3) A list of the projects so selected, including the priority assigned to each such project.

SEC. 3132. LIMITATION ON AVAILABILITY OF FUNDS FOR OTHER DEFENSE ACTIVITIES FOR NATIONAL SECURITY PROGRAMS ADMINISTRATIVE SUPPORT.

Not more than $5,000,000 of the funds authorized to be appropriated by section 3103(a)(8) for other defense activities for national security programs administrative support may be obligated or expended until the later of the following:

(1) The date on which the Secretary of Energy submits to Congress a report setting forth the purposes for which such funds will be obligated and expended.

(2) The date on which the Administrator for Nuclear Security submits to Congress the future-years nuclear security program for fiscal year 2002 required by section 3253 of the National Nuclear Security Administration Act (title XXXII of Public Law 106–35; 50 U.S.C. 2453).

SEC. 3133. NUCLEAR CITIES INITIATIVE.

(a) LIMITATIONS ON USE OF FUNDS.—No funds authorized to be appropriated for the Nuclear Cities Initiative after fiscal year 2001 may be obligated or expended with respect to more than three nuclear cities, or more than two serial production facilities in Russia, until 30 days after the Administrator for Nuclear Security submits to the appropriate congressional committees an agreement signed by the Russian Federation on access under the Nuclear Cities Initiative to the ten closed nuclear cities and four serial production facilities of the Nuclear Cities Initiative.

(b) ANNUAL REPORT.—(1) Not later than the first Monday in February each year, the Administrator shall submit to the appropriate congressional committees a report on financial and programmatic activities with respect to the Nuclear Cities Initiative during the preceding fiscal year.

(2) Each report shall include, for the fiscal year covered by such report, the following:

(A) A list of each project that is or was completed, ongoing, or planned under the Nuclear Cities Initiative during such fiscal year.

(B) For each project listed under subparagraph (A), information, current as of the end of such fiscal year, on the following:

(i) The purpose of such project.

(ii) The budget for such project.

(iii) The life-cycle costs of such project.

(iv) Participants in such project.

(v) The commercial viability of such project.

(vi) The number of jobs in Russia created or to be created by or through such project.

(vii) Of the total amount of funds spent on such project, the percentage of such amount spent in the United States and the percentage of such amount spent overseas.

(C) A certification by the Administrator that each project listed under subparagraph (A) did contribute, is contributing, or will contribute, as the case may be, to the downsizing of the nuclear weapons complex in Russia, together with a description of the evidence utilized to make such certification.

(c) DEFINITIONS.—In this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees means'' the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives.

(2) NUCLEAR CITIES INITIATIVE.—The term ''Nuclear Cities Initiative'' means the initiative arising pursuant to the March 1998 discussion between the Vice President of the United States and the Prime Minister of the Russian Federation and between the Secretary of Energy of the United States and the Minister of Atomic Energy of the Russian Federation.

(3) NUCLEAR CITY.—The term ''nuclear city'' means any of the nuclear cities within the complex of the Russia Ministry of Atomic Energy (MINATOM) as follows:

(A) Sarov (Arzamas–16 and Avangard).
(B) Zarechnyy (Penza–19).
(C) Novoural'sk (Sverdlovsk–44).
(D) Lesnoy (Sverdlovsk–45).
(E) Ozersk (Chelyabinsk–65).
(F) Snezhinsk (Chelyabinsk–70).
(G) Trechgornyy (Zlatoust–36).
(H) Seversk (Tomsk–7).
(I) Zhelenznogorsk (Krasnoyarsk–26).
(J) Zelenogorsk (Krasnoyarsk–45).

SEC. 3134. CONSTRUCTION OF DEPARTMENT OF ENERGY OPERATIONS OFFICE COMPLEX.

(a) AUTHORITY FOR DESIGN AND CONSTRUCTION.—Subject to subsection (b), the Secretary of Energy may provide for the design and construction of a new operations office complex for the Department of Energy in accordance with the feasibility study regarding such operations office complex conducted under the National Defense Authorization Act for Fiscal Year 2000.

(b) LIMITATION.—The Secretary may not exercise the authority in subsection (a) until the date on which the Secretary certifies to Congress that the feasibility study referred to in subsection (a) is consistent with the plan submitted under section 3153(a) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 1654A–465).

(c) BASIS OF AUTHORITY.—The design and construction of the operations office complex authorized by subsection (a) shall be carried out through one or more energy savings performance contracts (ESPC) entered into under this section and in accordance with the provisions of title VIII of the National Energy Policy Conservation Act (42 U.S.C. 8287 et seq.).

(d) PAYMENT OF COSTS.—Amounts for payments of costs associated with the construction of the operations office complex authorized by subsection (a) shall be derived from energy savings and ancillary operation and maintenance savings that result from the replacement of a current Department of Energy operations office complex (as identified in the feasibility study referred to in subsection (a)) with the operations office complex authorized by subsection (a).

Subtitle D—Matters Relating to Management of National Nuclear Security Administration

SEC. 3141. ESTABLISHMENT OF POSITION OF DEPUTY ADMINISTRATOR FOR NUCLEAR SECURITY.

(a) ESTABLISHMENT OF POSITION.—Subtitle A of the National Nuclear Security Administration Act (title XXXII of Public Law 106–65; 50 U.S.C. 2401 et seq.) is amended—

(1) by redesignating section 3213 as section 3219 and transferring such section, as so redesignated, to the end of the subtitle; and

(2) by inserting after section 3212 the following new section 3213:

''SEC. 3213. DEPUTY ADMINISTRATOR FOR NUCLEAR SECURITY.

''(a) IN GENERAL.—There is in the Administration a Deputy Administrator for Nuclear Security, who is appointed by the President, by and with the advice and consent of the Senate.

''(b) DUTIES.—(1) The Deputy Administrator shall be the principal assistant to the Administrator in carrying out the responsibilities of the Director under this title, and shall act for, and exercise the powers and duties of, the Administrator when the Administrator is disabled or there is no Administrator for Nuclear Security.

''(2) Subject to the authority, direction, and control of the Administrator, the Deputy Administrator shall perform such duties, and exercise such powers, relating to the functions of the Administration as the Administrator may prescribe.''.

(b) PAY LEVEL.—Section 5314 of title 5, United States Code, is amended in the item relating to the Deputy Administrators of the National Nuclear Security Administration—

(1) by striking ''(3)'' and inserting ''(4)''; and

(2) by striking ''(2)'' and inserting ''(3)''.

SEC. 3142. RESPONSIBILITY FOR NATIONAL SECURITY LABORATORIES AND WEAPONS PRODUCTION FACILITIES OF DEPUTY ADMINISTRATOR OF NATIONAL NUCLEAR SECURITY ADMINISTRATION FOR DEFENSE PROGRAMS.

Section 3214 of the National Nuclear Security Administration Act (title XXXII of Public Law 106–65; 113 Stat. 959; 50 U.S.C. 2404) is amended by striking subsection (c).

SEC. 3143. CLARIFICATION OF STATUS WITHIN THE DEPARTMENT OF ENERGY OF ADMINISTRATION AND CONTRACTOR PERSONNEL OF THE NATIONAL NUCLEAR SECURITY ADMINISTRATION.

Section 3219 of the National Nuclear Security Administration Act, as redesignated and transferred by section 3141(a)(1) of this Act, is further amended—

(1) in subsection (a), by striking ''Administration—'' and inserting ''Administration, in carrying out any function of the Administration—''; and

(2) in subsection (b), by striking ''shall'' and inserting '', in carrying out any function of the Administration, shall''.

SEC. 3144. MODIFICATION OF AUTHORITY OF ADMINISTRATOR FOR NUCLEAR SECURITY TO ESTABLISH SCIENTIFIC, ENGINEERING, AND TECHNICAL POSITIONS.

(a) INCREASE IN AUTHORIZED NUMBER OF POSITIONS.—Section 3241 of the National Nuclear Security Administration Act (title XXXII of Public Law 106–65; 113 Stat. 964; 50 U.S.C. 2441) is amended—

(1) by inserting ''(a) IN GENERAL—'' before ''The Administrator''; and

(2) in subsection (a), as so designated, by striking ''300'' and inserting ''500''.

(b) DESIGNATION OF EXISTING PROVISIONS ON TREATMENT OF AUTHORITY.—That section is further amended—

(1) by designating the second sentence as subsection (b);

(2) aligning the margin of that subsection, as so designated, so as to indent the text two ems; and

(3) in that subsection, as so designated, by striking ''Subject to the limitations in the preceding sentence,'' and inserting ''(b) TREATMENT OF AUTHORITY.—Subject to the limitations in subsection (a),''.

(c) TREATMENT OF POSITIONS.—That section is further amended by adding at the end the following new subsection:

''(c) TREATMENT OF POSITIONS.—A position established under subsection (a) may not be considered a Senior Executive Service position (as that term is defined in section 3132(a)(2) of title 5, United States Code), and shall not be subject to the provisions of subchapter II of chapter 31 of that title, relating to the Senior Executive Service.''.

Subtitle E—Other Matters

SEC. 3151. IMPROVEMENTS TO ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION PROGRAM.

(a) CERTAIN LEUKEMIA AS SPECIFIED CANCER.—Section 3621(17) of the Energy Employees Occupational Illness Compensation Program Act of 2000 (title XXXVI of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–502), as amended by section 2403 of the Supplemental Appropriations Act, 2001 (Public Law 107–20), is further amended by adding at the end the following new subparagraph:

''(D) Leukemia (other than chronic lymphocytic leukemia), if initial occupation exposure occurred before 21 years of age and onset occurred more than two years after initial occupational exposure.''.

(b) ADDITIONAL MEMBERS OF SPECIAL EXPOSURE COHORT.—Section 3626(b) of that Act (114 Stat. 1654A–505) is amended in the matter preceding paragraph (1) by inserting after ''Department of Energy facility'' the following: '', or at an atomic weapons employer facility,''.

(c) ESTABLISHMENT OF CHRONIC SILICOSIS.—Section 3627(e)(2)(A) of that Act (114 Stat. 1654A–506) is amended by striking ''category 1/1'' and inserting ''category 1/0''.

(d) SURVIVORS.—

(1) IN GENERAL.—Subsection (e) of section 3628 of that Act (114 Stat. 1654A–506) is amended to read as follows:

''(e) SURVIVORS.—(1) If a covered employee dies before accepting payment of compensation under this section, whether or not the death is the result of the covered employee's occupational illness, the survivors of the covered employee who are living at the time of payment of compensation under this section shall receive payment of compensation under this section in lieu of the covered employee as follows:

''(A) If such living survivors of the covered employee include a spouse and one or more children—

''(i) the spouse shall receive one-half of the amount of compensation provided for the covered employee under this section; and

''(ii) each child shall receive an equal share of the remaining one-half of the amount of the compensation provided for the covered employee under this section.

''(B) If such living survivors of the covered employee include a spouse or one or more children, but not both a spouse and one or more children—

''(i) the spouse shall receive the amount of compensation provided for the covered employee under this section; or

''(ii) each child shall receive an equal share of the amount of the compensation provided for the covered employee under this section.

''(C) If such living survivors of the covered employee do not include a spouse or any children, but do include one or both parents, one or more grandparents, one or more grandchildren, or any combination of such individuals, each such individual shall receive an equal share of the amount of the compensation provided for the covered employee under this section.

''(2) For purposes of this subsection, the term 'child', in the case of a covered employee, means any child of the covered employee, including a natural child, adopted child, or step-child who lived with the covered employee in a parent-child relationship.''.

(2) URANIUM EMPLOYEES.—Subsection (e) of section 3630 of that Act (114 Stat. 1654A–507) is amended to read as follows:

''(e) SURVIVORS.—(1) If a covered uranium employee dies before accepting payment of compensation under this section, whether or not the death is the result of the covered uranium employee's occupational illness, the survivors of the covered uranium employee who are living at the time of payment of compensation under this section shall receive payment of compensation under this section in lieu of the covered uranium employee as follows:

''(A) If such living survivors of the covered uranium employee include a spouse and one or more children—

''(i) the spouse shall receive one-half of the amount of compensation provided for the covered uranium employee under this section; and

''(ii) each child shall receive an equal share of the remaining one-half of the amount of the compensation provided for the covered uranium employee under this section.

''(B) If such living survivors of the covered uranium employee include a spouse or one or more children, but not both a spouse and one or more children—

''(i) the spouse shall receive the amount of compensation provided for the covered uranium employee under this section; or

''(ii) each child shall receive an equal share of the amount of the compensation provided for the covered uranium employee under this section.

''(C) If such living survivors of the covered uranium employee do not include a spouse or any children, but do include one or both parents, one or more grandparents, one or more grandchildren, or any combination of such individuals, each such individual shall receive an equal share of the amount of the compensation provided for the covered uranium employee under this section.

''(2) For purposes of this subsection, the term 'child', in the case of a covered uranium employee, means any child of the covered employee, including a natural child, adopted child, or step-child who lived with the covered employee in a parent-child relationship.''.

(3) REPEAL OF SUPERSEDED PROVISION.—Paragraph (18) of section 3621 of that Act (114 Stat. 1654A–502) is repealed.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on July 1, 2001.

(e) DISMISSAL OF PENDING SUITS.—Section 3645(d) of that Act (114 Stat. 1654A–510) is amended by striking ''the plaintiff shall not'' and all that follows through the end and inserting ''and was not dismissed as of the date of the enactment of the National Defense Authorization Act for Fiscal Year 2002, the plaintiff shall be eligible for compensation or benefits under subtitle B only if the plaintiff dismisses such case not later than December 31, 2003.''.

(f) ATTORNEY FEES.—Section 3648 of that Act (114 Stat. 1654A–511) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''and'' at the end;

(B) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following new paragraph (3):

''(3) 10 percent of any compensation paid under the claim for assisting with or representing a claimant seeking such compensation by the provision of services other than, or in addition to, services in connection with the filing of an initial claim covered by paragraph (1).'';

(2) by redesignating subsection (c) and subsection (d); and

(3) by inserting after subsection (b) the following new subsection (c):

''(c) INAPPLICABILITY TO SERVICES PROVIDED AFTER AWARD OF COMPENSATION.—This section shall not apply with respect to any representation or assistance provided to an individual awarded compensation under subtitle B after the award of compensation.''.

(g) STUDY OF RESIDUAL CONTAMINATION OF FACILITIES.—(1) The National Institute for Occupational Safety and Health shall, with the cooperation of the Department of Energy and the Department of Labor, conduct a study on the following:

(A) Whether or not significant contamination remained in any atomic weapons employer facility or facility of a beryllium vendor after such facility discontinued activities relating to the production of nuclear weapons.

(B) If so, whether or not such contamination could have caused or substantially contributed to the cancer of a covered employee with cancer or a covered beryllium illness, as the case may be.

(2)(A) Not later than 180 days after the date of the enactment of this Act, the National Institute for Occupational Safety and Health shall submit to the congressional defense committees a report on the progress made as of the date of the report on the study under paragraph (1).

(B) Not later than one year after the date of the enactment of this Act, the National Institute shall submit to the congressional defense committees a final report on the study under paragraph (1).

(3) Amounts for the study under paragraph (1) shall be derived from amounts authorized to be appropriated by section 3614(a) of the Energy Employees Occupational Illness Compensation Program Act of 2000 (114 Stat. 1654A–498).

(4) In this subsection:

(A) The terms ''atomic weapons employer facility'', ''beryllium vendor'', ''covered employee with cancer'', and ''covered beryllium illness'' have the meanings given those terms in section 3621 of the Energy Employees Occupational Illness Compensation Program Act of 2000 (114 Stat. 1654A–498).

(B) The term ''contamination'' means the presence of any material exposure to which could cause or substantially contribute to the cancer of a covered employee with cancer or a covered beryllium illness, as the case may be.

SEC. 3152. DEPARTMENT OF ENERGY COUNTERINTELLIGENCE POLYGRAPH PROGRAM.

(a) INTERIM COUNTERINTELLIGENCE POLYGRAPH PROGRAM.—(1) Not later than 120 days after the date of enactment of this Act, the Secretary of Energy shall submit to the congressional defense committees a plan for conducting, as part of the Department of Energy personnel assurance programs, an interim counterintelligence polygraph program consisting of polygraph examinations of Department of Energy employees, or contractor employees, at Department facilities. The purpose of examinations under the interim program is to minimize the potential for release or disclosure of classified data, materials, or information until the program required under subsection (b) is in effect.

(2) The Secretary may exclude from examinations under the interim program any position or class of positions (as determined by the Secretary) for which the individual or individuals in such position or class of positions—

(A) either—

(i) operate in a controlled environment that does not afford an opportunity, through action solely by the individual or individuals, to inflict damage on or impose risks to national security; and

(ii) have duties, functions, or responsibilities which are compartmentalized or supervised such that the individual or individuals do not impose risks to national security; or

(B) do not have routine access to top secret Restricted Data.

(3) The plan shall ensure that individuals who undergo examinations under the interim program receive protections as provided under part 40 of title 49, Code of Federal Regulations.

(4) To ensure that administration of the interim program does not disrupt safe operations of a facility, the plan shall insure notification of the management of the facility at least 14 days in advance of any examination scheduled under the interim program for any employees of the facility.

(5) The plan shall include procedures under the interim program for—

(A) identifying and addressing so-called ''false positive'' results of polygraph examinations; and

(B) ensuring that adverse personnel actions not be taken against an individual solely by reason of the individual's physiological reaction to a question in a polygraph examination, unless reasonable efforts are first made to independently determine through alternative means the veracity of the individual's response to the question.

(b) NEW COUNTERINTELLIGENCE POLYGRAPH PROGRAM.—(1) Not later than six months after obtaining the results of the Polygraph Review, the Secretary shall prescribe a proposed rule containing requirements for a counterintelligence polygraph program for the Department of Energy. The purpose of the program is to minimize the potential for release or disclosure of classified data, materials, or information.

(2) The Secretary shall prescribe the proposed rule under this subsection in accordance with the provisions of subchapter II of chapter 5 of title 5, United States Code (commonly referred to as the Administrative Procedures Act).

(3) In prescribing the proposed rule under this subsection, the Secretary may include in requirements under the proposed rule any requirement or exclusion provided for in paragraphs (2) through (5) of subsection (a).

(4) In prescribing the proposed rule under this subsection, the Secretary shall take into account the results of the Polygraph Review.

(c) REPEAL OF EXISTING POLYGRAPH PROGRAM.—Section 3154 of the Department of Energy Facilities Safeguards, Security, and Counterintelligence Enhancement Act of 1999 (subtitle D of title XXXI of Public Law 106–65; 42 U.S.C. 7383h) is repealed.

(d) REPORT ON FURTHER ENHANCEMENT OF PERSONNEL SECURITY PROGRAM.—(1) Not later than December 31, 2002, the Administrator for Nuclear Security shall submit to Congress a report setting forth the recommendations of the Administrator for any legislative action that the Administrator considers appropriate in order to enhance the personnel security program of the Department of Energy.

(2) Any recommendations under paragraph (1) regarding the use of polygraphs shall take into account the results of the Polygraph Review.

(e) DEFINITIONS.—In this section:

(1) The term ''Polygraph Review'' means the review of the Committee to Review the Scientific Evidence on the Polygraph of the National Academy of Sciences.

(2) The term ''Restricted Data'' has the meaning given that term in section 11 y. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(y)).

SEC. 3153. ONE-YEAR EXTENSION OF AUTHORITY OF DEPARTMENT OF ENERGY TO PAY VOLUNTARY SEPARATION INCENTIVE PAYMENTS.

Section 3161(a) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 942; 5 U.S.C. 5597 note) is amended by striking ''January 1, 2003'' and inserting ''January 1, 2004''.

SEC. 3154. ADDITIONAL OBJECTIVE FOR DEPARTMENT OF ENERGY DEFENSE NUCLEAR FACILITY WORK FORCE RESTRUCTURING PLAN.

Section 3161(c) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 42 U.S.C. 7274h(c)) is amended by adding at the end the following new paragraph:

''(7) The Department of Energy should provide assistance to promote the diversification of the economies of communities in the vicinity of any Department of Energy defense nuclear facility that may, as determined by the Secretary, be affected by a future restructuring of its work force under the plan.''.

SEC. 3155. MODIFICATION OF DATE OF REPORT OF PANEL TO ASSESS THE RELIABILITY, SAFETY, AND SECURITY OF THE UNITED STATES NUCLEAR STOCKPILE.

Section 3159(d) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 42 U.S.C. 2121 note) is amended by striking ''of each year, beginning with 1999,'' and inserting ''of 1999 and 2000, and not later than February 1, 2002,''.

SEC. 3156. REPORTS ON ACHIEVEMENT OF MILESTONES FOR NATIONAL IGNITION FACILITY.

(a) NOTIFICATION OF ACHIEVEMENT.—The Administrator for Nuclear Security shall notify the congressional defense committees when the National Ignition Facility (NIF), Lawrence Livermore National Laboratory, California, achieves each Level one milestone and Level two milestone for the National Ignition Facility.

(b) REPORT ON FAILURE OF TIMELY ACHIEVEMENT.—Not later than 10 days after the date on which the National Ignition Facility fails to achieve a Level one milestone or Level two milestone for the National Ignition Facility in a timely manner, the Administrator shall submit to the congressional defense committees a report on the failure. The report on a failure shall include—

(1) a statement of the failure of the National Ignition Facility to achieve the milestone concerned in a timely manner;

(2) an explanation for the failure; and

(3) either—

(A) an estimate when the milestone will be achieved; or

(B) if the milestone will not be achieved—

(i) a statement that the milestone will not be achieved;

(ii) an explanation why the milestone will not be achieved; and

(iii) the implications for the overall scope, schedule, and budget of the National Ignition Facility project of not achieving the milestone.

(c) MILESTONES.—For purposes of this section, the Level one milestones and Level two milestones for the National Ignition Facility are as established in the August 2000 revised National Ignition Facility baseline document.

SEC. 3157. SUPPORT FOR PUBLIC EDUCATION IN THE VICINITY OF LOS ALAMOS NATIONAL LABORATORY, NEW MEXICO.

(a) SUPPORT IN FISCAL YEAR 2002.—From amounts authorized to be appropriated or otherwise made available to the Secretary of Energy by this title—

(1) $6,900,000 shall be available for payment by the Secretary for fiscal year 2002 to the Los Alamos National Laboratory Foundation, a not-for-profit educational foundation chartered in accordance with section 3167(a) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2052); and

(2) $8,000,000 shall be available for extension of the contract between the Department of Energy and the Los Alamos Public Schools through fiscal year 2002.

(b) SUPPORT THROUGH FISCAL YEAR 2004.—Subject to the availability of appropriations for such purposes, the Secretary may—

(1) make a payment for each of fiscal years 2003 and 2004 similar in amount to the payment referred to in subsection (a)(1) for fiscal year 2002; and

(2) provide for a contract extension through fiscal year 2004 similar to the contract extension referred to in subsection (a)(2), including the use of an amount for that purpose in each of fiscal years 2003 and 2004 similar to the amount available for that purpose in fiscal year 2002 under that subsection.

(c) USE OF FUNDS.—The Los Alamos National Laboratory Foundation shall—

(1) use funds provided the Foundation under this section as a contribution to the endowment fund of the Foundation; and

(2) use the income generated from investments in the endowment fund that are attributable to payments made under this section to fund programs to support the educational needs of children in public schools in the vicinity of Los Alamos National Laboratory.

(d) REPORT.—Not later than March 1, 2003, the Administrator for Nuclear Security shall submit to the congressional defense committees a report setting for the following:

(1) An evaluation of the requirements for continued payments after fiscal year 2004 into the endowment fund of the Los Alamos Laboratory Foundation to enable the Foundation to meet the goals of the Department of Energy to support the recruitment and retention of staff at the Los Alamos National Laboratory.

(2) Recommendations regarding the advisability of any further direct support after fiscal year 2004 for the Los Alamos Public Schools.

SEC. 3158. IMPROVEMENTS TO CORRAL HOLLOW ROAD, LIVERMORE, CALIFORNIA.

Of the amounts authorized to be appropriated by section 3101, not more than $325,000 shall be available to the Secretary of Energy for safety improvements to Corral Hollow Road adjacent to Site 300 of Lawrence Livermore National Laboratory, California.

SEC. 3159. ANNUAL ASSESSMENT AND REPORT ON VULNERABILITY OF DEPARTMENT OF ENERGY FACILITIES TO TERRORIST ATTACK.

(a) IN GENERAL.—Part C of title VI of the Department of Energy Organization Act (42 U.S.C. 7251 et seq.) is amended by adding at the end the following new section:

''ANNUAL ASSESSMENT AND REPORT ON VULNERABILITY OF FACILITIES TO TERRORIST ATTACK

''SEC. 663. (a) The Secretary shall, on an annual basis, conduct a comprehensive assessment of the vulnerability of Department facilities to terrorist attack.

''(b) Not later than January 31 each year, the Secretary shall submit to Congress a report on the assessment conducted under subsection (a) during the preceding year. Each report shall include the results of the assessment covered by such report, together with such findings and recommendations as the Secretary considers appropriate.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of that Act is amended by inserting after the item relating to section 662 the following new item:

''Sec. 663. Annual assessment and report on vulnerability of facilities to terrorist attack.''.

Subtitle F—Rocky Flats National Wildlife Refuge

SEC. 3171. SHORT TITLE.

This subtitle may be cited as the ''Rocky Flats National Wildlife Refuge Act of 2001''.

SEC. 3172. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds the following:

(1) The Federal Government, through the Atomic Energy Commission, acquired the Rocky Flats site in 1951 and began operations there in 1952. The site remains a Department of Energy facility. Since 1992, the mission of the Rocky Flats site has changed from the production of nuclear weapons components to cleanup and closure in a manner that is safe, environmentally and socially responsible, physically secure, and cost-effective.

(2) The site has generally remained undisturbed since its acquisition by the Federal Government.

(3) The State of Colorado is experiencing increasing growth and development, especially in the metropolitan Denver Front Range area in the vicinity of the Rocky Flats site. That growth and development reduces the amount of open space and thereby diminishes for many metropolitan Denver communities the vistas of the striking Front Range mountain backdrop.

(4) Some areas of the site contain contamination and will require further response action. The national interest requires that the ongoing cleanup and closure of the entire site be completed safely, effectively, and without unnecessary delay and that the site thereafter be retained by the United States and managed so as to preserve the value of the site for open space and wildlife habitat.

(5) The Rocky Flats site provides habitat for many wildlife species, including a number of threatened and endangered species, and is marked by the presence of rare xeric tallgrass prairie plant communities. Establishing the site as a unit of the National Wildlife Refuge System will promote the preservation and enhancement of those resources for present and future generations.

(b) PURPOSES.—The purposes of this subtitle are—

(1) to provide for the establishment of the Rocky Flats site as a national wildlife refuge following cleanup and closure of the site;

(2) to create a process for public input on refuge management before transfer of administrative jurisdiction to the Secretary of the Interior; and

(3) to ensure that the Rocky Flats site is thoroughly and completely cleaned up.

SEC. 3173. DEFINITIONS.

In this subtitle:

(1) CLEANUP AND CLOSURE.—The term ''cleanup and closure'' means the response actions and decommissioning activities being carried out at Rocky Flats by the Department of Energy under the 1996 Rocky Flats Cleanup Agreement, the closure plans and baselines, and any other relevant documents or requirements.

(2) COALITION.—The term ''Coalition'' means the Rocky Flats Coalition of Local Governments established by the Intergovernmental Agreement, dated February 16, 1999, among—

(A) the city of Arvada, Colorado;

(B) the city of Boulder, Colorado;

(C) the city of Broomfield, Colorado;

(D) the city of Westminster, Colorado;

(E) the town of Superior, Colorado;

(F) Boulder County, Colorado; and

(G) Jefferson County, Colorado.

(3) HAZARDOUS SUBSTANCE.—The term ''hazardous substance'' means—

(A) any hazardous substance, pollutant, or contaminant regulated under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.); and

(B) any—

(i) petroleum (including any petroleum product or derivative);

(ii) unexploded ordnance;

(iii) military munition or weapon; or

(iv) nuclear or radioactive material;

not otherwise regulated as a hazardous substance under any law in effect on the date of enactment of this Act.

(4) POLLUTANT OR CONTAMINANT.—The term ''pollutant or contaminant'' has the meaning given the term in section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601).

(5) REFUGE.—The term ''refuge'' means the Rocky Flats National Wildlife Refuge established under section 3177.

(6) RESPONSE ACTION.—The term ''response action'' has the meaning given the term ''response'' in section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601) or any similar requirement under State law.

(7) RFCA.—The term ''RFCA'' means the Rocky Flats Cleanup Agreement, an intergovernmental agreement, dated July 19, 1996, among—

(A) the Department of Energy;

(B) the Environmental Protection Agency; and

(C) the Department of Public Health and Environment of the State of Colorado.

(8) ROCKY FLATS.—

(A) IN GENERAL.—The term ''Rocky Flats'' means the Rocky Flats Environmental Technology Site, Colorado, a defense nuclear facility, as depicted on the map entitled ''Rocky Flats Environmental Technology Site'', dated July 15, 1998, and available for inspection in the appropriate offices of the United States Fish and Wildlife Service.

(B) EXCLUSIONS.—The term ''Rocky Flats'' does not include—

(i) land and facilities of the Department of Energy's National Wind Technology Center; or

(ii) any land and facilities not within the boundaries depicted on the map identified in subparagraph (A).

(9) ROCKY FLATS TRUSTEES.—The term ''Rocky Flats Trustees'' means the Federal and State of Colorado entities that have been identified as trustees for Rocky Flats under section 107(f)(2) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9607(f)(2)).

(10) SECRETARY.—The term ''Secretary'' means the Secretary of Energy.

SEC. 3174. FUTURE OWNERSHIP AND MANAGEMENT.

(a) FEDERAL OWNERSHIP.—Except as expressly provided in this subtitle or any Act enacted after the date of enactment of this Act, all right, title, and interest of the United States, held on or acquired after the date of enactment of this Act, to land or interest therein, including minerals, within the boundaries of Rocky Flats shall be retained by the United States.

(b) LINDSAY RANCH.—The structures that comprise the former Lindsay Ranch homestead site in the Rock Creek Reserve area of the buffer zone, as depicted on the map referred to in section 3173(8), shall be permanently preserved and maintained in accordance with the National Historic Preservation Act (16 U.S.C. 470 et seq.).

(c) PROHIBITION ON ANNEXATION.—Neither the Secretary nor the Secretary of the Interior shall allow the annexation of land within the refuge by any unit of local government.

(d) PROHIBITION ON THROUGH ROADS.—Except as provided in subsection (e), no public road shall be constructed through Rocky Flats.

(e) TRANSPORTATION RIGHT-OF-WAY.—

(1) IN GENERAL.—

(A) AVAILABILITY OF LAND.—On submission of an application meeting each of the conditions specified in paragraph (2), the Secretary, in consultation with the Secretary of the Interior, shall make available land along the eastern boundary of Rocky Flats for the sole purpose of transportation improvements along Indiana Street.

(B) BOUNDARIES.—Land made available under this paragraph may not extend more than 300 feet from the west edge of the Indiana Street right-of-way, as that right-of-way exists as of the date of enactment of this Act.

(C) EASEMENT OR SALE.—Land may be made available under this paragraph by easement or sale to 1 or more appropriate entities.

(D) COMPLIANCE WITH APPLICABLE LAW.—Any action under this paragraph shall be taken in compliance with applicable law.

(2) CONDITIONS.—An application for land under this subsection may be submitted by any county, city, or other political subdivision of the State of Colorado and shall include documentation demonstrating that—

(A) the transportation project is constructed so as to minimize adverse effects on the management of Rocky Flats as a wildlife refuge; and

(B) the transportation project is included in the regional transportation plan of the metropolitan planning organization designated for the Denver metropolitan area under section 5303 of title 49, United States Code.

SEC. 3175. TRANSFER OF MANAGEMENT RESPONSIBILITIES AND JURISDICTION OVER ROCKY FLATS.

(a) IN GENERAL.—

(1) MEMORANDUM OF UNDERSTANDING.—

(A) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary and the Secretary of the Interior shall publish in the Federal Register a draft memorandum of understanding under which—

(i) the Secretary shall provide for the subsequent transfer of administrative jurisdiction over Rocky Flats to the Secretary of the Interior; and

(ii) the Secretary of the Interior shall manage natural resources at Rocky Flats until the date on which the transfer becomes effective.

(B) REQUIRED ELEMENTS.—

(i) IN GENERAL.—Subject to clause (ii), the memorandum of understanding shall—

(I) provide for the division of responsibilities between the Secretary and the Secretary of the Interior necessary to carry out the proposed transfer of land;

(II) for the period ending on the date of the transfer—

(aa) provide for the division of responsibilities between the Secretary and the Secretary of the Interior; and

(bb) provide for the management of the land proposed to be transferred by the Secretary of the Interior as a national wildlife refuge, for the purposes provided under section 3177(d)(2);

(III) provide for the annual transfer of funds from the Secretary to the Secretary of the Interior for the management of the land proposed to be transferred; and

(IV) subject to subsection (b)(1), identify the land proposed to be transferred to the Secretary of the Interior.

(ii) NO REDUCTION IN FUNDS.—The memorandum of understanding and the subsequent transfer shall not result in any reduction in funds available to the Secretary for cleanup and closure of Rocky Flats.

(C) DEADLINE.—Not later than 18 months after the date of enactment of this Act, the Secretary and Secretary of the Interior shall finalize and implement the memorandum of understanding.

(2) EXCLUSIONS.—The transfer under paragraph (1) shall not include the transfer of any property or facility over which the Secretary retains jurisdiction, authority, and control under subsection (b)(1).

(3) CONDITION.—The transfer under paragraph (1) shall occur—

(A) not earlier than the date on which the Administrator of the Environmental Protection Agency certifies to the Secretary and to the Secretary of the Interior that the cleanup and closure and all response actions at Rocky Flats have been completed, except for the operation and maintenance associated with those actions; but

(B) not later than 30 business days after that date.

(4) COST; IMPROVEMENTS.—The transfer—

(A) shall be completed without cost to the Secretary of the Interior; and

(B) may include such buildings or other improvements as the Secretary of the Interior has requested in writing for refuge management purposes.

(b) PROPERTY AND FACILITIES EXCLUDED FROM TRANSFERS.—

(1) IN GENERAL.—The Secretary shall retain jurisdiction, authority, and control over all real property and facilities at Rocky Flats that are to be used for—

(A) any necessary and appropriate long-term operation and maintenance facility to intercept, treat, or control a radionuclide or any other hazardous substance, pollutant, or contaminant; and

(B) any other purpose relating to a response action or any other action that is required to be carried out at Rocky Flats.

(2) CONSULTATION.—

(A) IDENTIFICATION OF PROPERTY.—

(i) IN GENERAL.—The Secretary shall consult with the Secretary of the Interior, the Administrator of the Environmental Protection Agency, and the State of Colorado on the identification of all property to be retained under this subsection to ensure the continuing effectiveness of response actions.

(ii) AMENDMENT TO MEMORANDUM OF UNDERSTANDING.—

(I) IN GENERAL.—After the consultation, the Secretary and the Secretary of the Interior shall by mutual consent amend the memorandum of understanding required under subsection (a) to specifically identify the land for transfer and provide for determination of the exact acreage and legal description of the property to be transferred by a survey mutually satisfactory to the Secretary and the Secretary of the Interior.

(II) COUNCIL ON ENVIRONMENTAL QUALITY.—In the event the Secretary and the Secretary of the Interior cannot agree on the land to be retained or transferred, the Secretary or the Secretary of the Interior may refer the issue to the Council on Environmental Quality, which shall decide the issue within 45 days of such referral, and the Secretary and the Secretary of the Interior shall then amend the memorandum of understanding required under subsection (a) in conformity with the decision of the Council on Environmental Quality.

(B) MANAGEMENT OF PROPERTY.—

(i) IN GENERAL.—The Secretary shall consult with the Secretary of the Interior on the management of the retained property to minimize any conflict between the management of property transferred to the Secretary of the Interior and property retained by the Secretary for response actions.

(ii) CONFLICT.—In the case of any such conflict, implementation and maintenance of the response action shall take priority.

(3) ACCESS.—As a condition of the transfer under subsection (a), the Secretary shall be provided such easements and access as are reasonably required to carry out any obligation or address any liability.

(c) ADMINISTRATION.—

(1) IN GENERAL.—On completion of the transfer under subsection (a), the Secretary of the Interior shall administer Rocky Flats in accordance with this subtitle subject to—

(A) any response action or institutional control at Rocky Flats carried out by or under the authority of the Secretary under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.); and

(B) any other action required under any other Federal or State law to be carried out by or under the authority of the Secretary.

(2) CONFLICT.—In the case of any conflict between the management of Rocky Flats by the Secretary of the Interior and the conduct

of any response action or other action described in subparagraph (A) or (B) of paragraph (1), the response action or other action shall take priority.

(3) CONTINUING ACTIONS.—Except as provided in paragraph (1), nothing in this subsection affects any response action or other action initiated at Rocky Flats on or before the date of the transfer under subsection (a).

(d) LIABILITY.—

(1) IN GENERAL.—The Secretary shall retain any obligation or other liability for land transferred under subsection (a) under—

(A) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.); or

(B) any other applicable law.

(2) RESPONSE ACTIONS.—

(A) IN GENERAL.—The Secretary shall be liable for the cost of any necessary response actions, including any costs or claims asserted against the Secretary, for any release, or substantial threat of release, of a hazardous substance, if the release, or substantial threat of release, is—

(i) located on or emanating from land—

(I) identified for transfer by this section; or

(II) subsequently transferred under this section;

(ii)(I) known at the time of transfer; or

(II) subsequently discovered; and

(iii) attributable to—

(I) management of the land by the Secretary; or

(II) the use, management, storage, release, treatment, or disposal of a hazardous substance on the land by the Secretary.

(B) RECOVERY FROM THIRD PARTY.—Nothing in this paragraph precludes the Secretary, on behalf of the United States, from bringing a cost recovery, contribution, or other action against a third party that the Secretary reasonably believes may have contributed to the release, or substantial threat of release, of a hazardous substance.

SEC. 3176. CONTINUATION OF ENVIRONMENTAL CLEANUP AND CLOSURE.

(a) ONGOING CLEANUP AND CLOSURE.—

(1) IN GENERAL.—The Secretary shall—

(A) carry out to completion cleanup and closure at Rocky Flats; and

(B) conduct any necessary operation and maintenance of response actions.

(2) NO RESTRICTION ON USE OF NEW TECHNOLOGIES.—Nothing in this subtitle, and no action taken under this subtitle, restricts the Secretary from using at Rocky Flats any new technology that may become available for remediation of contamination.

(b) RULES OF CONSTRUCTION.—

(1) NO RELIEF FROM OBLIGATIONS UNDER OTHER LAW.—

(A) IN GENERAL.—Nothing in this subtitle, and no action taken under this subtitle, relieves the Secretary, the Administrator of the Environmental Protection Agency, or any other person from any obligation or other liability with respect to Rocky Flats under the RFCA or any applicable Federal or State law.

(B) NO EFFECT ON RFCA.—Nothing in this subtitle impairs or alters any provision of the RFCA.

(2) REQUIRED CLEANUP LEVELS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), nothing in this subtitle affects the level of cleanup and closure at Rocky Flats required under the RFCA or any Federal or State law.

(B) NO EFFECT FROM ESTABLISHMENT AS NATIONAL WILDLIFE REFUGE.—

(i) IN GENERAL.—The requirements of this subtitle for establishment and management of Rocky Flats as a national wildlife refuge shall not reduce the level of cleanup and closure.

(ii) CLEANUP LEVELS.—The Secretary shall conduct cleanup and closure of Rocky Flats to the levels established for soil, water, and other media, following a thorough review, by the parties to the RFCA and the public (including the United States Fish and Wildlife Service and other interested government agencies), of the appropriateness of the interim levels in the RFCA.

(3) NO EFFECT ON OBLIGATIONS FOR MEASURES TO CONTROL CONTAMINATION.—Nothing in this subtitle, and no action taken under this subtitle, affects any long-term obligation of the United States, acting through the Secretary, relating to funding, construction, monitoring, or operation and maintenance of—

(A) any necessary intercept or treatment facility; or

(B) any other measure to control contamination.

(c) PAYMENT OF RESPONSE ACTION COSTS.—Nothing in this subtitle affects the obligation of a Federal department or agency that had or has operations at Rocky Flats resulting in the release or threatened release of a hazardous substance or pollutant or contaminant to pay the costs of response actions carried out to abate the release of, or clean up, the hazardous substance or pollutant or contaminant.

(d) CONSULTATION.—In carrying out a response action at Rocky Flats, the Secretary shall consult with the Secretary of the Interior to ensure that the response action is carried out in a manner that—

(1) does not impair the attainment of the goals of the response action; but

(2) minimizes, to the maximum extent practicable, adverse effects of the response action on the refuge.

SEC. 3177. ROCKY FLATS NATIONAL WILDLIFE REFUGE.

(a) ESTABLISHMENT.—Not later than 30 days after the transfer of jurisdiction under section 3175(a), the Secretary of the Interior shall establish at Rocky Flats a national wildlife refuge to be known as the ''Rocky Flats National Wildlife Refuge''.

(b) COMPOSITION.—The refuge shall consist of the real property subject to the transfer of administrative jurisdiction under section 3175(a)(1).

(c) NOTICE.—The Secretary of the Interior shall publish in the Federal Register a notice of the establishment of the refuge.

(d) ADMINISTRATION AND PURPOSES.—

(1) IN GENERAL.—The Secretary of the Interior shall manage the refuge in accordance with applicable law, including this subtitle, the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.), and the purposes specified in that Act.

(2) REFUGE PURPOSES.—At the conclusion of the transfer under section 3175(a)(3), the refuge shall be managed for the purposes of—

(A) restoring and preserving native ecosystems;

(B) providing habitat for, and population management of, native plants and migratory and resident wildlife;

(C) conserving threatened and endangered species (including species that are candidates for listing under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.)); and

(D) providing opportunities for compatible, wildlife-dependent environmental scientific research.

(3) MANAGEMENT.—In managing the refuge, the Secretary shall ensure that wildlife-dependent recreation and environmental education and interpretation are the priority public uses of the refuge.

SEC. 3178. COMPREHENSIVE CONSERVATION PLAN.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, in developing a comprehensive conservation plan in accordance with section 4(e) of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd(e)), the Secretary of the Interior, in consultation with the Secretary, the members of the Coalition, the Governor of the State of Colorado, and the Rocky Flats Trustees, shall establish a comprehensive planning process that involves the public and local communities.

(b) OTHER PARTICIPANTS.—In addition to the entities specified in subsection (a), the comprehensive planning process shall include the opportunity for direct involvement of entities not members of the Coalition as of the date of enactment of this Act, including the Rocky Flats Citizens' Advisory Board and the cities of Thornton, Northglenn, Golden, Louisville, and Lafayette, Colorado.

(c) DISSOLUTION OF COALITION.—If the Coalition dissolves, or if any Coalition member elects to leave the Coalition during the comprehensive planning process under this section—

(1) the comprehensive planning process under this section shall continue; and

(2) an opportunity shall be provided to each entity that is a member of the Coalition as of September 1, 2000, for direct involvement in the comprehensive planning process.

(d) CONTENTS.—In addition to the requirements under section 4(e) of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd(e)), the comprehensive conservation plan required by this section shall address and make recommendations on the following:

(1) The identification of any land described in section 3174(e) that could be made available for transportation purposes.

(2) The potential for leasing any land in Rocky Flats for the National Renewable Energy Laboratory to carry out projects relating to the National Wind Technology Center.

(3) The characteristics and configuration of any perimeter fencing that may be appropriate or compatible for cleanup and closure, refuge, or other purposes.

(4) The feasibility of locating, and the potential location for, a visitor and education center at the refuge.

(5) Any other issues relating to Rocky Flats.

(e) REPORT.—Not later than 3 years after the date of enactment of this Act, the Secretary of the Interior shall submit to the Committee on Armed Services of the Senate and the Committee on Resources of the House of Representatives—

(1) the comprehensive conservation plan prepared under this section; and

(2) a report that—

(A) outlines the public involvement in the comprehensive planning process; and

(B) to the extent that any input or recommendation from the comprehensive planning process is not accepted, clearly states the reasons why the input or recommendation is not accepted.

SEC. 3179. PROPERTY RIGHTS.

(a) IN GENERAL.—Except as provided in subsection (c), nothing in this subtitle limits any valid, existing property right at Rocky Flats that is owned by any person or entity, including, but not limited to—

(1) any mineral right;

(2) any water right or related easement; and

(3) any facility or right-of-way for a utility.

(b) ACCESS.—Except as provided in subsection (c), nothing in this subtitle affects any right of an owner of a property right described in subsection (a) to access the owner's property.

(c) REASONABLE CONDITIONS.—

(1) IN GENERAL.—The Secretary or the Secretary of the Interior may impose such reasonable conditions on access to property

rights described in subsection (a) as are appropriate for the cleanup and closure of Rocky Flats and for the management of the refuge.

(2) NO EFFECT ON APPLICABLE LAW.—Nothing in this subtitle affects any other applicable Federal, State, or local law (including any regulation) relating to the use, development, and management of property rights described in subsection (a).

(3) NO EFFECT ON ACCESS RIGHTS.—Nothing in this subsection precludes the exercise of any access right, in existence on the date of enactment of this Act, that is necessary to perfect or maintain a water right in existence on that date.

(d) PURCHASE OF MINERAL RIGHTS.—

(1) IN GENERAL.—The Secretary shall seek to acquire any and all mineral rights at Rocky Flats through donation or through purchase or exchange from willing sellers for fair market value.

(2) FUNDING.—The Secretary and the Secretary of the Interior—

(A) may use for the purchase of mineral rights under paragraph (1) funds specifically provided by Congress; but

(B) shall not use for such purchase funds appropriated by Congress for the cleanup and closure of Rocky Flats.

(e) UTILITY EXTENSION.—

(1) IN GENERAL.—The Secretary or the Secretary of the Interior may allow not more than one extension from an existing utility right-of-way on Rocky Flats, if necessary.

(2) CONDITIONS.—An extension under paragraph (1) shall be subject to the conditions specified in subsection (c).

(f) EASEMENT SURVEYS.—

(1) IN GENERAL.—Subject to paragraph (2), until the date that is 180 days after the date of enactment of this Act, an entity that possesses a decreed water right or prescriptive easement relating to land at Rocky Flats may carry out such surveys at Rocky Flats as the entity determines are necessary to perfect the right or easement.

(2) LIMITATION ON CONDITIONS.—An activity carried out under paragraph (1) shall be subject only to such conditions as are imposed—

(A) by the Secretary of Energy, before the date on which the transfer of management responsibilities under section 3175(a)(3) is completed, to minimize interference with the cleanup and closure of Rocky Flats; and

(B) by the Secretary of the Interior, on or after the date on which the transfer of management responsibilities under section 3175(a)(3) is completed, to minimize adverse effects on the management of the refuge.

SEC. 3180. ROCKY FLATS MUSEUM.

(a) MUSEUM.—In order to commemorate the contribution that Rocky Flats and its worker force provided to the winning of the Cold War and the impact that the contribution has had on the nearby communities and the State of Colorado, the Secretary may establish a Rocky Flats Museum.

(b) LOCATION.—The Rocky Flats Museum shall be located in the city of Arvada, Colorado, unless, after consultation under subsection (c), the Secretary determines otherwise.

(c) CONSULTATION.—The Secretary shall consult with the city of Arvada, other local communities, and the Colorado State Historical Society on—

(1) the development of the museum;

(2) the siting of the museum; and

(3) any other issues relating to the development and construction of the museum.

(d) REPORT.—Not later than three years after the date of enactment of this Act, the Secretary, in coordination with the city of Arvada, shall submit to the Committee on Armed Services of the Senate and the appropriate committee of the House of Representatives a report on the costs associated with the construction of the museum and any other issues relating to the development and construction of the museum.

SEC. 3181. REPORT ON FUNDING.

At the time of submission of the first budget of the United States Government submitted by the President under section 1105 of title 31, United States Code, after the date of enactment of this Act, and annually thereafter, the Secretary and the Secretary of the Interior shall report to the Committee on Armed Services and the Committee on Appropriations of the Senate and the appropriate committees of the House of Representatives on—

(1) the costs incurred in implementing this subtitle during the preceding fiscal year; and

(2) the funds required to implement this subtitle during the current and subsequent fiscal years.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 2002, $18,500,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

SEC. 3301. AUTHORITY TO DISPOSE OF CERTAIN MATERIALS IN THE NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL REQUIRED.—Subject to the conditions specified in subsection (b), the President may dispose of obsolete and excess materials currently contained in the National Defense Stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c). The materials subject to disposal under this subsection and the quantity of each material authorized to be disposed of by the President are set forth in the following table:

Authorized Stockpile Disposals

Material for disposal	Quantity
Bauxite	40,000 short tons
Chromium Metal	3,512 short tons
Iridium	25,140 troy ounces
Jewel Bearings	30,273,221 pieces
Manganese Ferro HC	209,074 short tons
Palladium	11 troy ounces
Quartz Crystal	216,648 pounds
Tantalum Metal Ingot	120,228 pounds contained
Tantalum Metal Powder	36,020 pounds contained
Thorium Nitrate	600,000 pounds.

(b) MINIMIZATION OF DISRUPTION AND LOSS.—The President may not dispose of materials under subsection (a) to the extent that the disposal will result in—

(1) undue disruption of the usual markets of producers, processors, and consumers of the materials proposed for disposal; or

(2) avoidable loss to the United States.

(c) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding the materials specified in such subsection.

SEC. 3302. REVISION OF LIMITATIONS ON REQUIRED DISPOSALS OF COBALT IN THE NATIONAL DEFENSE STOCKPILE.

(a) PUBLIC LAW 105–261.—Section 3303 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (112 Stat. 2263; 50 U.S.C. 98d note) is amended—

(1) in subsection (a), by striking ''the amount of—'' and inserting ''total amounts not less than—''; and

(2) in subsection (b)(2), by striking ''receipts in the amounts specified in subsection (a)'' and inserting ''receipts in the total amount specified in such subsection (a)(4)''.

(b) PUBLIC LAW 105–85.—Section 3305 of the National Defense Authorization Act for Fiscal Year 1998 (111 Stat. 2057; 50 U.S.C. 98d note) is amended—

(1) in subsection (a), by striking ''amounts equal to—'' and inserting ''total amounts not less than—''; and

(2) in subsection (b)(2)—

(A) by striking ''may not dispose of cobalt under this section'' and inserting ''may not, under this section, dispose of cobalt in the fiscal year referred to in subsection (a)(5)''; and

(B) by striking ''receipts in the amounts specified in subsection (a)'' and inserting ''receipts during that fiscal year in the total amount specified in such subsection (a)(5)''.

(c) PUBLIC LAW 104–201.—Section 3303 of the National Defense Authorization Act for Fiscal Year 1997 (110 Stat. 2855; 50 U.S.C. 98d note) is amended—

(1) in subsection (a), by striking ''amounts equal to—'' and inserting ''total amounts not less than—''; and

(2) in subsection (b)(2)—

(A) by striking ''may not dispose of materials under this section'' and inserting ''may not, under this section, dispose of materials during the 10-fiscal year period referred to in subsection (a)(2)''; and

(B) by striking ''receipts in the amounts specified in subsection (a)'' and inserting ''receipts during that period in the total amount specified in such subsection (a)(2)''.

SEC. 3303. ACCELERATION OF REQUIRED DISPOSAL OF COBALT IN THE NATIONAL DEFENSE STOCKPILE.

Section 3305(a) of the National Defense Authorization Act for Fiscal Year 1998 (111 Stat. 2057; 50 U.S.C. 98d note) is amended—

(1) in paragraph (1), by striking ''2003'' and inserting ''2002'';

(2) in paragraph (1), by striking ''2004'' and inserting ''2003'';

(3) in paragraph (1), by striking ''2005'' and inserting ''2004'';

(4) in paragraph (1), by striking ''2006'' and inserting ''2005''; and

(5) in paragraph (1), by striking ''2007'' and inserting ''2006''.

SEC. 3304. REVISION OF RESTRICTION ON DISPOSAL OF MANGANESE FERRO.

Section 3304 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 629) is amended—

(1) in subsection (a)—

(A) by striking ''(a) DISPOSAL OF LOWER GRADE MATERIAL FIRST.—The President'' and inserting ''During fiscal year 2002, the President''; and

(B) in the first sentence, by striking '', until completing the disposal of all manganese ferro in the National Defense Stockpile that does not meet such classification''; and

(2) by striking subsections (b) and (c).

TITLE XXXIV—NAVAL PETROLEUM RESERVES

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated to the Secretary of Energy $17,371,000 for fiscal year 2002 for the purpose of carrying out activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves (as defined in section 7420(2) of such title).

(b) AVAILABILITY.—The amount authorized to be appropriated by subsection (a) shall remain available until expended.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to the executive session to consider Executive Calendar No. 432, the nomination of Robert W. Jordan to be Ambassador to Saudi Arabia; that the nomination be confirmed, the motion to reconsider be laid upon the table, any statements thereon be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination was considered and confirmed as follows:

DEPARTMENT OF STATE

Robert W. Jordan, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Saudi Arabia.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

MEASURE INDEFINITELY POSTPONED—S.J. RES. 16

Mr. REID. Madam President, I ask unanimous consent that the Calendar No. 108, S.J. Res. 16, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

NEED-BASED EDUCATIONAL AID ACT OF 2001

Mr. REID. Madam President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of H.R. 768 and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 768) to amend the Improving America's School Act of 1994 and make permanent favorable treatment of need-based educational aid under the antitrust laws.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 1844

Mr. REID. Madam President, I understand that Senator KOHL has a substitute amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. KOHL, proposes an amendment numbered 1844.

Mr. REID. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Need-Based Educational Aid Act of 2001''.

SEC. 2. AMENDMENT.

Section 568(d) of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note) is amended by striking ''2001'' and inserting ''2008''.

Mr. KOHL. Madam President, I rise today to offer a substitute amendment to H.R. 768. This legislation, as amended, will extend for seven years an existing antitrust exemption granted to colleges and universities that admit students on a need blind basis. The exemption provides protection for these schools to cooperatively develop a methodology for determining financial need in order to best assess a family's ability to pay the costs of attendance.

There is no doubt that higher education opens doors and creates opportunities. It is therefore imperative that we in Congress do what we can to keep higher education affordable for our nation's students and their families. Some of the best and most prestigious colleges and universities admit students without regard to their financial need, allowing talented students from disadvantaged backgrounds to achieve their full potential. This exemption allows those colleges and universities to generate a uniform methodology to determine a family's need. The colleges and universities that use the exemption believe it allows them to attract needy students and maintain a thriving financial aid program.

Discussions among colleges and universities using need-blind admissions policies began more than thirty years ago. However, in 1989, the Department of Justice filed suit against 23 colleges and universities alleging that their cooperation violated antitrust laws. A federal district court ruled that the schools were subject to the antitrust laws. In 1991, most of the colleges and universities settled with the Department of Justice with a promise to stop sharing information.

Faced with the prospect of eliminating their discussions as a result of the settlement, the colleges and universities sought a law allowing them to meet. In 1992, Congress passed the original two-year antitrust exemption for those schools that guaranteed that their aid was need-blind. The exemption was extended in 1994 and 1997. With the lawsuit and the court order so fresh in our collective memory, it seems prudent to extend the exemption for a reasonable length of time, but not indefinitely. The exemption has always been grated on the theory that cooperation among universities in determining financial aid need benefits prospective students and their families. But there is little if any objective data to support this proposition. So this amendment directs the General Accounting Office (GAO) to study the effects of the antitrust exemption on undergraduate grant aid. The study will require schools who participate in discussions under the antitrust exemption to maintain and submit records. While the study will be comparative, schools that do not participate in discussions permitted by the exemption will not be required to maintain or submit records.

As a general rule, I strongly oppose antitrust exemptions. Our antitrust laws guarantee competition, and competition means lower prices and higher quality for consumers—including students purchasing a college education. but the colleges and universities using the exemption believe that the market functions differently in this case. I am therefore willing to extend the exemption for another seven years but believe that any further activity in this area must be coupled with hard objective data providing that this exemption does indeed benefit students and their families. Too many families are struggling today to put their children through college. So we must act very carefully and with full information before we pass a permanent antitrust exemption.

I would like to thank Representatives LAMAR SMITH and BARNEY FRANK and their staffs for their work on this legislation in the House, and Senators DEWINE, LEAHY, and HATCH and their staffs for their assistance on this substitute amendment. We hope the House will agree to these changes and expeditiously send this legislation to the President for his signature.

Mr. LEAHY. Madam President, I appreciate the work that Senators KOHL and DEWINE have done on this bill. I want to point out that while this bill extends the antitrust exemption for participating institutions' methodologies and applications for need-based financial aid, that exemption is still limited to the institutions' dealings with potential students collectively. It has not, and does not, exempt those institutions from the prohibitions of the

Sherman Act, 15 U.S.C. 1, with respect to awards to specific individual students. Independent of any antitrust concerns, the participating institutions also assure us that they do not discuss or compare awards for individual students, and we rely on their continuing that practice.

Mr. REID. Madam President, I ask unanimous consent that the substitute amendment be agreed to, the bill be read a third time and passed, the motion to reconsider be laid upon the table and any statements relating to the bill be printed in the RECORD, and that the title amendment be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 1844) was agreed to.

The bill (H. R. 768), as amended, was passed.

The title was amended so as to read:

An Act to amend the Improving America's Schools Act of 1994 to extend the favorable treatment of need-based educational aid under the antitrust laws, and for other purposes.

ORDERS FOR THURSDAY, OCTOBER 4, 2001

Mr. REID. Madam President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 10 a.m., Thursday, October 4; further, that on Thursday, immediately following the prayer and the pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of the motion to proceed to S. 1447, the aviation security bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. REID. Madam President, the Senate will convene tomorrow at 10 a.m. and resume consideration of the motion to proceed to the aviation security bill. There is every hope we can complete that bill in the immediate future.

ORDER FOR ADJOURNMENT

Mr. REID. Madam President, I ask unanimous consent that the Senate stand in adjournment under the previous order, following the remarks of Senator GRAHAM of Florida and Senator TORRICELLI of New Jersey.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Florida.

PROUD TO BE AN AMERICAN

Mr. GRAHAM. Madam President, throughout America the events of September 11 have touched our people and have brought forth a level of thoughtful eloquence which has contributed to our ability to understand and to be able to deal with the extreme shock and pain of those agonizing images we all hold of the events of September 11.

On Sunday, I attended the services at my church, the Miami Lakes Congregational Church, where our pastor, Rev. Jeffrey Frantz, delivered an exceptional sermon. I would like his words and thoughts and message to be made available to a broader audience, and therefore I ask unanimous consent, Madam President, that Reverend Frantz' sermon, ''Proud to be an American,'' be printed in the RECORD.

There being no objection, the sermon was ordered to be printed in the RECORD, as follows:

''PROUD TO BE AN AMERICAN!''

Living Out Our Faith in a Dangerous World

(By Dr. Jeffrey E. Frantz, Miami Lakes Congressional Church, Miami Lakes, FL)

Isaiah 42:5–9, Matthew 5:1–16

I

In these past few weeks, now, since the *September 11th* nightmare, our lives have been jolted and challenged, stretched and turned upside down, like never before. It's like so many have commented: *everything has changed*.

1. First, the sweeping impact, on all levels, of the tragic event itself . . . the anger and rage, coupled with the mourning and grief. We were left numb with disbelief.
2. And then, later, the realization that we have to somehow get on with our lives. We have to put our lives back together. We can't let fear tell us who we are. We have to dig deeply into our self-understanding, our identity as a people, and affirm the best of our traditions.
3. We've been dealt a deathly blow; and its reaches have touched virtually every part of our lives: the economy, all levels of our government, the entertainment world, our psychological and spiritual life.

I was reading an issue of Time Magazine this past week that predated the *September 11th* disaster. And it was like virtually all of the news seemed suddenly irrelevant and inconsequential. Suddenly Michael Jordan's possible comeback to the NBA seemed trifling and insignificant. We weren't much interested in who Jennifer Lopez might be marrying and where, or in the latest rumor about Julia Roberts or Tom Cruise.

Suddenly all of the usual quibbling and whimpering that clutter our lives seem out of place and so, so harmless. Indeed, it's a new day. And a swelling patriotism is everywhere. I've never seen America so united. We're coming together as we never have in the past fifty years or more.

People, all over, are coming together. There are problems, to be sure, with some of the understandable, but inexcusable profiling that has been going on. And we must do all we can to curb any such intolerance or injustice. It is a difficult time to be an Arab-American.

Also, there's an eerie frenzy about the prospect of biological warfare and chemical or germ warfare—scary stuff. Still, people are coming together. Literally hundreds, if not thousands, of relief efforts are underway around the nation, even the world. The amount of money being raised in relief support is already staggering.

American flags have never been in such resplendent display. Patriotic hymns and expressions of one kind or another are on every radio station and on every street corner.

American pride is rising to a magnificent height, and it makes us proud.

I say this because, at our best, America is a wondrous land, a delightful rainbow people of God's creative hand. Our freedom is our heartbeat, our pulse. But our marvelous diversity is freedom's precious child.

Reports suggest that people from as many as sixty nations perished in the rubble of the World Trade Center. You see, friends, we are the world! That's not a pronouncement of arrogance; but rather it is a description of the incredible variety of human beings that fill the reaches of our land.

II

Perhaps some of you saw the televised memorial observance last Sunday afternoon from Yankee Stadium in New York City. With some initial words from James Earl Jones, and emceed by Oprah Winfrey, it was a moving and touching service throughout.

Along with tear-streaked cheeks and broken hearts, the diversity of America was everywhere. In the stands, to be sure, with family members, deeply saddened, holding pictures of missing loved ones. And up front around the podium: clerics and clergy, holy men and women—arrayed in their sacred garments, gathered to pray and read holy writings—a magnificent diversity.

There were Christian and Jew, Muslim and Buddhist, Hindu and Sikh, believer and nonbeliever—from every imaginable ethnic group and tribe. America is the world!

O beautiful for spacious skies,
For amber waves of grain,
For purple mountain majesties,
Above the fruited plain.

I'm proud to be an American

America, America!
God shed God's grace on thee.
And crown thy good with brotherhood
From sea to shining sea.

III

This is our vision; this is our dream. It's part of our inheritance, part of our history and tradition. Almost from our inception, we have been what Second Isaiah called Israel, *a light to the nations*.

This wasn't always Israel's self-understanding. She had been *God's chosen people*, yes. But her chosenness didn't necessarily extend beyond her borders. But, now, in exile . . . seemingly defeated, a new vision of Israel emerged:

I will give you as a light to the nations,
said the prophet.
That my salvation may reach to the ends of the earth.

This universalizing of Israel's role and purpose marks a break-through for Israel's self-identity. Israel's *chosenness*, now, is to be shared . . . to the ends of the earth. *That my salvation may reach out to all people*, says the prophet.

Friends, America too, is such a light! Whether chosen or not, America has always felt that God's hand was on us in a special way. There is a tantalizingly thin line, that lingers: between the arrogance of presumption and the humility of endowment.

Still, no matter how we understand ourselves as Americans, we are a nation of vast resources, of tremendous power and wealth. We have so much to be grateful for. We have been so wondrously blessed.

Along with our power and wealth comes great responsibility. Whatever *salvation* God can work through us comes most abundantly and effectively through our humility. And no matter how we choose to construe our present national crisis, our responsibility—in the way we respond—is enormous. Clearly, all of the world is watching our every move, picking up cues from what we do.

1. I'm proud to be an American . . . in an America that indeed is a *light to the nations*. An America that stands tall, to be sure, but an America whose greatness is seen in its *humbleness of spirit*.

2. Such humbleness of spirit, grounded in the teachings and example of Christ, IS the key to our future, and indeed to the future of the world, as we work our way through the chaos and the complexity of these difficult times.

Blessed are the poor in spirit,
Blessed are the poor in spirit,
for theirs is the kingdom of heaven.
Blessed are the meek,
for they shall inherit the earth.
Blessed are those who hunger for righteousness,
for they shall be satisfied.
Blessed are the pure in heart,
for they shall see God,
Blessed are the peacemakers,
for they shall be children of God.

IV

There's been much talk, since *September 11th,* of our vulnerability. Our vulnerability is, however, nothing new. We've always been vulnerable. It's the human condition. These *blessed* conditions, *the beatitudes of Jesus,* are transparent reminders of this truth.

We cannot save ourselves. Understandably, we're frenzied in our rush to make our lives safe again, to get our life back. We see this abundantly exemplified, now, as we invest enormous dollars and effort to beef up our national security and intelligence on all fronts, as we clearly must do.

And yet, as people of faith, We've never lost our life. Our life is in God and in God's eternal love and saving grace that have no end.

Part of what is so vividly apparent in all of this is that we live in a world that is irreversibly interdependent and global; and we must increasingly see ourselves in this light. In no way, therefore, can we isolate ourselves from the sufferings, deprivations and tribulations of any nation. We're too interconnected; our power and influence are too great.

I'm proud to be an American . . . in an America that indeed is a light to the nations. An America that rises to the challenge of the requirements of greatness. We are a great nation. And what are the requirements of our greatness.

1. *To be a good listener.* Humility and love demand this of us: to embrace the other life . . . the other tribe . . . the other religion with respect and honor.

2. *To think long-term* in whatever we do. We must be deliberate and wise in our consideration of what kind of a world—what kind of an Afghanistan, what kind of a Pakistan, or any other nation—do we want to see emerge on the other side of whatever action we take.

3. *To respond to evil run amok.* Evil of the proportions of the current global terrorism must be eradicated. Global terrorism must be stopped. Most likely, we cannot avoid some measure of violence and aggression. But how we proceed, and with what level of international support, is of the utmost importance.

V

Violence and war must never—too easily, too quickly—become options. Sometimes, when evil and demonic forces are too out-of-control, we may well have no choice. But even then, it is only with great mercy and sorrow in our hearts that we act.

All of which is to suggest that violence, and resolution through violence, are never as easy as we think. It's never just a matter of *going in and taking care of business.* Ethnic and tribal hatreds endure, as we are seeing today, for decades and decades . . . even centuries.

We see that in Northern Ireland. We've seen it in Kosovo and what was Yugoslavia, where ethnic and tribal hatreds have been warning for centuries on end. We see it, now, in Afghanistan: tribal warlords at odds, killing one another and perpetuating the cycle of violence for generations to come. And we see it, too, in the endless hostilities that continue to cast a pall of gloom over Israel and Palestine.

Martin Luther King, Jr. spoke prophetically to us about the problem with violence: ''*The ultimate weakness of violence is that it is a descending spiral, begetting the very thing it seeks to destroy. Instead of diminishing evil, it multiplies it. Through violence you may murder the hater, but you do not murder the hate. In fact, violence merely increases hate, returning violence for violence, adding deeper darkness to a night already devoid of stars. Darkness cannot drive hate out; only love can do that.*''

We're Christians, friends, children of God, before we are anything else. That does not mean that we should not take care of our own. It means that we understand that taking care of our own is rooted, first, in an impulse of love and respect, understanding and acceptance of all nations, all religions.

I'm proud to be an American in an America that understands that when the international community is strong and healthy—when freedom and hope are finding their way around the earth, when the dreams of people everywhere have hope of realization—then America is strong. And then America is safe.

VI

We're a light to the nations. I believe that. And I believe it at the foot of the cross.

We must spread the light of God's blessings to all peoples. This is not easy. In fact, it is very complex and will require great sacrifice on our part, as it has in the past. It will take time, even decades and more.

Yet, to work our way thru the rubble of *September 11th,* we must make international coalitions and networks of understanding our number one priority.

We must improve our sense of geography—our awareness of other cultures and religions. We must lead from a strength that exudes love, charity, compassion and historical understanding. Because then, and only then, will we begin to bring a healing and peace that endure to our fragmented world.

Blessed are the poor in spirit, for theirs is the kingdom of heaven . . . blessed are the meek, for they shall inherit the earth . . . blessed are the peacemakers, for they shall be called children of God . . .

You are the light of the world . . . let your light shine before all the world . . . that the world may see your faith and give glory to God in heaven . . .

America, America!
God shed God's grace on thee,
And crown thy good with brotherhood.
from sea to shinning sea . . .

How beautiful, two continents,
and islands in the sea . . .
That dream of peace, non-violence,
all people living free.

America, America!
God grant that we may be . . .
A hemisphere, indeed one earth,
living in harmony.

I'm proud to be an American, O yes; and to be a child of the living God, the God of the heavens and the earth and all that is in it. Amen.

Mr. GRAHAM. Thank you, Madam President. And to my colleague, Senator TORRICELLI, I say thank you for your forbearance.

The PRESIDING OFFICER. The Senator from New Jersey.

AIRPORT SECURITY

Mr. TORRICELLI. Madam President, I thank my colleague and friend from Florida. Indeed, it was a pleasure to hear his remarks.

In my service in the Congress through these years, I have rarely—indeed, I have never—witnessed the solidarity of the membership, the focus of purpose that has been evident since the tragedy of September 11. Partisan differences, differences of region and philosophy have been impossible to discern in the debates on the Senate floor.

Tomorrow the Senate resumes debate on legislation to deal with airline and airport security. There may be a slight fissure in this wall of solidarity. I rise to address it this evening.

It is not necessarily a difference of party affiliation or of philosophy, but it does have some regional implications where people of goodwill can differ because of different experiences. It needs to be put in perspective, but it is still important.

This body is right, indeed; the Senate has no choice but to deal with the issue of airport security. Our national economy has taken a terrible toll in the loss of employment and income. Lives have been lost. Families have been broken. Confidence in the freedom to travel in America has been shaken—all because of the acts of terrorists who hijacked planes and killed our citizens.

To the cynic, our legislation represents closing the barn door. The cynics may be right. But that does not mean the Senate has a choice. Whether it is providing armed marshals on aircraft or federalizing the check-in system, changing cockpit doors, it may be too late for thousands, but it is still not too late for our country. It is a responsibility we owe to the American people. It must be done, and it must be done quickly. We can lament that we did not forecast the problem, but we are left with the reality of dealing with it.

This, however, invites the question of whether the obligation of the Senate is simply to deal with the problem that is now before us, a problem made clear by the terrorists themselves in the means by which they hijacked these planes, their mode of operation, or whether our responsibility is to anticipate.

On September 11, it was the hijacking of aircraft. There was no reason to believe that would be the mode of operation in a future attack.

In some areas of the country, transportation is simply defined. It is either aircraft or it is driving automobiles. In our great metropolitan areas, it is far more complex. More people use trains every day, I suspect, in New York and Boston and Philadelphia and Chicago, perhaps in St. Louis or Miami or Los Angeles, perhaps in these places, but I can assure you certainly in the State of New Jersey more people ride on commuter rail, on Amtrak, than ride on

every airliner combined. It is another spot of vulnerability. So are our reservoirs, our powerplants. All these are places of vulnerability that must be addressed.

If the Senate tomorrow is to address safety in transportation, that debate cannot be complete if we secure aircraft without dealing with railroads because they are equally vulnerable.

Indeed, every Metroliner that leaves New York for Boston or Washington potentially can hold up to 2,000 people. Every train represents three 747s with average loads. Under any time in a tunnel along the Northeast corridor where two trains pass, 3,000 or 4,000 people can be vulnerable at an instant.

Indeed, long before this tragedy occurred, the Senate was put on notice by Amtrak that its tunnels were aging and had safety difficulties. Indeed, the six tunnels leading to Penn Station in New York under the Hudson River were built between 1911 and 1920. The Senate has been told they do not have ventilation. They do not have standing firehoses, and they do not have escape routes.

The Senate would like to deal with transportation safety by securing airplanes. If only life were so easy. It is more complex because transportation in our country is more complex.

Imagine the scenes of people attempting to escape the World Trade Center. You can get a concept of what it would be like for people trying to get from under the Baltimore tunnels or the Hudson River tunnels, if there were a fire or other emergency. Five hundred or 1,000 people under Penn Station alone would have to climb up nine stories of spiral staircases, which is also the only route for firefighters to gain access.

It is not just the New York tunnels. The tunnels in Baltimore were built in 1877. The engineering was done by the Army Corps of Engineers during the Civil War. They still operate. High-speed railroads purchased by this Senate at the cost of billions of dollars, which operate at 150 miles per hour, slow to 30 miles per hour in these tunnels to navigate their Civil War engineering. One hundred sixty trains carrying thousands and thousands of passengers go through each of these tunnels every day in New York, Philadelphia, Boston, Baltimore, and, indeed, Washington, DC, itself.

The tunnels to Union Station in Washington that travel alongside the Supreme Court annex building were built in 1907 and service up to 60 trains every single day and have the same difficulties.

This is not a new problem. It has been coming for years. It is a problem in efficiency. It is an economic problem. But what looms most large today is it is an enormous safety problem. All of us must do everything possible to secure air safety, but if this Senate acts upon air safety without dealing with these Amtrak and commuter trains, we have not fully met our responsibility. Closing the barn door is not good enough when we can see open doors all around us that are other invitations for attack.

Amtrak has proposed a $3.2 billion program to enhance safety: One, a $471 million security plan to assure that there are police in proximity to trains, bomb-sniffing dogs, and bomb detection equipment for luggage—uncompromisable, logical, and essential—two, a command center and new communications equipment to ensure that the police are in contact with all trains, all police units at all times, including a hazmat detection and response system and fencing to assure that access to stations and trains can be controlled; third, $1 billion in safety and structural improvements for tunnels in New York, New Jersey, Baltimore, and Washington, as I have outlined, for fire and escape, and a billion dollars in capacity enhancement for rail, bridges, and switching stations along the Northeast corridor to deal with what has been a 40- to 50-percent increase in ridership since the September 11 attacks. This is necessitated by the need to have 608 additional seats from 18 Metroliners and Acela trains to deal with this demand, and to assure that the Nation has at least a duplicity of service for our major northeastern metropolitan regions, so if air travel is interrupted again, or lost, there is some means of commerce, travel, and communication.

But indeed, while it is much of the Northeast, it is not entirely the Northeast. Amtrak trains, in a national emergency, could be the only communication with the South, great Western cities, and, most obviously, in the Midwest. This is a danger that confronts all Americans. But, frankly, if it only concerns a single city in a single State in a great Union, when our citizens are in danger and the Nation has been attacked, and a program of security and safety is required, we should deal with those safety requirements that affect all States, as with our airliners. But even the least among us should be part of that program—to assure that their unique transportation needs are safe and secure.

This debate will be held tomorrow. I know some people would like to avoid it entirely. It is unpleasant to have any differences. We all want to agree on everything. In this instance, it may not be necessary. But some of us have raised this issue of expanded rail capacity and rail safety not for months but for years. Forgive me, but across my State there are 3,000 families who have lost a son, or a daughter, or a mother, or a father—not to injury but to death. This is not a theoretical problem. Terrorism has struck my State, as it struck Washington and New York—only it may have consumed even more of our lives. While it is every American's loss, you can understand we feel it most acutely. For me, responding to the attack will never be enough. Our responsibility is to forecast the next problem and assure that it never happens. We are grateful for resources for the victims, but our duty is to assure that there are no more victims. That is what Amtrak and rail safety is all about. This debate will be had tomorrow. It is one we dare not lose.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARKIN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Madam President, I ask unanimous consent that notwithstanding the previous order entered, I be allowed to speak for up to 5 minutes, and then have the Senate adjourn at that point.

The PRESIDING OFFICER. Without objection, it is so ordered.

REOPENING NATIONAL AIRPORT

Mr. HARKIN. Madam President, I had a longer speech I wanted to give with charts and graphs and items such as that, but I want to take the time this evening to just register my deepest concern about the reopening of National Airport. This goes back a long way with me. I remember when however many billions of dollars was put into modernizing National Airport, and I have been saying for many years that it is just an accident waiting to happen. Quite frankly, we were very lucky when the Air Florida flight crashed into the bridge, in that it didn't get any higher and crash into downtown Georgetown or the Lincoln Memorial or the Jefferson Memorial.

I remember that day as though it were yesterday, when that Air Florida flight took off and crashed into the 14th Street Bridge. I thought at that time—maybe if it had a little bit less ice on the wings, a little bit more power, and a few things were different—about where that plane might have come down. Whatever the reason for having National Airport located where it was in the past, I think those reasons have been shunted aside and overcome, right now at least, by what happened on September 11.

Notwithstanding the act of the terrorists, I still believe National Airport is still an accident waiting to happen. The approaches—I don't care what anybody says—are intricate and hard to fly in the best of conditions. You have an airport where, as one of our briefings told us—I think one of the people who briefed us about National Airport said that if you are in a landing configuration, the time from the airport to the Capitol is less than 30 seconds; from there to the White House is less than 20 seconds, and to the Pentagon it is less than 15 seconds. There is no way you can put a perimeter or fence around Washington, DC, if you have an

airport such as National right downtown. You can't do it.

So, therefore, I have thought for a long time that National Airport ought to be moved someplace further out in Virginia. It is true that we need an airport, but it ought to be either down 95 or out west someplace, outside the city, so you can put a 20-mile or so perimeter around this city into which no aircraft is allowed. And then you might have a good perimeter defense of Washington, DC.

But I have the sneaking suspicion that National Airport is being opened because it is convenient—convenient to the higher-ups in Government. It is convenient to us. It is convenient to me; personally, it is convenient. I love National Airport. It is 10, 15 minutes from my house. Otherwise, I have to drive to BWI or Dulles. But I have to put aside my convenience for what I think is the greater interest of this country.

There has been a lot of talk about how much money we put into National in upgrading it. It is a beautiful facility. But what would it cost to replace this Capitol? You could never do it. Or the White House or the Lincoln Memorial or the Jefferson Memorial or everything else that is so precious and almost sacred to our Nation?

So I disagree that somehow, if we kept it closed, it means the terrorists have won. I disagree. I think National ought to be opened somewhere else. There is plenty of open territory outside of Washington, DC, to the south and to the west. There are a lot of big areas out in Virginia. It would still be an economic income to the State of Virginia and the upper Virginia area. It is needed, but it is not needed where it is. So I wanted to register my concern about the reopening of National Airport, and, quite frankly, I don't think it should have been there in the first place. If you could turn the clock back, it should have been put somewhere else. Certainly, the amount of money that was put into upgrading it in the last few years, while it is a magnificent facility, I think was unwise. I said so at the time and I say it again today. There are a lot of things that could be done with that facility there. Look at what they did with Inner Harbor at Baltimore. Just think what that would do for tourism with tourist attractions beside an airport.

I see it from two standpoints: First, the defense of Washington, DC, and having an adequate perimeter of defense; and, second, because of the type of approaches in and out of National, there is an inherent danger.

I wanted to register my concerns. I hope we will take another look at this issue and rebuild National Airport some other place farther outside the city.

Madam President, my time has expired. I yield the floor.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 10 a.m. tomorrow.

Thereupon, the Senate, at 6:50 p.m., adjourned until Thursday, October 4, 2001, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate October 3, 2001:

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. JOHN P. ABIZAID, 0000

DEPARTMENT OF STATE

SICHAN SIV, OF TEXAS, TO BE REPRESENTATIVE OF THE UNITED STATES OF AMERICA ON THE ECONOMIC AND SOCIAL COUNCIL OF THE UNITED NATIONS, WITH THE RANK OF AMBASSADOR.

PEACE CORPS

GADDI H. VASQUEZ, OF CALIFORNIA, TO BE DIRECTOR OF THE PEACE CORPS, VICE MARK L. SCHNEIDER, RESIGNED.

IN THE COAST GUARD

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE GRADE INDICATED IN THE UNITED STATES COAST GUARD UNDER TITLE 14, U.S.C., SECTION 271:

To be captain

BRYON ING, 0000
MICHAEL D VALERIO, 0000
STEVEN D HARDY, 0000
STEVE M SAWYER, 0000
WILLIAM J UBERTI, 0000
NORRIS E MERKLE, 0000
BRIAN J FORD, 0000
DOUGLAS B LANE, 0000
BRUCE E VIEKMAN, 0000
STEPHEN L SIELBECK, 0000
RODRICK M ANSLEY, 0000
EDWIN H DANIELS, 0000
EVERETT F ROLLINS, 0000
STEPHEN J DANSCUK, 0000
PATRICK H STADT, 0000
SCOTT D GENOVESE, 0000
ROBERT E MOBLEY, 0000
DANNY ELLIS, 0000
GARY E DAHMEN, 0000
RONALD W BRANCH, 0000
RICHARD A MCCULLOUGH, 0000
DANIEL A CUTRER, 0000
WALTER J REGER, 0000
HAROLD W FINCH, 0000
ERIC J SHAW, 0000
MARY E LANDRY, 0000
KEVIN E DALE, 0000
PAUL D JEWELL, 0000
JACK V RUTZ, 0000
DENNIS M HOLLAND, 0000
MICHAEL A JETT, 0000
WILLIAM D BAUMGARTNER, 0000
LARRY R WHITE, 0000
STEPHEN E MEHLING, 0000
MICHAEL C GHIZZONI, 0000
WILLIAM R MARHOFFER, 0000
JAMES D MAES, 0000
MICHAEL A NEUSSL, 0000
GEORGE H HEINTZ, 0000
JOSEPH W BRUBAKER, 0000
MICHAEL D HUDSON, 0000
KEVIN J CAVANAUGH, 0000
GEORGE A ASSENG, 0000
CHRISTINE J QUEDENS, 0000
CHRISTOPHER D MILLS, 0000
TIMOTHY V SKUBY, 0000
HARRY E HAYNES, 0000
DAVID J REGAN, 0000
JEAN M BUTLER, 0000
GARY M SMIALEK, 0000
ROBERT E DAY, 0000
MICHAEL D INMAN, 0000
SHARON W FIJALKA, 0000
IAN GRUNTHER, 0000
STEPHEN D AUSTIN, 0000
DEREK H RIEKSTS, 0000
THOMAS D HOOPER, 0000
JAMES D BJOSTAD, 0000
THOMAS P OSTEBO, 0000
DANIEL J MCCLELLAN, 0000

To be commander

JAMES R DIRE, 0000
RICHARD W SANDERS, 0000
JOSEPH E VORBACH, 0000

CONFIRMATION

Executive nomination confirmed by the Senate October 3, 2001:

DEPARTMENT OF STATE

ROBERT W. JORDAN, OF TEXAS, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF SAUDI ARABIA.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.