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Senate

(Legislative day of Thursday, May 9, 2002)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable HARRY REID, a Senator from the State of Nevada.

PRAYER

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

Gracious God, as we prepare for this weekend of Mother's Day, we praise You for our own mothers and the love and care we received from them, and for all the mothers of our Nation for the influence they have in shaping the character of children. We would agree with John Ruskin when he said that the history of a nation is not to be read in its battlefields but in its homes. Thank You for mothers who know You and communicate their faith and moral values to their children. Strengthen the mothers of this land now in this time when children are faced with an unprecedented deprecation of integrity, honesty, and character. Help mothers to be the kind of people they long for their children to become. As children grow into young adults, may their mothers be their best friends and confidants in the quest for confident living. Give us all a renewed appreciation for aging mothers who need a special assurance that they did their best and are appreciated. And for those mothers who have graduated to the next stage of eternal life in heaven with You, may they be remembered with grateful bouquets in our minds and hearts.

Dear God, we pause in the work of this Senate to salute the heroines of hope who are our mothers here or in heaven. Through our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable HARRY REID 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 (Ms. CANTWELL). The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 10, 2002.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable MARIA CANTWELL, a Senator from the State of Washington, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Ms. CANTWELL thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 11 a.m., with Senators permitted to speak therein for up to 10 minutes each, and with the time equally divided between the majority leader and the Republican leader.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Nevada is recognized.

SCHEDULE

Mr. REID. Madam President, this morning the Senate will be in a period of morning business until 11 a.m. At 11 a.m., we will resume consideration of the trade bill. There will be no rollcall votes today. The next rollcall vote will occur on Monday evening 6 p.m. to deal with probably the approval of the 57th judge, under the direction of Senator LEAHY—an Executive Calendar nomination. Two hours are set aside to debate that nomination Monday evening.

We hope that at 11 o'clock Senators will come and continue work on the trade bill. We have all learned from our constituents and others how important they believe this is, and we hope we can complete this legislation next week.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

RECENT EVENTS IN ISRAEL

Mr. GREGG. Madam President, I want to speak on a couple of subjects this morning. First is what is happening in Israel.

Obviously, it is good news that at the Church of the Nativity, which is a shrine of significant importance to all of us who are Christian—obviously, it being the birthplace of Christ—that there has been a settlement. This is a step in the right direction. It is something we can take relief in because, clearly, the church itself was in physical risk, as were the people inside and outside of the church. It would have been a terrible tragedy in this conflict

between the parties in the Mideast if that shrine had been permanently damaged. So this is good news.

At the same time, of course, we should not overstate it as an event. Clearly, there is much still happening in the Mideast. Israel, in exercising its rights, will probably proceed to take further action to try to find the people who are responsible for the terrible suicide bombing that occurred just a few days ago. There may be a military action in Gaza. At least that is what is being represented. I think we as a culture—our country—have to decide how we are going to deal with this situation.

The President has made it very clear that as a result of the terrorist attacks on our Nation, we intend to track down terrorists wherever they are and we intend to bring them to justice. In addition, if there is a government that supports those terrorists, we intend to treat that government as an enemy and bring it to justice, as we did in Afghanistan. I believe this to be the absolutely appropriate authority. This is the Bush doctrine. This is the guideline that we must follow. We are in a fight, whether we like it or not, for our cultural survival, for our civilization and its survival.

The purpose of our enemy is not to take real estate or take advantage of real estate or take advantage of economic gain, as has been the tradition of war over the centuries. The purpose of our enemy is to simply kill us because we are American. In fact, if you read the books of Osama bin Laden and of Mulla Muhammad Omar, you see this all the time. The quotes simply say they call on their followers to kill Americans because they are Americans, and for no other reason, and to destroy us. That is their goal.

Well, if the Bush doctrine states clearly and appropriately that our purpose is to find terrorists and bring them to justice, and to treat terrorist governments as if they are our enemy and bring those governments down, then we cannot say to Israel that they should not follow that doctrine. Israel is equally under a terrorist attack—in fact, in many ways, more so because they are more threatened because of their physical situation.

As the suicide bombers continue to kill innocent people and cause great personal injury and try to disrupt the Nation of Israel, which is a democracy and which is an ally, we as a nation must support Israel and say: You have the right, as we also believe we have the right, to pursue these terrorists and bring them to justice and pursue governments that support these terrorists and bring them to justice.

It is very clear—I do not think there can be any question about it—that the Palestinian Authority has been a source of support for terrorist activity. We need to support Israel at this time as we would expect our allies and have expected our allies to support us during our difficult time.

It does mean there probably will be further confrontations, but it also means that at least we will be standing for a purpose which is clear and definable and which is true and correct, and that is we will not tolerate terrorism against our country or against our allies.

TRADE

Mr. GREGG. Madam President, last night an agreement was reached on this trade promotion authority, on the trade adjustment language, and the Andean trade agreement, three bills which have been bundled by the majority leader—there is a fourth one, the general tariffs agreement—that we have been trying to work through as a body. Last night, I understand the parties negotiated a comprehensive settlement to these issues involving trade and trade adjustment.

Trade promotion authority is very important legislation. We as a nation, and States such as New Hampshire specifically—and States such as the Presiding Officer's State especially—depend inordinately on our capacity to have free trade with other countries because our States, our culture has its competitive edge not in some material or commodity we produce, such as an agricultural good or oil; our economic advantage in New Hampshire is that we have people who are very bright and produce goods that are on the cutting edge.

Unfortunately, in the international economy, when you are producing cutting-edge goods, there is a tendency of other nations that cannot keep up to block those goods from coming into their country.

It always works to our advantage to open up a country's trade with us because the goods which we produce—which are on the cutting edge, which are the next generation, and always a step ahead of their competition—become available for sale in that country where we have opened barriers.

In New Hampshire, for example, almost 30 percent of the jobs are tied directly to products which are produced and sold overseas. So trade promotion authority—which is basically a vehicle to allow the administration to negotiate trade agreements, almost all of which, I presume, will allow us to enter other markets—trade promotion authority is very important legislation. This Congress has passed it year in and year out—for many years. In fact, I voted for it innumerable times when I was in the House and even had a chance to vote for it in the Senate.

Unfortunately, in the last few years, it has become tied up with other issues, but I do believe there has always been a strong bipartisan consensus to give the President trade promotion authority.

Unfortunately, as I mentioned, we have now attached to trade promotion authority other issues because people realized around here that if there is a train leaving the station and you can put something on it, the odds are you are going to be able to pass it. These are items which might not pass under a freestanding situation. That is unfortunate because trade promotion is so important. It should not be thrown into this type of a bundle. It should be voted on separately. But the majority leader decided to bundle it.

In that bundle he has put some things which I find to have serious problems, specifically the trade adjustment language and the expansion of the entitlements under the trade adjustment language.

There are two major initiatives in this proposal which are going to significantly expand direct costs and burdens on the taxpayers of America and will open the door to policy activity in an arbitrary way, and we cannot see the unintended consequences yet, which I think are going to be significant and extraordinarily expensive.

The trade adjustment bill, which is not involved in negotiating treaties, the purpose of which is to assist people whose jobs have been impacted as a result of trade activity—in other words, if you worked for a textile mill in New Hampshire maybe 20 years ago, and that textile mill was put out of business because of trade activity, because of low-cost cotton goods coming into the country—in fact, it happened even more recently than that. There are a couple companies in the western part of New Hampshire that have gone out of business in recent years as a result of trade activity. If you work for that type of company, under the trade adjustment authority, you would have certain benefits accrued to you in the areas of training and unemployment compensation so you can have an opportunity to get back into the workforce more quickly and be less impacted by that trade activity.

What is being proposed in this bill, however, is a significant expansion to benefit those people—well-intentioned, obviously—who have been dislocated as a result of trade activities, specifically the expansion of health care coverage and a wage supplement should they not take a different job. Let's talk about both of these.

Madam President, the health care benefit means if you lose your job and it is designated a job loss as a result of trade activity, you will be able to get health insurance. Seventy percent of the cost of that will be paid by the Federal Government. You will be out of work, but you will be able to get health insurance. You will have to buy it through a pooling agreement. You will not be able to go out on the market and buy it. You will have to buy it through a pooling agreement, and you will be reimbursed through what is called a refundable tax credit. It is a tax benefit, a payment which amounts to an entitlement payment and really is not tax related at all. You will get this money and be able to buy through this pooling agreement, theoretically

at least, health insurance. It might not be the health insurance you want, but you can buy it and get 70-percent support for it.

What is the problem with that? It sounds pretty good. Yes, it is pretty good, obviously. What does it do? It does a couple of things. First, if you are working today in America, you may not have health insurance. You are paying taxes, but you may not have health insurance. There may be a variety of reasons you do not have health insurance.

This bill says a person who is unemployed has a right to have their health insurance underwritten to the extent of 70 percent of its cost, but a person who is employed and may not have health insurance does not get health insurance. That clearly creates a huge inequity in our system.

It is a new concept: If you are unemployed, you have a right to health insurance. But if you are employed and you do not have health insurance, you are out of luck.

The implications of this are that either you are going to start covering everybody because, obviously, you are already covering the unemployed or you are going to leave a large segment of America saying: Hey, I am working for a living; I am paying taxes for a living; I do not have health insurance, but I have to pay extra taxes so that somebody who is not working can have health insurance.

I think that is going to be hard to swallow for people who are working and do not have health insurance.

In addition, the structure and the way the health insurance is going to be purchased make very little sense. The pooling agreements do not exist. In fact, the State that is probably furthest ahead in pooling agreements is New Hampshire, and we do not even have it up and running yet.

The concept that one cannot go out in the marketplace and buy it if they want, that one has to buy it through some sort of structured event which may mean they are going to get insurance they do not need, coverage they do not need, costs they do not need, probably get a lot better deal maybe if they go out and buy it through a different system, the limitation which basically is forcing them to buy it in one specific way versus allowing them to use the marketplace, completely makes no sense. If this is going to be done, which to begin with is to create a major new entitlement, then it ought to at least be done in a way that makes economic sense to the person who is getting the benefit and makes sense to the insurance market so that a healthier insurance market is made rather than a less healthy insurance market.

In this proposal, it will not be positive for health insurance for energizing better coverage. There is a major new entitlement being created under this bill, which is being created in back rooms somewhere, which has never really gone through the light of day of the committee process and which has very little to do with trade—in fact, nothing to do with trade, for that matter—and is opening the door to a huge new issue of how we deliver health care coverage in this country.

As a result, it is setting down a path which we may not be able to get off and which may basically lead to a massive expansion along the lines of what was proposed by President Clinton of the way we address health care in this country, which is essentially a nationalization system. I do not think that is too far fetched a step to take. This is more than just putting your toe in the water as to moving down that road. When we start insuring people who do not have jobs and give them health insurance when there are people who do have jobs who do not have health insurance, it is going to be incredibly expensive. Who pays in the end? Well, the money we use in the Federal Government does not come from the sky. It comes from the wage earner. It comes from people who have to pay taxes.

This is a huge, brandnew entitlement being put together in the middle of the night—this one especially in the middle of the night—which has not been properly vetted and which has significant issues surrounding it.

The second concept in this bill which raises very serious public policy questions is this idea the Federal Government is going to come in and say to somebody who has lost a job as a result of trade activity that if that person goes out and finds a job that does not pay them as much as they had in the job they lost as a result of trade activity, the Federal Government is going to come in and arbitrarily pay a portion of the difference between what that person earned under their job prior to the trade activity and the job after the trade activity.

The ACTING PRESIDENT pro tempore. The Senator's 10 minutes have expired.

Mr. GREGG. I ask unanimous consent to proceed for another 5 minutes.

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

Mr. GREGG. I appreciate the courtesy of the Senator from Missouri.

What is the practical effect? Let's take an example. If someone is working, for example, for a steel company, which is an example that is fairly current considering the discussions, and they were being paid labor union wages at a very high rate—let's say they were making $40,000 a year, maybe more—and they lost their job allegedly because the steel was no longer competitive with the foreign steel that was coming in—there are a lot of factors that may have led to that, including the fact that wage rates were no longer competitive—and then they move out of that job and take another job—let's say they decide, well, I would like to teach; I have done steel for 20 years and I am tired of it; I want to do something else, maybe I want to go into teaching—and they get a teaching job at a private school, say a Catholic school that does not pay too much—it is more of a social service really—and they are getting paid $20,000 to do that, the $20,000 they are not making the Federal Government is going to come in and supplement and say, we are going to pay the difference or a portion of that difference.

Well, that creates all sorts of unintended consequences and adverse selection issues. I can see a lot of people saying, I am going to close my company down, claim the trade caused them to close their company down and they are going to go out and get another job which pays a lot less, which is a job they always wanted to have; they are tired of doing this job, and they will let the Government pay the difference.

The implications of this are absolutely staggering. One does not have to think too long to see what the implications are. And who is paying the cost? Where is this money coming from? The American wage earner, the people still working for a living, working hard, they have to pick up that difference. Essentially we are going to pay people not to be as productive as they were before, because in our society theoretically people are paid based on their productivity. The implications for our economy are significant; the implications for the Federal Treasury are significant; the implications for our taxpayers are significant. It is a public policy initiative of huge import, and maybe we want to do it, but I do not think we want to do it in the middle of the night the way this bill is proceeding.

The trade adjustment language in this bill raises very significant problems, and to hook it to the trade promotion authority raises the question: Is it worth the price of getting trade promotion authority to put in place these types of expansive public policy initiatives which involve huge implications on the expenditure side of our Government? That is a question with which the Senate has to deal.

Obviously, the Senate may be supportive of it, but it is a question with which we have to deal. I think it is a question we should vote on because it is way outside the budget and a point of order is appropriate to these two issues because they are outside the budget. We ought to at least have a supermajority addressing this issue rather than having it passed on a simple majority.

I thank the Chair, and I especially thank the Senator from Missouri for his courtesy.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Missouri.

Mr. BOND. Madam President, first, I support and second very strongly the comments made by my good friend and colleague from New Hampshire. I am a traditionalist, and I like to see things

come out of the committee because, frankly, committee work ensures there is full consideration of all the measures that come to the floor. We have seen leadership rewriting bills—the farm bill, the energy bill, the stimulus bill—and the products are not good.

What my colleague from New Hampshire has described seems to me not only a very expensive, very bad policy direction that has been taken on this trade adjustment assistance, it is beginning to smell to me like an effort to love it to death. I have been around legislative bodies long enough to know if one does not want to stand up and kill something, such as trade promotion, they do not want to come out and say, no, I am not for free trade, the best way to kill it is to put so much stuff on it that it sinks.

This was not done in committee. This was not done in the light of day, as the Senator from New Hampshire said. This was done behind the scenes. This was an effort to sabotage trade promotion. I hope this body will say no. Frankly, if it were to go to the President with all of this junk on it, I hope he would veto it and send it back.

We need trade promotion authority. We do not need a huge new socialistic program to have the Federal Government paying people's salaries when they are working. Trade adjustment assistance traditionally as we have had it, yes, it makes a lot of sense, but to have a whole new health care program, not going through the committee structure, a whole new income supplement program not fully considered, not aired out, put on this bill, I think is an outrage. I hope it does not take a supermajority to get this—or 41 votes to get it off.

I hope we have an up-or-down vote and the people who are really for trade promotion authority, the people who want to give our farmers the opportunity to produce and sell in the world market will stand up and say no, we need trade promotion authority clean, not with all of these love handles on it.

THE STATE OF SMALL BUSINESS

Mr. BOND. Madam President, I rise to report on the state of small business and share with my colleagues, staff, and our constituents some of the concerns in the small business communities. The President declared this week Small Business Week and we have had small business activities all week talking about wonderful entrepreneurs who are making the economy grow and providing jobs as well as strengthening their communities.

I don't think there is any question that small businesses are the foundation of our economy. They employ over half the private sector workforce. Two-thirds of all new jobs are created by small businesses. They constantly lead the way in innovative and creative solutions to the challenges that face us.

Some very large businesses, obviously, started as small businesses. Others have chosen to remain small. This country's future will be determined by today's small businesses.

With so much at stake, we have adopted the policy in the Committee on Small Business of doing something that was not traditional prior to 1995 when we started going out and listening to the broad range of concerns of small business. I am proud to say on a bipartisan basis the Committee on Small Business over the last 7 years has not only listened to the needs of small business but done a very good job in responding to those needs. As the ranking member of the committee, I can say I have always learned when I have listened to the small businesses in my State and around the country.

There is something now they are discussing that has moved to the top of their concerns, moved to the top of the ladder. Small business concerns used to be regulatory issues, tax issues, bundling issues, availability of the SBA credit assistance. The issue driving small business owners and their employees nuts is the issue of the cost of health care. Small businesses are saying they cannot get the kind of health care for themselves and their employees and families that a large business or a union or a government can provide.

There are about 40 million people in this country without health insurance. We talk about that a lot. This is a serious concern. Madam President, 60 percent of those—24 million—are in the small business family. Of the 40 million without health insurance, 24 million are from small business. They are either workers in small business or members of the family of small business employees. Why? To a large extent in the past we have not given tax deductions for entrepreneurs, small business proprietors who buy health insurance for themselves.

I started that battle in 1995 and by 2003 we finally get 100-percent deductibility. Now the problem is the cost of health insurance. Many individuals who are among the employed but uninsured work for small businesses that would like to provide health insurance but can't because in some instances it is too expensive; in other instances they cannot bargain with and get the kind of benefits they need. They are not talking about lavish benefits.

We are trying to get basic health care for employees, their families, their children, mothers who need prenatal and postnatal care, children getting vaccinations. It does not matter how many mandates are passed regarding what States say to businesses, what they ought to do, health plans saying what they ought to do, or even a Patients' Bill of Rights. One basic right the small businesses don't have is the right to be able to purchase affordable health care.

It seems to me the only solution to help the employed but uninsured is to allow small businesses across the country to pool together and access health insurance through their membership in a bona fide trade or professional organization. This should provide small businesses the same opportunities as other large insurance purchasers. The association health plans, or AHPs, would reduce cost, to spread the costs and risk, increase group bargaining power with large insurance companies, and generate more insurance options for small business.

The principle underpinning AHPs is simple, the same principle that makes it cheaper to buy a soda by the case than in individual cans. Bulk purchasing is why large companies and unions get better rates for employees and small business. It is time we bring the same kind of Fortune 500-style employee health care benefits to the Nation's Main Street small businesses and their employees.

AHPs are not a new idea. They have been talked about, argued about, compromised for almost a decade. During that period, what once was thought to be a manageable problem has become the crisis we have today. A bill has been introduced by my neighbor, my friend from Arkansas, Senator HUTCHINSON, that creates these AHPs. It is the Small Business Health Fairness Act of 2001. I cannot overstate the urgency of moving this legislation. The House has passed a similar bill. The President has strongly come out in support of AHPs. The President does not want small businesses to be health insurance islands under themselves. I agree. We must do this for small businesses, their employees, and their employees' families.

Also, it is important we go ahead and make permanent the tax cuts we provided last year. More than 21 million businesses filed tax returns as individuals. These are nonfarm, sole proprietorships, partnerships and S Corporations. They had receipts of less than $1 million. And 92 percent of all small businesses under $1 million are pass-through entities. The tax rate relief we gave last year means there will be more money to invest in the business, to invest in equipment, and to put more people to work. We need to make it permanent.

We are not talking about rich ''fat cats'' here. According to 1999 Census data, of the nearly 15 million full-time, self-employed people in 1999, median business earnings were $30,000 and 38 percent of them earned between $30,000 and $75,000.

In addition, the former chief economist for the SBA's Office of Advocacy, testified last March before the Senate Finance Committee that ''[e]very dollar of profit or tax relief tends to be reinvested in the [owner's] firm.'' With more of their tax dollars in hand, these small business owners will be able to reinvest in their businesses—purchase new and more efficient equipment. They will be able to expand their product lines and the services they render. And—most importantly—they will be able to continue creating more jobs in our home towns.

But the tax bill did not stop at just cutting tax rates. It also dramatically changed the death tax, putting it on the road to extinction by 2010. Too often we have heard about the family-owned company that has had to be sold just to pay the death taxes. According to the SBA, more than 70 percent of all family businesses do not survive through the second generation and fully 87 percent do not make it to a third generation. That's an absurd result of the tax code.

But we are forgetting an even greater problem caused by the estate tax. Thousands of small businesses in this country waste millions of dollars each year on estate planning and insurance costs just to keep the doors open if the owner should die.

To put this into perspective, a survey of family owned businesses in Upstate New York revealed that average spending for tax planning, attorney and consultant fees, life insurance premiums, internal labor costs, etc., was nearly $125,000 per company over a 5 year period. That's even before any Federal estate taxes are counted.

Just think what could be done with that kind of money in a small business if it didn't have to be paid to accountants, lawyers, and insurance companies. It could be used to create more jobs in our communities. In short, the estate tax can spell the end of a small business, but it is also a jobs killer in this country.

With all of its strengths, however, the tax bill has one major flaw—procedural rules in the Senate forced it to be limited to a ten-year life. So, while America's entrepreneurs can enjoy the benefits of the tax bill today and over the next several years, our work is not finished. We must make the tax cuts, and in particular the repeal of the estate tax, permanent. Otherwise, our success in reducing the tax burden will turn into the largest tax increase in American history come 2011. That's a result I will strongly oppose and hope never to see.

Of course, another of the primary issues that come to me is how to create more small businesses. Money and good management skills are keys to starting and running a successful small business. The federal government has demonstrated that it is capable of delivering help in both areas to small businesses through the Small Business Administration. Each year, over one million small business people and entrepreneurs receive help from the SBA's core management assistance programs: the Small Business Development Centers, SCORE, and the Women Business Centers.

At the same time, SBA has demonstrated an ability to make loans and venture capital available to 40,000–50,000 small businesses annually. While the number of small businesses has exploded over the past decade, the SBA credit programs have not been able to keep pace with the demand. As many of my colleagues in the Senate know, SBA's credit programs are not designed to compete with the private sector; rather, they are supposed to meet the demand from small businesses that cannot otherwise obtain a regular commercial loan or investment capital.

This demand is great; unfortunately, these programs are not meeting the growing small business demand, particularly from women-owned small businesses, which is the fastest growing small business segment. Much of the blame can be placed on career bureaucrats in the Office of Management and Budget who use unrealistically high default estimates to drive up the cost of the SBA's flagship 7(a) guaranteed business loan program. Just for next year, OMB's estimates are adding an unnecessary $100 million in appropriations to the cost to run the program. Since 1992, OMB's estimates have caused the borrowers and lender to pay about $1.4 billion in excess fees. The excess fees and the pressure for higher appropriations have placed unnecessary and counterproductive limits on the growth of the 7(a) loan program.

The other SBA credit programs have also experienced similar problems. The 504 Development Company Loan Program has paid excessive fees totaling over $400 million, and the Small Business Investment Company Program has paid in $500 million over the amount needed to run that program.

To begin to correct this problem, last December Congress enacted S. 1196, which included key provisions lowering the fees from the 7(a) and 504 loan programs. These changes will go into effect on October 1, 2002.

Last fall, I introduced the Small Business Leads to Economic Recovery Act of 2001, S. 1493, which is designed to provide effective economic stimulus to small businesses 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.

Subsequently, Senator KERRY and I introduced S. 1499, which adopts the access to capital provisions from S. 1493. This bill is a bipartisan collaboration to devise one-time modifications to the 7(a) and 504 Loan Programs because the traditional approach to disaster relief will not address the critical needs of thousands of small businesses located at or around the World Trade Center, the Pentagon and in strategic locations throughout the United States. S. 1499 has passed the Senate and is waiting for action in the House of Representatives. In the near future, I am hopeful we can add this important bill to another must-pass bill so that it can be on the President's desk for his approval.

The SBA has undertaken the first creative steps to reach more small business borrowers. I applaud their efforts and encourage the SBA management team led by Administrator Hector Barreto to do more. It is estimated there are as many as 25 million small businesses in the United States. Our Federal credit programs need to be able to reach many more small commercial borrowers. When I hear from women's business owners that they cannot obtain loans or investment capital, I want to know why the SBA programs are not serving this fast-growing segment of our Nation's business community. When minority entrepreneurs cannot obtain credit, I want to know what SBA is doing to correct this problem.

As the ranking member of the Committee on Small Business and Entrepreneurship, I am in a position to take the battle to the OMB. But it is up to the SBA to work with our Nation's lenders and venture capitalists to find ways to expand existing programs and to create new ways to deliver credit assistance to help fuel the engine that drives the economy of the United States—the small business community.

One thing that can sap the strength of that engine is the burden imposed on small businesses by regulations. The SBA Office of Advocacy has estimated that regulations cost businesses with less than 20 employees almost $7000 per employee per year. This is nearly 60 percent higher than businesses with over 500 employees.

Six years ago, Congress, without dissent in the Senate, took an historic step towards reigning in the federal government's regulatory machine and protecting the interests of small businesses. My Red Tape Reduction Act, what others call the Small Business Regulatory Enforcement Fairness Act, ensured that small businesses would be given a voice in the regulatory process at the time when it could make the most difference: before the regulation is published as a proposal.

Without question, the Red Tape Reduction Act has yielded some remarkable results and provided small businesses with a greater voice and opportunity to have an impact in the rulemakings which threaten to do them the most harm. Perhaps the best known provision is the requirement that OSHA and EPA convene panels to receive comments from small businesses before their regulations are proposed. This gives these agencies the unique opportunity to learn up front what the problems with their regulation may be, and to correct these problems when it will cause the least difficulty. This has resulted in significant changes being made, and in one case, EPA abandoning a regulation because they recognized that the industry could deal with the issue more effectively on their own.

Experience with this panel process has proven to be an unequivocal success. The former Chief Counsel for Advocacy of the Small Business Administration Jere Glover has stated that, ''Unquestionably, the SBREFA panel process has had a very salutary impact

on the regulatory deliberations of OSHA and EPA, resulting in major changes to draft regulations. What is important to note is that these changes were accomplished without sacrificing the agencies public policy objectives.''

Unfortunately, however, there are still examples where agencies have not provided small businesses with the appropriate opportunity to participate, and have flouted the requirements of SBREFA through abusing the flexibility Congress provided to the agencies to determine how and when they would comply. It has become clear that these are more than mere isolated incidents and that the Red Tape Reduction Act itself needs to be amended to achieve the goal Congress had in mind when passing the original Regulatory Flexibility Act, and the subsequent Red Tape Reduction Act.

This is why I introduced The Agency Accountability Act, S. 849 during last year's Small Business Week. This bill would further amend the Regulatory Flexibility Act and close some of the loopholes that agencies have exploited in their desire to pursue their regulatory agendas on the backs of small businesses by doing the following:

It requires the agency to publish a summary of their economic analysis supporting the decision not to certify a regulation as not having ''a significant economic impact on a substantial number of small entities,'' and to make the full economic analysis available to the public so that interested parties will be able to evaluate whether the agency has met their burden to do adequate outreach and analysis in determining the impact of the regulation.

It allows small entities to seek judicial review of this certification decision if they believe that the agency has not supported it with adequate data and analysis.

It directs the Chief Counsel for Advocacy of the Small Business Administration to promulgate a regulation to define further the terms of ''significant economic impact'' and ''substantial number of small entities'' so that agencies can no longer define these terms themselves and claim that they were within the bounds of the law when their definitions allow them to avoid the requirements of SBREFA and the Regulatory Flexibility Act.

Finally, it adds the Internal Revenue Service, the U.S. Forest Service, the National Marine Fisheries Service, and the Fish and Wildlife Service to the list of agencies that must conduct small business review panels before they can issue proposed regulations.

Another area the agencies have failed at miserably is to supply the compliance assistance that is required by the Red Tape Reduction Act. GAO has issued a report that clearly indicates how agencies have ignored this requirement or made a complete botch of it when they have attempted to meet it. I will be introducing legislation to address this problem soon.

My views are simple. I want an agency that intends to regulate how a business must conduct its affairs to do so carefully and only after it has taken every step to insure that it will impose on that small business the least amount of burden to achieve its stated objective. Once they do issue a regulation, they have an obligation to be able to explain what small businesses must do to comply with it. This is not about blocking agencies from promulgating regulations, it is about making sure they produce the best regulations possible with the least unnecessary burden on small businesses.

Six years ago, the Senate said in a unanimous voice that it wanted agencies to treat small businesses fairly. That commitment to protecting this most vulnerable segment of our economy, at a time when the Federal government can literally determine if a business will survive as a result of the regulatory burden imposed on it, is still alive. It is time that we ensured agencies are accountable for their actions by enacting the Agency Accountability Act.

On the positive side, the Federal Government can be and should be a reliable and committed purchaser of goods and services from small businesses. The Small Business Act says that small firms shall have the maximum practicable opportunity to compete for Federal contracts. This is good for small business, good for the purchasing agencies, and good for the taxpayer who pays the bills because when small business competes for contracts this lowers the prices and raises the quality.

Small business benefits from having access to a stable revenue stream while they get up-and-running. The Small Business Act recognizes how government contracting can contribute to business development and economic renewal. For example, my HUBZone program provides contracting incentives for small firms to locate in blighted neighborhoods, helping them win Federal contracts and stabilize their revenues while they develop a nongovernmental customer base.

The State of Small Business, on this front, is mixed. We finally succeeded in restoring funding for the HUBZone program, as SBA finally sent up a reprogramming request that the Appropriations Committee found acceptable. The mishap that occurred last year, of defunding the HUBZone program, has now been corrected.

Moreover, SBA is on the verge of removing the biggest of the roadblocks currently holding the HUBZone program back. Contrary to express Congressional direction, the previous Administration had put the HUBZone and 8(a) contracting programs in competition with each other, by trying to give an automatic preference to 8(a) in all cases. We at the Small Business Committee had sought to avoid pitting these programs against each other, by mandating parity between the programs. Contracting officers would be equally obligated to carry out both programs.

SBA disregarded the congressional will on this point, and contracting officers found the regulations confusing. SBA's noncompliance hurt both programs, because contracting officers did not know what to do.

In January, SBA published proposed rules to correct this situation and to establish the parity that Congress intended. I am confident we are about to enter a new era in which the HUBZone program will finally live up to its potential.

And not a moment too soon, either. This program will direct contracting dollars into the most chronically distressed areas of the nation. People who live in these areas, without jobs and often without hope, need the opportunities that the HUBZone program will provide. Finally, we are going to get serious about getting help to these folks who need it so desperately.

Unfortunately, Federal government's performance in contracting with women-owned small businesses is less encouraging. Since 1994, when Congress enacted a goal of 5 percent of contract dollars for women-owned firms, the Government has consistently fallen short. We have never met that goal. We have never come close.

Last year, I received a report from the General Accounting Office on contracting participation by women-owned firms. The clear message was this: if the Government is to meet the 5 percent goal, the Department of Defense must meet its own 5 percent goal. DOD is the 800-pound gorilla in Federal procurement. Sixty-four percent of Federal contracting dollars come from the Pentagon. Without a full DOD commitment to the women-owned business goal, the rest of the Government does not handle enough contracting dollars to make up the shortfall.

Similarly, DOD frequently uses the practice of bundling small contracts together so that small businesses are unable to bid on the work. In the words of President Bush ''Bundling effectively excludes small businesses.'' He understands this hurts small business and has asked OMB to look for ways to avoid this approach and for opportunities to break up bundled contracts to permit more participation by small business. I welcome the President's support in this cause.

This week Senator KERRY and I offered a bill that would close loopholes in the definition. I appreciated working with him to develop this important measure. Increasingly, it looks like we are getting close to a meeting of the minds on this issue, and I am hopeful we can at long last do something serious to control contract bundling and ensure that the Federal government's contracting practices allow for the maximum possible participation by small business.

Never has our country needed or relied upon small businesses as much as

now in the wake of the devastating attacks of September 11. Yesterday, my colleague Senator KERRY and I introduced a resolution, S. Res. 264, expressing the sense of the Senate that small business participation is vital to the defense and security of our Nation. On September 11, 2001, the people of the United States were subject to the worst terrorist attack in American history. Our nation's response has been truly astounding. And it should come as no surprise that small businesses are playing a vital role in that response.

Small businesses have the unique ability to respond quickly and precisely, to emerging needs and conditions. Many of the most innovative solutions to our problems such as new technologies for defense readiness come from small firms. In fact, in October 2001, the Pentagon's technical support working group sent out an urgent plea, seeking ideas and technology to assist the military fight terrorism. In just two months, legions of small businesses responded to the Pentagon's call. Over 12,500 ideas poured into the Pentagon, most of them from small businesses. This remarkable response once again shows that small business remain the most innovative sector of the United States economy, accounting for the vast majority of new product ideas and technological innovations.

Just last week I had the opportunity to acknowledge the volunteer efforts of three Missouri companies that are helping re-build over an acre-long section of the Pentagon's roof, which was damaged badly in the September 11 terrorist attacks.

Frederic Roofing and Sheet Metal Company of St. Louis, Performance Roof Systems of Kansas City, and Watkins Roofing of Columbia, are participating in a massive effort to help repair part of the damage sustained by the Pentagon. These Missouri companies are independent, small businesses, modern-day Davids ready and willing to take on part of a Goliath-sized project. They have joined with roofing contractors from across country and the National Roofing Contractors Association to raise in excess of $500,000 worth of cash, materials, and labor toward this project. Their work reflects the enterprising spirit that makes small businesses such a potent force in our economy. They deserve our admiration for rolling up their sleeves and pitching in to help restore the Pentagon.

To help raise awareness of small business innovation in the homeland defense area, on July 10, 2002, Senator KERRY and I will co-host an expo on Capitol Hill to showcase small businesses and their homeland security products. The Small Business Homeland Security Expo will provide an opportunity for small business owners to educate us here in Washington about their latest innovative products, technology, and research. I am excited to bring these hardworking entrepreneurs here to show us just how valuable their contributions are to our Nation's security and defense. These small businesses are a cross-section of America—they are women-owned, minority-owned, and often represent economically disadvantaged areas.

Numerous small businesses have lined up to showcase their exciting products and services for homeland defense and the fight against terrorism. We intend to highlight these businesses at the Expo and in the accompanying book being prepared for the event. The work of small businesses toward this goal is a product of the same volunteer spirit that helped save lives, combat unthinkable disaster, and restore the nation's hope after the darkest hours of September 11.

Madam President, I am happy to report to the Senate that the small business sector of our economy is thriving even though the challenges they face are stiff and numerous. The determination to be successful is a hallmark of small businesses as it has been the foundation of our nation throughout the years. Small businesses are at the forefront of new advances in technology, health care, environmental management, and virtually every industry possible. I have no doubt that small businesses will continue to lead the way.

The big question I have is whether we will be able to help them. Small business wants the Federal government to be a friend, not an adversary. They want us to be their customer and advisor, not a competitor or intruder. In every action we take, we must always ask what the impact on small businesses will be, and make every effort to refrain from that action if we do not believe it will have a beneficial impact. The future of our country is tied to the future of small business and by enhancing the conditions that support small business, we will ensure a more prosperous future for all.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. CARPER). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

ANDEAN TRADE PREFERENCE EXPANSION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 3009, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I am very proud to be able to stand in this Chamber today and say that we have reached a compromise on fast track, trade adjustment assistance, Andean trade, and the Generalized System of Preferences, or GSP.

Last night, my good friend and colleague, Senator GRASSLEY and I—along with the administration—were able to reach an agreement that I believe will gain very broad bipartisan support.

As I have said before, this bill, if passed, will be the first major rewrite of international trade legislation in 14 years. It is an historic opportunity for all of us.

Last week, I outlined the need for fast track and for renewing and expanding the Andean Trade Preference Act. Those bills are identical to the bills offered last week.

Let me outline today the compromise that was reached on trade adjustment assistance.

I believe that the TAA legislation will be one of the most important bills to be adopted by the Senate this year. Importantly, this bill makes several changes to the TAAA program to make it more effective.

First, it extends the period for which TAA pays out income support from 52 to 78 weeks. This allows TAA recipients to stay in the program long enough to complete training for new jobs.

Second, we expand eligibility for TAA benefits to secondary workers. For example, if an automobile producer is affected by imports, displaced workers in supplier companies—tire and windshield manufacturers, for example—will also be covered. We expect that approximately 65,000 additional workers will be eligible for TAA because of this provision.

Third, we agreed to extend TAA benefits when a U.S. manufacturing plant moves offshore to any country. In addition, we have codified the provisions covering downstream workers who are currently covered by the NAFTA transitional program.

Fourth, we expand TAA benefits. This legislation authorizes $300 million for training—nearly tripling the program.

The legislation also helps TAA recipients obtain healthcare insurance. Displaced workers will be eligible for an advanceable, refundable tax credit of 70 percent.

That money can be used for COBRA or for the purchase of certain State-based group coverage options. We also provide interim assistance through the National Emergency Grant program.

In my opinion, this is most significant bipartisan agreement on health care in many, many years.

Fifth, this legislation provides a special TAA program for family farmers, ranchers, and fishermen.

And finally, this bill creates a pilot program on wage insurance—a concept that has been endorsed by former USTR Carla Hills and Federal Reserve Chairman Alan Greenspan.

In addition to agreeing on a much improved and expanded TAA program, we have also agreed to extend the Generalized System of Preferences through the end of 2006. This important legislaiton extends preferential duty treatment for goods from developing countries.

As a part of the deal reached last night, we will update the definition of ''core worker rights'' in GSP to make it consistent with the ILO's 1998 definition of core worker rights.

This is important, of course, because in considering countries' eligibility for GSP benefits, the President must consider whether they are taking steps to protect core worker rights.

With the updated definition, the President's evaluation will now encompass countries' compliance with the ILO prohibition on the worst forms of child labor and the ILO prohibition on discrimination with respect to employment and occupation.

As I said when I began my remarks, I am very proud of this legislation. But it would not have been possible without the help of many of my colleagues.

So let me end with some thanks. First, on the TAA bill, Senators BINGAMAN and SNOWE have been instrumental in this process. And on the Andean trade bill, Senator BOB GRAHAM has been a tireless advocate.

I also thank Senator DASCHLE for this support through both the committee process and as we completed negotiations.

And finally, I thank two of my colleagues on the Finance Committee, Senator BREAUX and Senator PHIL GRAMM, for their help in reaching consensus on this deal.

I look forward to working with all of my colleagues to pass this important legislation.

Mr. President, I very shortly expect to go through the procedure where we can lay down this substitute amendment and begin working through various amendments that will be offered to that amendment. That should happen momentarily.

In the meantime, 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. BAUCUS. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

AMENDMENT NO. 3401

(Purpose: To provide a substitute amendment)

Mr. BAUCUS. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS], for himself and Mr. GRASSLEY, proposes an amendment numbered 3401.

Mr. BAUCUS. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. BAUCUS. Mr. President, 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. REID. 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. REID. Mr. President, I ask unanimous consent that the Senator from Michigan be recognized to speak as in morning business for up to 10 minutes and that I be recognized following that.

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

The Senator from Michigan.

PRESCRIPTION DRUGS

Ms. STABENOW. Mr. President, I come to the floor to discuss a letter Senator DAYTON and I are sending to the pharmaceutical companies of America—and invite colleagues to join with us in doing that—expressing our concern about articles we read yesterday about a campaign that evidently is starting through an organization to spend money on advertising, promoting what is a woefully inadequate plan for seniors and families that appears to be proposed by our colleagues in the House of Representatives through the Republican side of the aisle that in fact would be available, would pay less than 20 percent of the cost for our seniors on Medicare for their prescription drugs, and would use reductions in hospital fees—another cut to hospitals—and certainly in Michigan, whether it is our rural hospitals or urban hospitals, we have seen enough cuts and closures of hospitals and facilities. We don't need any more cuts in our hospitals.

But they are proposing to cut more reimbursements for hospitals and also to provide some kind of a per-visit fee for home health care. One of the things we heard was a $50 fee. We are getting this from the media, so it may not be the exact number. Regardless, the notion of adding some kind of a fee or copay for home health care and cutting hospitals further to pay for a woefully inadequate proposal that would pay for less than 20 percent of the costs that our seniors pay for their prescription drugs I find very disturbing.

We are hearing that the drug companies now are contributing $3 million for an unrestricted education grant to a group that is very closely aligned with them to run ads promoting this particular plan. The plan is good for the drug companies. It is not good for American seniors. It is not good for American families. It is not good for American business that is paying the tab for health care premium costs, whether it is a big business or a small business.

When we look at the $3 million they are willing to invest, again in advertising, promoting a plan that is good for them, bad for the American people, Senator DAYTON and I are sending a letter that basically will indicate we are asking them, instead of using the $3 million they are giving to this group to run advertising, to use the $3 million for lower prices, lower prices for our seniors.

Just to read a portion of this:

> . . . we were greatly disturbed to read in yesterday's New York Times that the pharmaceutical industry is funding a group called United Seniors Association that will run television ads supporting the House Republican prescription drug plan . . . we have learned that the House bill is totally inadequate. . . .
>
> The New York Times article states that drug companies will devote as much as $3 million for this media campaign. We respectfully urge you to redirect these funds and devote them to lowering the price of prescription drugs to all Americans, especially our nation's seniors. We think this would be a much better use of your profits.

This is a letter going to each of the companies urging them, rather than continuing to advertise excessively, 2½ times more in advertising than research on their products and continuing to fund groups that put forward plans that don't make any sense other than for the companies themselves—rather than spending all the money to do that, I invite the companies that do good work—we are proud of what they do and the lifesaving medicines they create—once they are created, we are asking them to work with us to make sure they are affordable to every American, that they are affordable to our seniors and our families; that a small business in America doesn't have to drop insurance coverage for employees because of rising, spiraling-out-of-control prescription drug prices. This is another example of $3 million going to fund an effort to stop the right thing from being done in the United States—a woefully inadequate plan. Instead of making the plan better, instead of spending the money to help lower prices so that more seniors don't walk away from the pharmacy without being able to get that prescription after looking at the price—instead of doing that, they are spending another $3 million in advertising and promoting a plan that doesn't make sense for America.

So I invite colleagues to join with Senator MARK DAYTON and me today in sending this letter and asking the companies—thank them for their good work, but ask them to join with us in a meaningful proposal for a Medicare prescription drug benefit, and also to take the dollars they are spending now to fight the efforts to lower prices, and just lower prices. They would get a lot

further if they just put that money into lowering their prices so that it is more affordable for every American.

I urge my colleagues and invite them to join with Senator DAYTON and me to urge the companies to change their approach and work with us to lower prices for every American.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that we now proceed to a period for morning business for half an hour. Senator BYRD is going to give us his annual Mother's Day speech, which I have heard on a number of occasions, and I look forward to this one.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

MOTHER'S DAY

Mr. BYRD. Mr. President, this coming Sunday is Mother's Day, so recognized nationally. Of course, we all know that every day is Mother's Day. We should also know that simply having children does not make mothers. ''Simply having children does not make mothers.'' That is a quotation that I have taken from John A. Shedd, a very apt quotation in today's culture.

Napoleon Bonaparte said, ''The future destiny of the child is always the work of the mother.''

All across the Nation, brunch reservations are being made, cards are being mailed, flowers are being ordered, gifts are being bought, and phone circuits will overload. It can mean only one thing, as I indicated earlier: This coming Sunday is Mother's Day. One day out of 365. Mother's Day.

In a great spasm of tender sentiment, Americans will set out to honor and celebrate the women most important to them—not Hollywood celebrities, not rock music stars—if stars we must call them at all—not fashion models, not athletes, but those who have devoted such energy and creativity to the timeless task of raising children and building families. I, too, wish to offer my tributes.

It is fitting that Mother's Day is celebrated in May, when the Earth is vibrant with new life. Mother birds are busy on the nest keeping hatchlings warm and their gaping mouths filled. In the tangled thickets, wild young are venturing forth from warren and den. The little foxes that, in the Bible references ''spoil the vine,'' wrestle, and the little rabbits sample the first tiny wild strawberries. Butterflies visit the glossy, yellow buttercups and the snowy blossoms of the wild blackberries. The world seems as gentle, peaceable, and serene as any mother could wish for her children. Of course, we know the world is not always quite so benign, but we can still be impressed by those mothers who face tragedy with great courage in order to protect and shield their children. The mothers who lost husbands on September 11 and remained strong and positive examples for their children, when bitterness and despair would be so understandable, are heroes and heroines each and every day.

Mothers set indelible examples, the effects of which last for generations. My own mother, whose early death during the great flu pandemic in 1918 meant that I would be raised by relatives, should have left no trace upon my character. After all, I was only about a year old when she went to Heaven. Yet her selflessness in thinking of me on her deathbed, and expressing the wish that I would be cared for by one of my father's sisters, left me with the deep and abiding assurance of her love for me.

I had three older brothers and a sister, and it was in that great influenza epidemic that she was taken away, as millions of other mothers were taken away—perhaps 20 million people around the world lost their lives during that great influenza epidemic of 1917–1918. It is said that 12 million people in India died from the influenza, the swine flu. Perhaps 750,000 people in America died.

As I say, it was her wish, my mother's wish, that I be taken by one of my father's sisters whose name was Vlurma. I believe my father had nine sisters and perhaps two or three brothers, but it was one of his sisters, a sister who had married Titus Dalton Byrd, who took me in response to my dying mother's wish.

But for her wish, Mr. President, I would not be here today. I would never have gone to West Virginia to be reared in the coal mining communities in the southern part of the State had it not been for that mother's wish. I probably would have never sworn the oath in entering upon the office of U.S. Senator had it not been for that wish, my mother's wish, that I, the baby, should be brought up in the home of Titus Dalton Byrd and Vlurma Byrd, the only child in that home.

The Byrds had one child before I was born. That child was named Robert Madison Byrd. That child died of scarlet fever. The Byrds moved away from North Carolina and to West Virginia and moved me with them.

At first I had been named Cornelius Calvin Sale, Jr., by my father and my mother. My mother's name was Ada—Ada Mae. The two wonderful people who raised me changed my name to ROBERT CARLYLE BYRD.

So my mother's wish is a priceless gift even now, all of these years later. And the woman who raised me, my aunt, imbued me with her quiet faith and reverence for the Creator and impressed upon me her work ethic. I always call her ''mom.'' She was the only mother I really ever knew. There are millions of other men and women around the world who can speak of their mothers as I have spoken of mine. They may have lost their mothers early or at some point along life's way. Many of them have sweet memories of those mothers. I do not have any memory of my mother, but somehow I know that her prayers have always followed me. I believe that. And I believe that she is in Heaven today.

The woman who reared me, my biological father's sister, was one of the few really, really great people I have known in my life. I had the good fortune to meet with many world leaders during my years in the Senate and especially during my years as majority leader in the Senate. I met with the Shah of Iran just a few weeks before he left Iran, never to return. I met with the current King of Jordan's father. I first met him 47 years ago. I met, as I mentioned earlier, the Shah of Iran. I first met him 47 years ago—in 1955.

I met with the President of Syria. I shook hands with Nassar of Egypt. I visited with and talked with German Chancellor Schmidt and German Chancellor Kohl. I met with Margaret Thatcher in her offices in London. I met with the Saudi family. I met with Prime Minister Begin of Israel. I met with Vice President Deng of China. I met with Mr. Khrushchev in the Crimea in his summer home.

I met with many other world leaders—Kings and Shahs and Princes and Presidents and Senators and Governors. These were outstanding personages, the leaders of the world. I had one-on-one meetings with these people. I met with President Sadat of Egypt. But the truly great people in my life and according to my standards were not national leaders or politicians, they were just common people. One of them was the man who raised me, Titus Dalton Byrd, a coal miner. I never heard him use God's name in vain in all of his life. He was a humble man. He paid his debts. He never spoke ill of a neighbor. He was a good man, as good as men can be. The Bible says no man is good, but he was as good as men become. He was a great man, in my sight.

The woman who raised me was a great woman. Neither of them had any education to amount to anything. I doubt that either of them had ever gone to the third grade in school. I was the first person in all of my family line who ever graduated from elementary school or from high school or from college.

They never made it to the third or fourth grade in school, but they were great souls, they had great hearts, they had honest minds, and they imbued me with a respect for the Bible and a respect for religion.

I can listen to any man's religion. It can be a man of Islam. It can be a Hindu. It can be a Protestant. It can be a Jew. I can listen to any of them. I can pray with any of them. That is the way I was taught.

These two people who raised me were great people. That aunt, as I say, I never knew any name for her but

''Mom.'' I did not know that she was not my mother until I was in my year of graduation from high school. I can close my eyes and see her, after a long day, working to make ends meet in a hardscrabble West Virginia mining community, sitting at a scrubbed kitchen table, and discussing the Bible.

Those were some hard times in those days. When my wife and I married almost 65 years ago—in less than 3 weeks, if the Lord lets us live to see the day—our first refrigerator was half of an orange crate, or a grapefruit crate. I was a produce boy in a coal company store, so I sold grapefruits, oranges, other citrus fruits, other fruits, and vegetables. So I brought an empty orange crate home and nailed it up outside the kitchen window. That was during the Great Depression. During the late 1920s I lived as a boy on Wolf Creek in Mercer County, no electricity in the home, no running water in the house. Those were the days of the 2-cent stamp and the penny postcard.

I know what the word ''mother'' means, and I know what the word ''father'' means, even though my father and my angel mother did not rear me. But this old aunt and uncle who knew little about their ABCs but who knew much about life and about the things that count mostly in life, they reared me; they loved me. I heard ''mom'' pray many times in the stillness of the night. When the kerosene lamp was out, I would hear her voice coming from another room. I knew she was on her knees.

After I was elected to Congress, there were occasions when I would drive to West Virginia and go to her house. I would get there perhaps at 12, 1, or 2 in the morning. I would knock on the door, and she would answer the door. She would always ask me if I wanted her to fix me something to eat at that hour. Then after I spent most of the weekend in West Virginia and was about to return to Washington, she would fix a good noonday meal, and then say to me: ''Robert, you be a good boy; I always pray for you.''

It used to be when I was a little boy living on Wolf Creek Hollow, I would take bags of corn up to the mill on the top of the mountain. We had one horse named George. I had a pony. I would put a bag of corn across that pony's back, take it up to the mill, and the miller would grind the corn into meal, and that evening ''mom'' would make a cake of cornbread.

We had one cow, and sometimes ''mom'' would take me out with her to milk the cow. I would sit there and have a cup, and she would squeeze that milk down in the cup. I would drink that cup of milk with the foam freshly wrought from the bag of the cow.

I still see my aunt, who was—the only mother I ever really knew. She never kissed me in her life. I never received a mother's kiss, unlike Benjamin West, that great American painter who was living at the time the Constitution of the United States was written in Philadelphia. He would take to his mother, so the story goes, little drawings of birds and flowers, and she took him upon her knee. It is said that she kissed little Benjamin West's cheek as he sat on her knee and she told him he would grow up to be a great painter. So he grew up to be a painter of early American scenes. ''The Death of General Wolfe'' was by Benjamin West. The story is told that Benjamin West said a mother's kiss made him a great painter.

I do not remember ever receiving a mother's kiss, but I received ''mom's'' love. I still see her in my mind's eye when my wife Erma and I sit together on Sundays and read the Bible. My aunt taught me a great deal about the quiet dignity with which she lived her life. Mothers teach when they insist that their children brush their teeth and eat their vegetables. Mothers teach by saying bedtime prayers, by reading bedtime stories, and by singing lullabies. As I say, simply having children does not make mothers, but mothers do sing lullabies at the bedsides of their children.

They demonstrate their love not only through hugs and praise, but in each meal they make, each load of laundry they fold, each toy they put away. Children absorb lessons from the people around them, and especially from the parents they look up to. So, mothers teach by example when they read themselves instead of watching television, the vast wasteland that numbs peoples' minds or by being careful with their speech and with the way they live their lives. Each small lesson helps to weave the cloth of their children's lives. It is for these daily lessons, the laughter shared and tears dried, that we put so much effort into making Mother's Day special. And we ought to make it special. We ought to see Mother on this Mother's Day and every other day of the year that it is possible.

A poem by an anonymous poet captures the inspiration that mothers provide:

WHEN MOTHER READS ALOUD

When Mother reads aloud, the past
Seems real as every day;
I hear the tramp of armies vast,
I see the spears and lances cast,
I join the trilling fray;
Brave knights and ladies fair and proud
I meet when Mother reads aloud.
When Mother reads aloud, far lands
Seem very near and true;
I cross the desert's gleaming sands,
Or hunt the jungle's prowling bands,
Or sail the ocean blue.
Far heights, whose peaks the cold mists shroud,
I scale, when Mother reads aloud.
When Mother reads aloud, I long
For noble deeds to do
To help the right, redress the wrong;
It seems so easy to be strong,
So simple to be true.
Oh, thick and fast the visions crowd
My eyes, when Mother reads aloud.

Manufacturers of greeting cards, florists, jewelers, clothing stores, even the phone company suggest that their products are treasured by mothers, and I am sure that they are. But mothers also treasure the lumpy clay vases made by young potters and filled with wild flowers torn from the yard. Mothers love the care and love that their loved ones put into this celebration. Flowers or no flowers, homemade cards or store-bought, mothers love being surrounded by their families most of all. Each child is some mother's treasure, her precious angel, even when that child is grown and gone to far away places. A mother's children are her greatest works, her magnum opus, her masterpiece. A phone call or a meal shared together provides an opportunity to relive the memories that make each family special. Erma and I can look around the table as we think of her mother, Erma's mother, a fine Christian woman who lived a good life. A wonderful mother-in-law. We think of her as we sit around the table with our two lovely daughters and their families knowing that our two newest members, our little great granddaughters,—let me repeat that, our little great-granddaughter, are fortunate to share in our close-knit family.

As in all families, my mother, my aunt who raised me, my wife, my daughters, my granddaughters and my great-granddaughters our grandsons, our daughters-in-law, our sons-in-law, all share many titles. They are proud citizens of this fair land. They are strong, talented, independent women. They may hold many business titles. They are sisters, cousins, and aunts. They are, or may be, wives. But the title, the job, that will give them the greatest pleasure in their lives, will be to be called ''Mother.'' Remember that simply having children does not make mothers. The title comes with much labor, much patience some tedium, hopefully not too many tears, and love beyond measure. The job will call upon their every reserve of strength and every ounce of creativity, but it will never tax their ability to love and to cherish.

This Sunday, scrubbed and shining, let us present the mothers in our lives with fitting tribute. Give them flowers, cards, good food, and presents, but most of all, let us give them our gratitude and repay, in small measure, the love and devotion that they have showered upon us.

I close with a few stanzas from a poem by Elizabeth Akers Allen. It is called ''Rock Me to Sleep.''

I offer it to my own sweet angel mother, who hears me now, who is listening today with millions of other mothers like her who have gone on to that land where the flowers never wither and the rainbow never fades.

Backward, turn backward, O time, in your flight,
Make me a child again just for to-night!
Mother, come back from the echoless shore,
Take me again to your heart as of yore;
Kiss from my forehead the furrows of care,
Smooth the few silver threads from my hair;
Over my slumbers your loving watch keep;—

Rock me to sleep, Mother—rock me to sleep!
Over my heart, in the days that are flown,
No love like mother-love ever has shone;
No other worship abides and endures—
Faithful, unselfish, and patient like yours:
None like a mother can charm away pain
From the sick soul and the world-weary brain.
Slumber's soft calms o'er my heavy lids creep;—
Rock me to sleep, Mother—rock me to sleep!
Mother, dear Mother, the years have been long
Since I last listened your lullaby song:
Sing, then, and unto my soul it shall seem
Womanhood's years have been only a dream.
Clasped to your heart in a loving embrace,
With your light lashes just sweeping my face,
Never hereafter to wake or to weep;—
Rock me to sleep, Mother—rock me to sleep!

I will yield the floor and 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. REID. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent the Senate now proceed to a period of morning business, with Senators permitted to speak therein for a period not to exceed 5 minutes each.

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

TRIBUTE TO THE CITY OF IDABEL ON ITS 100TH ANNIVERSARY

Mr. NICKLES. Mr. President, it is an honor for me to recognize the 100th Anniversary of the City of Idabel, Oklahoma.

Idabel is the county seat of McCurtain County, located in the Southeast corner of Oklahoma. The scenic rivers and wilderness that surround Idabel rival the beauty of any region in the United States.

Idabel has a rich cultural history. For 75 years, from the 1830s into the twentieth century, Idabel was under the sovereignty of the Choctaw Tribe. Following their removal from Mississippi, the Choctaws occupied and ruled over the land that we today know as Idabel.

In 1902, before Oklahoma even became a state, the town of Purnell was incorporated along a rail line. It was named after Isaac Purnell, a railroad official at the time. This name did not last long, however. Our very own United States Postal Service rejected the town's name because it was too similar to that of another Oklahoma town Purcell. For two years, this incorporated town batted possible names around, names like Mitchell and Hoyopa, until finally settling on the name ''Idabel''—a combination of the first names of Isaac Purnell's daughters.

While rich in its history and in the beauty of its surroundings, the greatest part of Idabel are the people who live there from the people who set up shop in that small trade village in the early twentieth century to the present day students, the Idabel Warriors, who are the future of this great town.

The people of Idabel are devoted to God, to their country, and to their families. I am proud to honor their centennial, and am privileged to serve as their representative here in the U.S. Senate. May their next one hundred years be as fruitful as the first.

ADDITIONAL STATEMENTS

NURSES' WEEK

• Mr. CLELAND. Mr. President, this week commemorates the contributions of the nursing profession to patients and health care and the dedication of those individuals who have chosen nursing. Yet in all the years that we have acknowledged how much nurses mean to the delivery of health care and our quality of life, we have not done enough to ensure the viability of nursing as a profession. The 2001 American Nurses Association (ANA) National Survey revealed that 715 hospitals had 126,000 openings for nursing positions and an 11 percent vacancy rate. Nursing schools across the country report that enrollment has significantly decreased and the ANA also projects that 65 percent of present nurses will retire within this decade. These statistics signal a nursing crisis and that means a health care crisis for this country.

At both the June 14, 2001, Senate Veterans' Affairs Committee hearing on the looming nursing shortage and the June 27, 2001, Governmental Affairs Subcommittee hearing on the federal government's role in retaining nurses for delivery of federally funded health care services, I emphasized an alarming statistic that the federal health sector, employing approximately 45,000 nurses, may be the hardest hit in the near future with an estimated 47 percent of its nursing workforce eligible for retirement by the year 2004. Current and anticipated nursing vacancies in all health care settings are attributed in part to worsening work place conditions with mandatory overtime and increasing patient care workloads.

I believe today we are facing a widespread and complex challenge with this nursing shortage and there are no quick fixes. Congress has passed some important measures to help nurses to continue to take safe and effective care of their patients and to assist health care facilities to recruit and retain needed nurses. Some of these important measures will help recruit new nurses and assist with the cost of education, like the Nurse Reinvestment Act and S. 937 which I authored and which will now permit the transfer of entitlement to educational assistance under the Montgomery GI Bill by members of the Armed Forces thus allowing spouses and children of eligible service members to use transferred GI bill assistance for undergraduate or graduate nursing education.

Additionally, the VA Nurse Recruitment and Retention Enhancement Act was signed into law this year and will help to alleviate the anticipated VA nursing shortage by addressing working conditions, implementing a Nurse Cadet Program to encourage high school students to pursue nursing careers as well as other education incentives. I was pleased to have played a major role in development and passing this measure as well.

Congress, Federal and State agencies, private and public health care organizations are all actively working to develop solutions to the looming nursing shortage. We want nurses to know that they do have allies who will work with them to find solutions.

To further demonstrate our support of nurses, I am also proposing that the U.S. Postal Service issue a nursing stamp to say, ''Thank you for being a Nurse.'' This stamp will help to raise public awareness of the nursing crisis and show our support of the nursing profession.

I ask my colleagues to join with me in a long-term commitment to support the nursing profession. I want to say a special ''thank you'' to the nurses who were there for me when I was injured in Vietnam. These nurses gave me care and hope. I do not care to think of the future of health care without these dedicated and knowledgeable nurses.•

MESSAGE FROM THE HOUSE

ENROLLED BILL SIGNED

At 11:40 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 378. An act to redesignate the Federal building located at 3348 South Kedzie Avenue, in Chicago, Illinois, as the ''Paul Simon Chicago Jobs Corps Center.''

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–232. An engrossed resolution adopted by the Assembly of the State of Wisconsin relative to the Upper Mississippi and Illinois Rivers' Inland Waterways Transportation System; to the Committee on Environment and Public Works.

2001 ASSEMBLY RESOLUTION 56

Whereas, the state of Wisconsin borders or contains over 360 miles of the upper Mississippi River and 11 navigation locks and dams along those borders; and

Whereas, many of Wisconsin's locks and dams are more than 60 years old and only 600 feet long, making them unable to accommodate modern barge tows of 1,200 feet long, nearly tripling locking times and causing lengthy delays and ultimately increasing shipping costs; and

Whereas, the use of 1,200-foot locks has been proven nationwide as the best method of improving efficiency, reducing congestion, and modernizing the inland waterways; and

Whereas, the construction of the lock and dam system has spurred economic growth and a higher standard of living in the Mississippi and Illinois river basin, and today supplies more than 300,000,000 tons of the nation's cargo, supporting more than 400,000 jobs, including 90,000 in manufacturing; and

Whereas, more than 60% of American agricultural exports, including corn, wheat, and soybeans, are shipped down the Mississippi and Illinois rivers on the way to foreign markets; and

Whereas, Wisconsin farmers, producers, and consumers rely on efficient transportation to remain competitive in a global economy, and efficiencies in river transport offset higher production costs compared to those incurred by foreign competitors; and

Whereas, the upper Mississippi and Illinois rivers lock and dam system saves our nation more than $1.5 billion in higher transportation costs each year, and failing to construct 1,200-foot locks will cause farmers to use more expensive alternative modes of transportation, including trucks and trains; and

Whereas, according to the U.S. Army Corps of Engineers, congestion along the upper Mississippi and Illinois rivers is costing Wisconsin and other producers and consumers in the basin $98,000,000 per year in higher transportation costs; and

Whereas, river transportation is the most environmentally friendly form of transporting goods and commodities, creating almost no noise pollution and emitting 35% to 60% fewer pollutants than either trucks or trains, according to the U.S. Environmental Protection Agency; and

Whereas, moving away from river transport would add millions of trucks and railcars to our nation's infrastructure, adding air pollution, traffic congestion, and greater wear and tear on highways; and

Whereas, backwater lakes created by the lock and dam system provide breeding grounds for migratory waterfowl and fish; and

Whereas, the lakes and 500 miles of wildlife refuge also support a one-billion-dollar per year recreational industry, including hunting, fishing, and tourism jobs; and

Whereas, upgrading the system of locks and dams on the upper Mississippi and Illinois rivers will provide 3,000 construction and related jobs over a 15-year to 20-year period; and

Whereas, in 1999 the state of Wisconsin shipped 1,100,000 tons of commodities, including grain, coal, chemicals, aggregates, and other products; and

Whereas, 3,900,000 tons of commodities, including grain, coal, chemicals, aggregates, and other products, were shipped to, from, and within Wisconsin by barge, representing $313,000,000 in value; and

Whereas, shippers moving by barge in Wisconsin realized a savings of approximately $40,000,000 compared to other transportation modes; and

Whereas, Wisconsin docks shipped products by barge to 6 states and received products from 11 states; and

Whereas, there are approximately 20 manufacturing facilities, terminals, and docks on the waterways of Wisconsin, representing thousands of jobs in the state; and

Whereas, the U.S. Army Corps of Engineers is conducting a collaborative navigation study of the economic and environmental factors to be considered when examining capital improvements to the upper Mississippi River system; and

Whereas, the navigation study will release initial results in a summer 2002 report; now, therefore, be it

Resolved by the assembly, That the Wisconsin assembly formally recognizes the upper Mississippi River as a river of statewide significance for natural, navigational, and recreational benefits; and, be it further

Resolved, That the Wisconsin assembly recognizes the importance of timely modernization of the inland waterway transportation infrastructure to Wisconsin agriculture and industry in this state, the region, and the nation and, pending results of the navigation study, urges Congress to authorize funding to construct 1,200-foot locks on the upper Mississippi and Illinois river system; and, be it further

Resolved, That the assembly chief clerk shall transmit copies of this resolution to the president and secretary of the U.S. senate, the speaker and clerk of the U.S. house of representatives, the chair of the senate committee on commerce, science, and transportation, the chair of the house committee on transportation and infrastructure, and the members of the congressional delegation from this state.

POM–233. An engrossed resolution adopted by the Senate of the Legislature of the State of Wisconsin relative to autism spectrum disorder; to the Committee on Health, Education, Labor, and Pensions.

2001 SENATE RESOLUTION 16

Whereas, autism spectrum disorder has been labeled the silent epidemic of our time, silent because this developmental disorder has robbed at least 400,000 children of their ability to communicate and interact with their families and loved ones, and silent because there are currently no established autism registries in the nation to tell us how many people are actually afflicted with this disorder; and

Whereas, current statistics tell us that autism affects at least one in every 500 children in America, and recent anecdotal evidence suggests that autism rates are increasing to possible one in every 250 children; and

Whereas, the U.S. house of representatives has passed a resolution, H. CON. RES. 91, recognizing the importance of increasing awareness of autism spectrum disorder, and supporting programs for greater research and improved treatment of autism and improved training and support for individuals with autism and those who care for them; now, therefore, be it

Resolved by the Senate, That: the members of the Wisconsin Senate urge the U.S. Senate to concur in H. CON. RES. 91; and, be it further

Resolved, That the Senate chief clerk shall provide a copy of this resolution to each member of the Wisconsin congressional delegation, to the members of the U.S. Senate Committee on Health, Education, Labor, and Pensions, to the President and Vice President of the United States, to the secretary of the U.S. Senate, and to the clerk of the U.S. House of Representatives.

POM–234. A joint resolution adopted by the Legislature of the State of Maine relative to memorializing congress to adopt Patriots' Day as a holiday throughout the United States of America; to the Committee on the Judiciary.

JOINT RESOLUTION

Whereas, Patriots' Day commemorates the American Revolution and the legendary battles at Lexington and Concord in 1775; and

Whereas, these historic events led to the colonies' independence from Great Britain and subsequently to the formation of the United States of America; and

Whereas, great patriotism was demonstrated by the Americans after the terrorist attacks in New York City, Washington, D.C. and Pennsylvania on September 11, 2001; and

Whereas, Patriots' Day, a holiday in reverence of our unity as a nation, is celebrated only in Maine and Massachusetts; now, therefore, be it

Resolved, That We, your Memorialists, urge the Congress of the United States to encourage all of the United States of America to observe Patriots' Day on April 15, 2002 in remembrance of the founding of this nation and the patriotism shown by Americans after September 11, 2001; and be it further

Resolved, That suitable copies of this resolution, duly authenticated by the Secretary of State, be transmitted to the Honorable George W. Bush, President of the United States, and to the President of the United States Senate, the Speaker of the House of Representatives of the United States and each Member of the Maine Congressional Delegation.

POM–235. A Senate concurrent resolution adopted by the General Assembly of the Commonwealth of Pennsylvania relative to honoring Commodore John Barry as the first flag officer of the United States Navy; to the Committee on Armed Services.

SENATE RESOLUTION

Whereas, Commodore John Barry, an American merchant marine captain and native of County Wexford, Ireland, volunteered his services to the Continental Navy during the Revolutionary War; and

Whereas, Throughout his career, Commodore Barry not only provided the first and last victories at sea for the American revolutionaries but also was responsible for the organization of the historic crossing of the Delaware River by General George Washington; and

Whereas, Under President Washington, Commodore Barry built and first commanded the United States Navy and the squadron that included his flagship, the USS United States, and the USS Constitution, ''Old Ironsides''; and

Whereas, Commodore Barry served as head of the United States Navy under Presidents Washington, Adams and Jefferson; therefore be it

Resolved (the House of Representatives concurring), That the General Assembly memorialize the Congress of the United States to honor Commodore John Barry as the first flag officer of the United States Navy; and be it further

Resolved, That copies of this resolution be sent to the presiding officers of each house of Congress and to all members of Congress from Pennsylvania.

POM–236. A resolution adopted by the House of the Legislature of the State of Vermont relative to the National Guard; to the Committee on Armed Services.

HOUSE RESOLUTION 37

Whereas, within days of the September 11, 2001, terrorist attacks in New York City and Washington, D.C., the nation's governors activated National Guard soldiers and airmen to augment security at 422 of the nation's international airports, and

Whereas, in true state-federal partnership, National Guard forces are providing aerial port security under the command and control of the sovereign states, territories, and the District of Columbia, and the federal government is funding such duties ''in the service of the United States'' under 32 U.S.C. § 502(f) hereinafter referred to as ''Title 32 duty'', and

Whereas, Title 32 duty has been used, inter alia, for more than 20 years for National Guard full-time staffing, for National Guard support for local, state, and federal law enforcement agencies under Governors'

Counter-Drug Plans for more than 12 years, for National Guard Civil Support Team technical assistance for local first responders for more than two years, and for aerial port security following the attacks of September 11. Of particular note, the National Guard Counter-Drug Program has long included Title 32 support for United States Customs, Border Patrol, and Immigration and Naturalization Service activities at United States Ports of Entry, and

Whereas, in the aftermath of the September 11 attacks, increased security and inadequate federal staffing have limited the flow of persons, goods, and services across our nation's borders. These factors have contributed to a weakening of the American and Canadian economies, and

Whereas, the governors of northern tier border states wrote President Bush in November 2001, offering to provide Title 32 National Guard augmentation for United States Customs, Border Patrol, and Immigration and Naturalization Service operations at United States Ports of Entry. Such relief could have been, and still can be, effected within days of acceptance by the federal government, and

Whereas, there is still no relief at our borders due to inaction on the governors' offer of Title 32 National Guard assistance and conflicting Department of Defense proposals to federalize the National Guard or otherwise enhance border security with active duty military personnel instead of Title 32 National Guard members, and

Whereas, federalizing the National Guard under U.S.C. Title 10 would degrade the combat readiness of units from which Guardsmen would be mobilized, interfere with effective state force management, and prevent personal accommodations for soldiers and their civilian employers, and

Whereas, stationing federal military forces at the United States-Canada border would be an unprecedented unilateral action by the United States, and

Whereas, the nation's border states need prompt relief which can best be provided by Title 32 National Guard forces being deployed to assist lead federal agencies at the borders ''in the service of the United States'', but under continued state command and control, and

Whereas, the Vermont State Legislature opposes federalization of the National Guard or assignment of federal military forces for United States border security, now therefore be it

Resolved by the House of Representatives, That this legislative body urges the President and U.S. Congress to assure prompt augmentation of lead federal agencies at the borders by accepting the governors' offer of National Guard forces under state command and control pursuant to 32 U.S.C. §502(f), and be it further

Resolved, That the Clerk of the House be directed to send copies of this resolution to President George W. Bush, the President of the U.S. Senate, the Speaker of the U.S. Houses of Representatives, and to the members of the Vermont Congressional Delegation.

POM–237. A joint resolution adopted by the Legislature of the State of Maine relative to the intent to fund 40% of the costs of special education or amend the individuals with disabilities education act to allow the states more flexibility in implementing its mandates; to the Committee on Appropriations.

JOINT RESOLUTION

Where as, the Congress of the United States has found that all children deserve a quality education, including children with disabilities; and

Where as, the Individuals with Disabilities Education Act, 20 United States Code, Section 1400, et seq., provides that the Federal Government and the State and local governments are to share in the expense of education for children with disabilities and commits the Federal Government to provide funds to assist with the excess of expenses of education for children with disabilities; and

Where as, the Congress of the United States has committed to contribute up to 40% of the average per pupil expenditure of educating children with disabilities and the Federal Government has failed to meet this commitment to assist the states; and

Where as, the Federal Government has never contributed more than 12.6% of the national average per pupil expenditure to assist with the excess expenses of educating children with disabilities under the Individuals with Disabilities Education Act; and

Where as, this failure of the Federal Government to meet its commitment to assist with the excess expenses of educating a child with a disability contradicts the goal of ensuring that children with disabilities receive a quality education; and

Where as, the federal grant funds in the State for children zero to 2 years of age represent only 30% of the cost of serving eligible infants and toddlers in the State, and if the federal grants were at the 40% level, the award to the State this year would have increased by $582,000; and

Where as, the federal grant funds in the state for children 3 to 5 years of age represent only 8% of the cost of serving children 3 to 5 years of age in the State, and if the federal grants were at the 40% level, the award to the State this year would have increased by $10,086,000; and

Where as, the federal grant funds in the State for children 5 to 20 years of age represent only 9.75% of the State's total special education expenditures of $225,130,000, and if the federal grants were at the 40% level, the award to the State this year would have increased by more than $68,000,000; now, therefore, be it

Resolved, That we, your Memorialists, respectfully urge and request that the President of the United States and the Congress of the United States either provide 40% of the national average per pupil expenditure to assist states and local education agencies with the excess costs of educating children with disabilities or amend the Individuals with Disabilities Education Act to allow the states more flexibility in implementing its mandates; and be it further

Resolved, That suitable copies of this resolution, duly authenticated by the Secretary of state, be transmitted to the President of the United States, to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States and to each Member of the Maine Congressional Delegation.

POM–238. A resolution adopted by the House of the Legislature of the State of Florida relative to supporting the commitment of funding necessary for the continued development, permanent establishment and future operation of the Center for Coastal and Maritime security by the Coastal Systems Station of the United States Navy; to the Committee on Appropriations.

HOUSE RESOLUTION NO. 9003C

Whereas, on September 11, 2001, the United States of America was the victim of a cowardly attack conducted by terrorists supported by foreign nations, and

Whereas, these attacks have placed our nation's military on high alert in order to protect our citizens and visitors to the United States from future aggression, and

Whereas, our nation has over 12,000 miles of coastline, over 2,000 miles of which are found in the State of Florida, and

Whereas, 14 active seaports, thousands of miles of rivers and inland waterways, countless marinas, and the center of the world's marine cruise industry are located in Florida, and

Whereas, the vastness of our nation's coastline increases the probability that future attackers could enter the country at our seaports, maritime commerce centers, energy facilities, and marine recreational centers, and

Whereas, for more than 50 years, the United States Navy's Coastal Systems Station in Panama City, Florida, has provided unequaled training, mission planning, and equipment development in the area of coastal operations and systems to all branches of the United States military, and

Whereas, the Coastal Systems Station is a field activity of the Naval Sea Systems Command and is one of the major research, development, test, and evaluation laboratories of the United States Navy, with a wide base of expertise in engineering and scientific disciplines, and

Whereas, the Coastal Systems Station is the Navy's premier organization for the comprehensive support of mission areas within coastal environments, which include mine warfare, amphibious warfare, special warfare, diving and life support, and coastal operations, and

Whereas, the United States Navy's Coastal Systems Station is currently in the process of developing, and seeks to permanently establish, the Center for Coastal and Maritime Security, the purpose of which is to provide specialized training and technology for civilian and military personnel to defend our nation against maritime terrorist threats, and

Whereas, given the events of September 11, 2001, it is now a matter of the highest importance that the numerous means of ingress to this country provided through the nation's vast coastal area as be secured and made invulnerable to any form of malicious breach, and

Whereas, to that end, it is essential that the Center for Coastal and Maritime Security be fully developed, permanently established, and operated by the United States Navy Coastal Systems Station, Now, Therefore,

Be it Resolved by the House of Representatives of the State of Florida, That the President of the United States and the United States Congress are urged to support and commit necessary funding for the continued development, permanent establishment, and future operation of the Center for Coastal and Maritime Security. Be it further

Resolved, That copies of this resolution be sent to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Florida Delegation to the United States Congress.

POM–239. A resolution adopted by the Senate of the Legislature of the State of Kansas relative to the Medicare program to pay for all oral cancer drugs; to the Committee on Finance.

SENATE RESOLUTION NO. 1826

Whereas, Cancer is a leading cause of morbidity and mortality in the State of Kansas and throughout the nation; and

Whereas, Cancer is disproportionately a disease of the elderly, with more than half of all cancer diagnoses occurring in persons age 65 or older, many of whom are dependent on the federal Medicare program for provision of cancer care; and

Whereas, Since treatment with drugs is the cornerstone of modern cancer care, elderly cancer patients must have access to potentially life-extending drug therapy, but the Medicare program's coverage of drugs is limited to injectable drugs or oral drugs that have an injectable version; and

Whereas, The nation's investment in biomedical research has begun to bear fruit with a compelling array of new oral cancer drugs that are less toxic, more effective and more cost-effective than existing therapies, but because such drugs do not have an injectable equivalent, they are not covered by Medicare; and

Whereas, Noncoverage of these important new products leaves many Medicare beneficiaries confronting the choice of either substantial out-of-pocket personal costs or selection of more toxic, less effective treatments that are covered by the program; and

Whereas, Medicare's failure to cover oral cancer drugs leaves at risk many beneficiaries suffering from blood-related cancers like leukemia, lymphoma and myeloma, as well as cancers of the breast, lung and prostate; and

Whereas, Certain members of the United States Congress have recognized the necessity of Medicare coverage for all oral cancer drugs and introduced legislation in the 107th Congress to achieve that result (H.R. 1624; S. 913); Now, therefore,

Be it resolved by the Senate of the State of Kansas, That the Senate respectfully urges the Congress of the United States to adopt legislation requiring the Medicare program to cover all oral cancer drugs; and

Be it further resolved, That the Secretary of the Senate transmit enrolled copies of this resolution to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the Secretary of Health and Human Services and each member of the Kansas congressional delegation.

POM–240. A concurrent resolution adopted by the Senate of the Legislature of the State of Louisiana relative to the Act to Leave No Child Behind; to the Committee on Finance.

SENATE CONCURRENT RESOLUTION NO. 20

Whereas, approximately 11.6 million children across the United States live in poverty and nearly 9.2 million children in America do not have health insurance; and

Whereas, only three out of five eligible preschool children are able to participate in Head Start programs; and

Whereas, only 12 percent of eligible children receive child care assistance through the Child Care and Development Block Grant; and

Whereas, approximately one-third of parents who stop receiving Temporary Assistance for Needy Families (TANF) find little or no work and out of the two-thirds who stop receiving TANF and do find jobs, only 40 percent are stable, year-round jobs; and

Whereas, many families are not receiving the food stamps, Medicaid, child care, or other supports for which they are eligible; and

Whereas, three million children in the United States are suffering ''worst case'' housing needs such that their families are paying over half of their income for rent or are living in overcrowded or substandard housing; and

Whereas, nine youths are killed in the United States by firearms everyday; and

Whereas, nearly 8,000 children a day are reported to public welfare agencies as abused and/or neglected and over 2.5 million children live with grandparents or in foster family homes, group homes, or child care institutions; and

Whereas, seven million children in the United States are regularly left at home alone after school each week; and

Whereas, federal legislation, the Act to Leave No Child Behind (S.940/H.R. 1990), will help address these and many other needs of children in Louisiana and across America; and

Whereas, Louisiana is committed to improving the lives of children and ensuring that all of our children are afforded the opportunity to grow up healthy, safe, educated, and free from poverty. Therefore be it

Resolved, That the Legislature of Louisiana does hereby memorialize the Louisiana congressional delegation and the United States Congress to support the Act to Leave No Child Behind. Be it further

Resolved, That the Legislature of Louisiana does hereby endorse the Act to Leave No Child Behind and the efforts being made to make certain that no child is left behind. Be it further

Resolved, That a copy of this Resolution be transmitted to each member of the Louisiana congressional delegation and to the presiding officers of the United States House of Representatives and the United States Senate.

POM–241. A resolution adopted by the Senate of the Legislature of the Commonwealth of Massachusetts relative to welfare reform; to the Committee on Finance.

RESOLUTION

Whereas, the Commonwealth of Massachusetts adopted its own version of ''welfare reform'' in 1995, taking into account the nature of labor market in Massachusetts, the financial resources of the Commonwealth and the particular needs of low-income families with children; and

Whereas, The Federal Government in 1995 granted Massachusetts a waiver from the then-existing Federal requirements enabling Massachusetts to implement its version of welfare reform; and

Whereas, The Federal Government in 1996 adopted its version of welfare reform, TANF, and, in recognition of their leading roles, allowed Massachusetts and other states with pre-existing waivers to continue to operate their programs under such waivers; and

Whereas, one purpose of TANF was to allow states greater flexibility to operate their cash assistance programs for needy families; and

Whereas, since 1995, the number of Massachusetts families receiving cash assistance from the Commonwealth has declined by more than 50 percent; and

Whereas, almost half of the Massachusetts families continuing to receive cash assistance are families including a family member with a disability or with very young children; and

Whereas, under the Massachusetts program operated under the Federal waiver, such families are exempt from the time limits and work requirements; and

Whereas, because of adverse economic conditions in the Commonwealth of Massachusetts and around the country, the number of low-income families needing cash assistance has started to rise; and

Whereas, because the original TANF law barred states from using Federal TANF funds to provide assistance to certain legal immigrant families, Massachusetts, since 1997, has expended state funds to provide needed services to immigrant families; and

Whereas, the 1996 Federal Welfare Reform Law expires on September 30, 2002 and must be reauthorized by the United States Congress and the President on or before that date; and

Whereas, the Massachusetts waiver will expire in 2005 unless the state is allowed to renew it; and

Whereas, without the waiver, Massachusetts may suffer Federal financial penalties for continuing to operate its own program and incur substantial additional costs related to child care, transportation, and other supportive services; and

Whereas, the Federal TANF block grant received annually by the Commonwealth of Massachusetts has declined in real value by 13 percent since 1996 and, if continued at current levels, will decline further in real value over the next several years; and

Whereas, without additional Federal TANF funding, Massachusetts may be forced to cut back on existing services for needy families; and

Whereas, the National Governors' Association has called on Congress to allow states with waivers to continue operating under them, to increase TANF funding and to allow states with greater flexibility in operating their TANF programs; now therefore be it

Resolved, that any reauthorized TANF law should include:

A. Authority for Massachusetts and other states with pre-existing waivers to continue and renew them at state option;

B. Increased TANF block grant funding for Massachusetts;

C. Increased flexibility for states to determine what activities and what level of participation should satisfy Federal work requirements, in part to enable states appropriately to meet the needs of low-income families with disabilities;

D. Increased flexibility for states to grant hardship exemptions from the Federal 5-year time limit on receipt of TANF assistance, in part to enable states appropriately to meet the needs of low-income families with disabilities;

E. Removal of restrictions on states using TANF funds to provide benefits to legal immigrants; and be it further

Resolved, that the members of the Massachusetts delegation to the Congress of the United States should actively seek to ensure that the provisions listed above are included in any reauthorized TANF law; and be it further

Resolved, that a copy of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, to the Presiding Officer of each branch of Congress and to the members thereof from this Commonwealth.

POM–242. A joint resolution adopted by the House of the Legislature of the State of Maine relative to correcting inequities for retirees drawing social security benefits; to the Committee on Finance.

JOINT RESOLUTION

Whereas, retirees covered by federal, state or local government retirement programs are facing hardship in retirement; and

Whereas, the retirement benefits of these retirees are low and the cost of health insurance is high and climbing every year; and

Whereas, added to this bleak economic picture, even though many of these retirees may qualify for Social Security through their own or their spouses' work, Congress will not let them benefit as other citizens do; and

Whereas, the first roadblock, the windfall elimination provision of the federal Social Security Act, requires 30 years of ''substantial earnings,'' as rated on a scale, before a retiree is eligible for the full Social Security benefit. If a retiree does not have 30 years, or some years fall below the standard, the Social Security benefit may be reduced or eliminated; therefore, retirees who earned a pension from working for a government agency and also worked part-time under Social Security may see their Social Security benefits reduced or eliminated; and

Whereas, the 2nd roadblock the government pension offset of the federal Social Security Act, reduces the survivor benefit under Social Security by 2/3 of an individual's retirement benefit. This means the death of a spouse of a retiree is a double tragedy because the offset will reduce the family income by 1/3 or more and then freeze it at that level. Any future increase in the retiree's retirement will result in the loss of Social Security benefits; now, therefore, be it

Resolved, That We, your Memorialists, support the repeal of the government pension offset and the windfall elimination provision from the federal Social Security Act; and be it further

Resolved, That suitable copies of this resolution, duly authenticated by the Secretary of State, be transmitted to the President of the United States Senate, to the Speaker of the United States House of Representatives and to each member of the Maine Congressional Delegation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LEAHY, from the Committee on the Judiciary:

Report to accompany S. 1974, a bill to make needed reforms in the Federal Bureau of Investigation, and for other purposes. (Rept. No. 107–148).

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. CAMPBELL:

S. 2503. A bill to amend title 49, United States Code, to permit an individual to operate a commercial motor vehicle solely within the borders of a State if the individual meets certain minimum standards prescribed by the State, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HATCH:

S. 2504. A bill to extend eligibility for refugee status of unmarried sons and daughters of certain Vietnamese refugees; to the Committee on the Judiciary.

By Mr. KENNEDY (for himself, Mr. LUGAR, Mr. CHAFEE, Mr . LEAHY, Mr. DODD, Mr. HAGEL, Mr. SMITH of Oregon, Mr. COCHRAN, Mr. BROWNBACK, Mr. JEFFORDS, Mr. DURBIN, and Mr. FEINGOLD):

S. 2505. A bill to promote the national security of the United States through international educational and cultural exchange programs between the United States and the Islamic world, and for other purposes; to the Committee on Foreign Relations.

ADDITIONAL COSPONSORS

S. 145

At the request of Mr. THURMOND, the name of the Senator from Kansas (Mr. BROWNBACK) was added as a cosponsor of S. 145, a bill to amend title 10, United States Code, to increase to parity with other surviving spouses the basic annuity that is provided under the uniformed services Survivor Benefit Plan for surviving spouses who are at least 62 years of age, and for other purposes.

S. 630

At the request of Mr. BURNS, the name of the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 630, a bill to prohibit senders of unsolicited commercial electronic mail from disguising the source of their messages, to give consumers the choice to cease receiving a sender's unsolicited commercial electronic mail messages, and for other purposes.

S. 776

At the request of Mr. BINGAMAN, the names of the Senator from Iowa (Mr. HARKIN) and the Senator from Iowa (Mr. GRASSLEY) were added as cosponsors of S. 776, a bill to amend title XIX of the Social Security Act to increase the floor for treatment as an extremely low DSH State to 3 percent in fiscal year 2002.

S. 782

At the request of Mr. BUNNING, his name was added as a cosponsor of S. 782, a bill to amend title III of the Americans with Disabilities Act of 1990 to require, as a precondition to commencing a civil action with respect to a place of public accommodation or a commercial facility, that an opportunity be provided to correct alleged violations, and for other purposes.

S. 885

At the request of Mr. HUTCHINSON, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 885, a bill to amend title XVIII of the Social Security Act to provide for national standardized payment amounts for inpatient hospital services furnished under the medicare program.

S. 999

At the request of Mr. BINGAMAN, the name of the Senator from Wyoming (Mr. ENZI) was added as a cosponsor of S. 999, a bill to amend title 10, United States Code, to provide for a Korea Defense Service Medal to be issued to members of the Armed Forces who participated in operations in Korea after the end of the Korean War.

S. 1022

At the request of Mr. WARNER, the names of the Senator from Illinois (Mr. DURBIN) and the Senator from Vermont (Mr. JEFFORDS) were added as cosponsors of S. 1022, a bill to amend the Internal Revenue Code of 1986 to allow Federal civilian and military retirees to pay health insurance premiums on a pretax basis and to allow a deduction for TRICARE supplemental premiums.

S. 1471

At the request of Mr. TORRICELLI, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 1471, a bill to amend titles XIX and XXI of the Social Security Act to ensure that children enrolled in the medicaid and State children's health insurance program are identified and treated for lead poisoning.

S. 1626

At the request of Mr. BINGAMAN, the names of the Senator from Iowa (Mr. GRASSLEY) and the Senator from Washington (Ms. CANTWELL) were added as cosponsors of S. 1626, a bill to provide disadvantaged children with access to dental services.

S. 1679

At the request of Mr. CONRAD, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 1679, a bill to amend title XVIII of the Social Security Act to accelerate the reduction on the amount of beneficiary copayment liability for medicare outpatient services.

S. 2067

At the request of Mr. BINGAMAN, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 2067, a bill to amend title XVIII of the Social Security Act to enhance the access of medicare beneficiaries who live in medically underserved areas to critical primary and preventive health care benefits, to improve the Medicare+Choice program, and for other purposes.

S. 2200

At the request of Mr. GRASSLEY, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 2200, a bill to amend the Ineternal Revenue Code of 1986 to clarify that the parsonage allowance exclusion is limited to the fair rental value of the property.

S. 2454

At the request of Mr. ENSIGN, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 2454, a bill to eliminate the deadlines for spectrum auctions of spectrum previously allocated to television broadcasting.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CAMPBELL:

S. 2503. A bill to amend title 49, United States Code, to permit an individual to operate a commercial motor vehicle solely within the borders of a State if the individual meets certain minimum standards prescribed by the State, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. CAMPBELL. Mr. President, today I am introducing companion legislation to H.R. 2466, the Commercial Driver's License Devolution Act of 2001, which was originally brought to the floor of the House of Representatives last July by my friend from North Carolina, Representative HOWARD COBLE.

I believe it is no secret to my colleagues here in the Senate, that I support small business and returning power to the States. The traditional, one-size-fits-all approach to governing has done more harm than good, and this bill is an attempt to remedy some of that.

This legislation will give States the option to establish their own commercial driver's license, CDL, requirements for intrastate drivers. It will return power to the States by giving

them the option to license intrastate drivers of commercial motor vehicles based upon testing standards determined by the individual States. And I stress, it will be an ''option.''

I want to emphasize that this legislation is not a Federal mandate imposed on States. States that choose not to participate would remain under Federal guidelines. A State that chooses to exercise this option would in no way diminish the role of the CDL in the long-haul trucking industry. Additionally, this legislation effectively precludes two or more States from using this option as the basis for an interstate compact.

As I am sure my colleagues are aware, the Commercial Motor Vehicle Safety Act of 1986, CMVSA, required States to establish a new and uniform program of testing and licensure for all operators of commercial vehicles both intra and interstate. The principal objectives of the Act have been met, and would not be harmed by this legislation I'm introducing here today.

I have no issue with the CMVSA. It is a good law, and at the time the provisions it contained were necessary and timely for improving the standards of performance for long-haul truck drivers in this country. However, I, like my counterpart in the House, believe the CMVSA was imposed upon intrastate commerce where the operation of trucks may be a small but necessary part of an individual's job. Therefore, the reality was that Washington imposed its will on thousands of small businesses across this country who aren't involved in long-haul trucking and we expected them to adjust to any circumstance that might arise. That's unfair and not what government is supposed to be about.

When you have conditions such as these, I believe it should be within a State's discretion to determine what kind of commercial vehicle licensure and testing is required for commerce taking place solely within its borders.

This legislation is important to our Nation's small businesses, especially those dependent upon commercial truck travel, which means it's important to the consumers. I urge my colleagues in the Senate to support it.

By Mr. HATCH:

S. 2504. A bill to extend eligibility for refugees status of unmarried sons and daughters of certain Vietnamese refugees; to the Committee on the Judiciary.

Mr. HATCH. Mr. President, I rise today to introduce a Senate companion to H.R. 1840, a bill to extend the eligibility for refugee status of immigrants who are the unmarried children of qualified Vietnamese nationals. This bill would extend the authority to process such individuals through fiscal year 2003, as it was set to expire earlier this year. The House and Senate have been in communication regarding this bill for some time, and given that the Senate Judiciary Committee approved the House version of this bill by unanimous consent this morning, I have little doubt that the entire Senate will extend their support.

This is a very important piece of legislation and one that will provide crucial relief to a small, yet deserving group of people, the children of those Vietnamese nationals who were placed in internment camps by the Socialist Republic of Vietnam and are now in the United States as refugees. We simply cannot expect the sons and daughters of these Vietnamese nationals to be forgotten. It is our duty to support the sacrifices that these families made for freedom and democracy and I find it most appropriate that we prevent further persecution by welcoming their children.

I want to commend Congressman TOM DAVIS on his introduction of this legislation in the House. I urge my Senate colleagues' support.

By Mr. KENNEDY (for himself, Mr. LUGAR, Mr. CHAFEE, Mr. LEAHY, Mr. DODD, Mr. HAGEL, Mr. SMITH of Oregon, Mr. COCHRAN, Mr. BROWNBACK, Mr. JEFFORDS, Mr. DURBIN, and Mr. FEINGOLD):

S. 2505. A bill to promote the national security of the United States through international educational and cultural exchange programs between the United States and the Islamic world, and for other purposes; to the Committee on Foreign Relations.

Mr. KENNEDY. Mr. President, today, Senators LUGAR, LEAHY, CHAFEE, DODD, HAGEL, GORDON SMITH, COCHRAN, BROWNBACK, JEFFORDS, DURBIN, FEINGOLD and I are introducing legislation to increase the level of student and other exchanges between Americans and visitors from the Islamic world.

Our legislation, the Cultural Bridges Act, would authorize $75 million above current appropriations in fiscal years 2003 through 2007 to expand the activities of the State Department's existing educational and cultural programs in the Islamic world. It would also authorize $20 million in fiscal years 2003 through 2007 for the Department of State to establish a new high school student exchange program to enable a small number of competitively selected students from the Islamic world to study in the United States at a public high school for an academic year.

There are no better ambassadors for American values than Americans themselves, and student exchange programs have proven to be an effective tool in reaching out to the next generation of leaders. As Secretary Powell said in his August 2001 Statement on International Education Week, ''I can think of no more valuable asset to our country than the friendship of future world leaders who have been educated here.''

One of the clear lessons of September 11 is that our government needs to do more to ensure that future generations in the Islamic world understand more about American values and culture. A recent Gallup poll in nine predominantly Muslim countries revealed strong anti-American attitudes. Nearly 1.5 billion people live in the Islamic world, and if we ignore these sentiments, we do so at our own peril. If we try to address the problem directly, by teaching American values to students from the Islamic world, we have a chance, in the long run, of changing negative attitudes. It's a long process, which September 11 has taught us we must begin now.

The State Department currently manages outstanding international student educational and cultural exchange programs that have helped foster mutual respect and understanding in many countries worldwide. These programs, which enable approximately 5,000 Americans to travel abroad and 20,000 foreign visitors to travel to the United States annually to study, teach, engage in people-to-people programs, have been enormously successful in promoting American values and cultural tolerance.

Unfortunately, visitors and students from the Islamic world are significantly underrepresented in many of these programs. Individuals in the Islamic world represent approximately 25 percent of the world's 6.2 billion people. However, in fiscal year 2000, less than 10 percent of the participants in State Department cultural and educational exchange programs were from the Islamic countries covered under our legislation, and less than 12 percent of the budget was spent on these countries. Additionally, according to the State Department's Bureau of Educational and Cultural Affairs, direct appropriated funding for exchanges has fallen by almost a third since 1993 which adjusted for inflation.

The additional $75 million our legislation authorizes for existing programs to be expanded in the Islamic world is essential to our nation's objective of promoting greater understanding of American values and ideals. Existing programs provide the essential building blocks our nation needs for an expanded and sustained effort to reach more broadly into these societies, to foster mutual respect, and to counter the ignorance and hatred that can lead to acts of terrorism.

In October of last year, President Bush spoke eloquently about the need to reach out in friendship to children and the Islamic world. In a speech to students at Thurgood Marshall Extended Elementary School, the President said that America is ''determined to build ties of trust and friendship with people all around the world, particularly with children and people in the Islamic world.

To facilitate the President's goal of reaching children, our legislation would create a new program for high school students from the United States. No Federal program currently exists to facilitate such student exchanges with ever-increasing numbers of youth in the Islamic world.

There are many benefits to reaching out to students while they are young and open-minded to enhance mutual cultural understanding and tolerance. Today's high school students are tomorrow's leaders, and we need to begin working with them now to inform their attitudes about our country.

In a January 20, 2002 op-ed in the Washington Post, a former Fulbright scholarship recipient from Egypt expressed concern that his university in Egypt was and continues to be fertile ground for recruiters from terrorist or extremist organizations. Our challenge is to provide young students with the opportunity to learn about America, participate in all aspects of American family life, and understand our values before they reach that stage.

The high school student exchange program authorized in our legislation is modeled on the State Department's highly successful Future Leaders Exchange Program, FLEX, which brings approximately 1,000 students ages 15–17 from the Newly Independent States to the United States each year to attend an American high school for a year and live with an American family.

The FLEX program has been extremely effective in shaping attitudes among the students selected to participate from the Newly Independent States. A 1998 U.S. government study, which compared Russian FLEX alumni with other Russian youth of the same age, indicated that the FLEX alumni are more open to and accepting of Western values and democratic ideals. They are more likely to want to become leaders in and to make a contribution to their society. They tend to be more optimistic about the future of their country, especially its evolution to a more democratic, rule-of-law society, than other Russian youths.

Importantly, the FLEX program has been successful in the six predominantly Islamic countries from the Newly Independent States, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. More than 1,500 students from those Muslim countries have studied and lived in the United States since the program began. FLEX alumni in Azerbaijan and Turkmenistan are teaching English in their home countries, and alumni in Kyrgyzstan and Tajikistan have been involved in activities to develop democratic practices. Given the track record in these countries, there is every reason to believe that a high school student exchange program would succeed throughout the Islamic world.

Like the existing student exchange program for the Newly Independent States, our legislation requires participating students in high school exchanges form the Islamic world to be selected competitively and in a manner that ensures geographic, gender, and socio-economic diversity. To quality, students must be tested extensively and interviewed under State Department guidelines. As with the FLEX program, the State Department will work with experienced American non-governmental organizations to recruit, select, and place students and will remain in close contact with the public high school, American host family, and American non-governmental organizations while the students are in the United States.

Importantly, all students and visitors participating in programs authorized in this legislation must be admissible under all immigration laws and procedures. Furthermore, legislation recently passed by the Senate would improve our ability to screen foreign students by requiring increased communication among the State Department, the INS, and the schools enrolling foreign students and closing gaps in the existing foreign student monitoring program.

Our legislation has been endorsed by the Alliance for International Education and Cultural Exchange, AMIDEAST, AFS, the Academy for Educational Development, the American Councils for International Education, the American Institute for Foreign Study, the Institute of International Education, the National Council for International Visitors, Sister Cities International, World Learning, and World Study Group.

About the Cultural Bridges Act, the Director of the Alliance for International Educational and Cultural Exchange, a coalition of 65 organizations with chapters in all 50 states, former Ambassador Kenton Keith, wrote: ''Winning the war on terrorism will demand more than just our military prowess. It will require us to engage the peoples of the Islamic world about our society and values if we are to forge the mutual understanding and respect that will be the basis of peaceful productive relationships. The exchanges authorized in your bill are the most cost-effective way to encourage the positive personal and institutional relationships that will enhance our long-term national security.'' I ask unanimous consent that copies of this and other endorsement letters be included in the CONGRESSIONAL RECORD at the end of my statement along with the text of the legislation.

America must respond to the terrorist threat on many levels. We need to ensure that our defenses are strong, our borders are secure, and our relationships with allies are vibrant. We also need to do more in the area of public diplomacy.

It is clearly in America's national security interest to promote more people-to-people contacts throughout the Muslim world. Indeed, in a May 3rd speech to the World Affairs Council in California, Deputy Secretary of Defense Paul Wolfowitz spoke about the need to reach out and strengthen voices of moderation in the Islamic world and to bridge the ''dangerous gap'' between the West and the Muslim world. He said America must ''begin now . . . the gap is wide and there is no time for delay.''

After September 11, many of the Muslim countries condemned those acts and pledged to help the United States fight terrorism. As we have seen in Afghanistan, Pakistan, and elsewhere in the Muslim world, some individuals and factions within a country can support terrorists and terrorist organizations, while others seek to resolve issues peacefully. America must reach out in friendship to all individuals in the Islamic world who share our worldview.

The Koran says, ''O Mankind! We created you from a single pair of a male and a female, and made you into nations and tribes, that ye may know each other.'' These words speak eloquently of the need for this legislation. Building bridges of understanding and tolerance across cultures will help ensure that Americans and people of the Islamic world will truly understand and know each other. I urge my colleagues to support this legislation.

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. 2505

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 ''Cultural Bridges Act of 2002''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Educating international students is an important way to impart cross-cultural understanding and create goodwill for the United States throughout the world.

(2) Students from the Islamic world are significantly underrepresented among the approximately 500,000 international students who study in the United States annually.

(3) The volume of professional and cultural exchanges between the United States and the Islamic world is extremely low compared to other regions, and these exchanges have proven extremely effective worldwide in building productive people-to-people ties.

(4) The Federally-funded Future Leaders Exchange Program for high school students from the former Soviet Union, administered by the Department of State, has demonstrated the positive impact of reaching out to international students at the secondary school level, introducing them to American culture, and strengthening their commitment to democratic values and ideals.

(5) A critical element in the war against terrorism will be increasing mutual understanding and respect between the peoples of the United States and peoples around the world, particularly those of the Islamic faith.

SEC. 3. DEFINITIONS.

In this Act:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.

(2) FROM THE ISLAMIC WORLD.—The term ''from the Islamic world'', when used with respect to a person, means that the person is

a national of a country in the Islamic world or has as the person's residence or place of birth the West Bank or Gaza.

(3) ISLAMIC WORLD.—The term ''Islamic world'' means—

(A) the member countries of the Organization of the Islamic Conference and does not include any country having observer status in the Organization; and

(B) the areas consisting of the West Bank and Gaza.

(4) SECONDARY SCHOOL.—The term ''secondary school'' means a school that serves students in any of the grades 9 through 12 or equivalent grades in a foreign education system, as determined by the Secretary, in consultation with the Secretary of Education.

(5) SECRETARY.—Except as otherwise provided, the term ''Secretary'' means the Secretary of State.

(6) UNITED STATES SPONSORING ORGANIZATION.—The term ''United States sponsoring organization'' means a nongovernmental organization having United States citizenship that is designated by the Secretary to carry out the program authorized under section 5(a).

SEC. 4. PURPOSE.

The purpose of this Act is to promote the national security of the United States through international educational and cultural exchange programs between the United States and the Islamic world that would—

(1) afford additional opportunities for eligible participants from the Islamic world to study in the United States;

(2) foster mutual respect for American and Islamic values and culture through people-to-people contacts; and

(3) build bridges to a more peaceful world through programs aimed at enhancing mutual understanding.

SEC. 5. NEW EXCHANGE VISITOR PROGRAM FOR SECONDARY SCHOOL STUDENTS FROM THE ISLAMIC WORLD.

(a) IN GENERAL.—To carry out the purpose of section 4, and to redress the underrepresentation in United States international exchange visitor programs of persons from the Islamic world, the Secretary, acting under the authority, direction, and control of the President, is authorized to establish an international exchange visitor program under which eligible secondary school students from the Islamic world would—

(1) attend a public secondary school in the United States;

(2) live with an American host family and experience life in a United States host community; and

(3) participate in activities designed to promote a greater understanding of American and Islamic values and culture.

(b) IMPLEMENTATION.—The Secretary shall utilize the authorities of the Mutual Educational and Cultural Exchange Act of 1961 to carry out the program authorized by subsection (a) by grant, contract, or otherwise with United States sponsoring organizations.

(c) ELIGIBILITY CRITERIA.—

(1) IN GENERAL.—Except as provided in paragraph (2) and section 7, a foreign student is eligible for participation in the program authorized by subsection (a), if the student—

(A) is from the Islamic world;

(B) is at least 15 years of age but not more than 18 and 6 months years of age at the time of initial school enrollment;

(C) is enrolled in secondary school in the student's country of nationality or in the West Bank or Gaza;

(D) has completed not more than 11 years of primary and secondary education, exclusive of kindergarten;

(E) demonstrates maturity, good character, and scholastic aptitude; and

(F) has not previously participated in an academic year or semester secondary school student exchange program in the United States.

(2) EXCEPTION.—An alien is not eligible for participation in the program authorized by subsection (a) if the alien is otherwise inadmissible to the United States under section 212(a) of the Immigration and Nationality Act (8 U.S.C. 1182(a)).

(d) PROGRAM REQUIREMENTS.—The program authorized by subsection (a) shall satisfy the following requirements:

(1) RECRUITMENT AND SELECTION.—Each United States sponsoring organization shall recruit and select eligible secondary school students on a competitive basis under guidelines developed by the Secretary and in a manner that ensures geographic, gender, and socio-economic diversity.

(2) ENGLISH LANGUAGE PROFICIENCY.—The Secretary or the United States sponsoring organization shall establish the English language proficiency of eligible secondary school students through standardized testing. For selected secondary school students found in need of additional English language training, the Secretary shall provide for not to exceed three months of such training, depending on the need of the student, prior to the commencement of the student's course of academic study in the United States.

(3) PREFERENCE FOR FULL ACADEMIC YEAR OF STUDY.—The program shall emphasize educational exchanges consisting of a full academic year of study.

(4) COMPLIANCE WITH ''J'' VISA REQUIREMENTS.—Participants in the program shall satisfy all requirements applicable to the admission of nonimmigrant aliens described in section 101(a)(15)(J) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(J)). The program shall be considered a designated exchange visitor program for purposes of the application of section 641 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996.

(5) REGULAR REPORTING TO THE SECRETARY.—Each United States sponsoring organization shall report regularly to the Secretary the information that the organization has obtained during regular contacts with the sponsored student, the host family, and the host secondary school.

SEC. 6. AUTHORITY TO ESTABLISH NEW EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS AND EXPAND EXISTING PROGRAMS.

Under the authority, direction, and control of the President, the Secretary is authorized to use the authorities of the Mutual Educational and Cultural Exchange Act of 1961 to establish new programs under that Act, and expand the coverage of existing programs under that Act, to increase the number of educational and cultural exchange activities involving persons from the Islamic world, except as provided in section 7.

SEC. 7. EXCEPTION FOR ISLAMIC WORLD COUNTRIES COVERED BY THE FREEDOM SUPPORT ACT.

An individual who is a national of any of the following countries shall not be eligible for participation in any new program authorized under section 5 or 6 or for participation in an existing program expanded under the authority of section 6: Azerbaijan, Kazakhstan, Kyrgystan, Tajikistan, Turkmenistan, and Uzbekistan.

SEC. 8. REPORTING REQUIREMENTS.

(a) INITIAL REPORT.—Not later than 3 months after the date of enactment of this Act, the Secretary shall submit to the appropriate congressional committees a report setting forth the plans to implement this Act. The report shall include—

(1) with respect to the program authorized by section 5(a)—

(A) a plan indicating priority countries and areas in the Islamic world for participation in the program;

(B) an estimate of the number of participating students from each country or area;

(C) an identification of United States sponsoring organizations; and

(D) a schedule for implementation of the program; and

(2) with respect to fiscal year 2003, an allocation of funds by country or area in the Islamic world for the program authorized by section 5(a), and by program and country or area in the Islamic world for the exercise of authority under section 6.

(b) ANNUAL REPORT.—Not later than January 31 of each year, the President shall submit to the appropriate congressional committees a report on the progress and effectiveness of activities carried out under this Act.

SEC. 9. AUTHORIZATIONS OF APPROPRIATIONS.

(a) NEW PROGRAM FUNDING.—

(1) IN GENERAL.—In addition to funds otherwise available for such purpose, there is authorized to be appropriated for the Department of State $20,000,000 for each of the fiscal years 2003 through 2007 to carry out the program authorized by section 5(a).

(2) AVAILABILITY OF APPROPRIATIONS.—Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

(b) FUNDING OF EXPANSION OF EXISTING PROGRAMS.—

(1) IN GENERAL.—In addition to funds otherwise available for such purpose, there is authorized to be appropriated for the Department of State $75,000,000 for each of the fiscal years 2003 through 2007 to carry out any new international educational or cultural exchange programs under section 6 or the expansion under section 6 of any existing such programs.

(2) AVAILABILITY OF APPROPRIATIONS.—Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

(c) LIMITATIONS.—

(1) SINGLE COUNTRY LIMITATION.—Of the amount authorized to be appropriated by subsection (a), and of the amount authorized to be appropriated by subsection (b), not more than 10 percent of each such amount is authorized to be available for any single country.

(2) SINGLE PROGRAM LIMITATION.—Of the amount authorized to be appropriated by subsection (b), not more than 25 percent is authorized to be available to carry out, or expand, any single international educational or cultural exchange program.

Mr. LUGAR. Mr. President, I am pleased to join Senators KENNEDY, CHAFEE, LEAHY, HAGEL, GORDON SMITH, COCHRAN, BROWNBACK, and JEFFORDS in introducing the Cultural Bridges Act of 2002. Put simply, our bill authorizes funding for international student exchange programs between the United States and countries of the Islamic world.

The bill authorizes $20 million to establish a secondary school level student exchange program that would bring students from the Islamic world to America in order to foster greater understanding and tolerance. It also authorizes an additional $75 million to existing student and foreign-exchange programs such as the Congress-Bundestag Program, Fulbright Scholarships, etc. The purpose is to foster mutual respect between our peoples and a greater understanding of the differences and similarities between the cultures.

One of the lessons learned in recent months is that the United States needs

to create more effective tools of public diplomacy. The most striking example of this was a December 2000–January 2001 Gallup Poll in nine predominantly Muslim states that revealed very strong anti-American attitudes in a majority of the countries. There are no more effective means to spread American values and influence and to create goodwill than international student exchanges. As a result, I have concluded it is in U.S. national security interests to create an exchange program focused on Asia, the Middle East, and North Africa.

Last year only 10 percent of participants in various State Department student and cultural exchange programs came from Islamic countries outside the former Soviet Union. Our new program will bring students aged 15 to 17 to attend high school and live with an American family for a year. Recruitment and selection of participants will be conducted on a competitive basis designed to ensure geographic, gender, and socio-economic diversity.

The legislation is based on the successful Future Leaders Exchange Program, FLEX, for high school students in the former Soviet Union. The new exchange program with Islamic states would be administered by the Department of State and will utilize similar guidelines and regulations established for the FLEX Program and utilize organizations experienced in such exchanges. A study of Russian FLEX alumni concluded that they are more open to and accepting of Western values, democratic ideals and foreign interaction than other students of the same age.

In addition to the importance of increasing understanding between the United States and Islamic countries, we must also appreciate and address the continuing threat of terrorism. Our bill requires all students and visitors participating in programs authorized in this legislation to comply with the immigration procedures in the USA PATRIOT Act. Students will travel to the United States under J-visas.

I am pleased our legislation has garnered the support of so many non-governmental organizations involved in the implementation and management of student and cultural exchanges. As the Alliance for International Educational and Cultural Exchange wrote in their letter of April 2: ''Winning the war on terrorism will demand more than just military prowess. It will require us to engage the peoples of the Islamic world about our society and values if we are to forge the mutual understanding and respect that will be the basis of peaceful, productive relationships. As September 11 and its aftermath makes clear, our public diplomacy has fallen short.'' The Alliance concludes by saying that the ''. . . legislation is the right bill at the right time.''

In addition to the Alliance, we have also received letters of support from: the AFS Intercultural Programs USA, the Academy for Educational Development, the American Councils for International Education, the American Institute for Foreign Study, the Institute of International Education, the National Council for International Visitors, Sister Cities International, World Learning, the World Study Group, and the America-Mideast Educational and Training Services.

I understand the administration has reviewed our legislation and indicated that they would support its passage, pending the allocation of necessary resources. I am hopeful that my colleagues will join Senator KENNEDY, our cosponsors and I in ensuring swift passage of this timely and important bill.

I ask unanimous consent that letters of support be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AMERICA-MIDEAST EDUCATIONAL AND TRAINING SERVICES, INC.,
Washington, DC, April 4, 2002.

Hon. EDWARD M. KENNEDY, RICHARD LUGAR, AND LINCOLN CHAFEE.

DEAR SENATORS KENNEDY, LUGAR, AND CHAFEE: AMIDEAST is the largest American NGO promoting educational and cultural exchanges between the United States and the Arab world, where we have worked for over 50 years to strengthen mutual understanding and cooperation between Arabs and Americans. I am writing today to thank you for introducing the Cultural Bridges Act of 2002.

The Middle East is experiencing its most severe crisis since 1948. The chasm of misunderstanding between Arabs and Americans has never been wider. As I write to you today, demonstrations are taking place on high school and university campuses throughout the Middle East and North Africa denouncing what they perceive to be America's unfair support for Israeli's actions in the Occupied Territories. To win the war on terrorism, we need to find new ways to reach the youth of the Arab world, to quell their hostility towards us, and to engage them in constructive dialogue.

The Cultural Bridges Act of 2002 will afford us that opportunity. It will promote educational exchanges between the United States and the Islamic world, enabling Muslim youth to learn about our society and values first-hand and then serving as ambassadors of peace upon their return home, while affording American students first-hand experience abroad providing them with valuable insight and understanding about the Arab and Islamic worlds.

Your legislation is important and timely. We thank you for championing this bold initiative.

Sincerely,

WILLIAM A. RUGH,
U.S. Ambassador (retired),
President and CEO.

ALLIANCE FOR INTERNATIONAL EDUCATIONAL AND CULTURAL EXCHANGE,
Washington, DC, April 2, 2002.

Hon. EDWARD M. KENNEDY, RICHARD LUGAR, AND LINCOLN CHAFEE,
U.S. Senate.

DEAR SENATORS KENNEDY, LUGAR, AND CHAFEE: On behalf of the 65 member NGOs of the Alliance for International Educational and Cultural Exchange, I write to thank you for your leadership in introducing the Cultural Bridges Act of 2002.

Winning the war on terrorism will demand more than just our military prowess. It will require us to engage the peoples of the Islamic world about our society and values if we are to forge the mutual understanding and respect that will be the basis of peaceful, productive relationships. As September 11 and its aftermath make clear, our public diplomacy has fallen short.

Building productive ties will require a sustained and serious commitment that reaches well beyond our current efforts. The exchanges authorized in your bill are the most cost-effective way to encourage the positive personal and institutional relationships that will enhance our long-term national security.

Congressional leadership will be crucial to this endeavor. Student and exchange flows from the Muslim world are among the lowest of any region, and significant new resources will be required to jump-start this effort. Moreover, a clear federal commitment will leverage private sector support from universities, schools, businesses, and communities across the U.S. This initiative will engage the American people directly in the conduct of the highest priority foreign policy.

Your legislation is the right bill at the right time. You have the gratitude and support of members of the exchange community throughout the United States.

Sincerely,

KENTON W. KEITH,
U.S. Ambassador (retired),
Chair, Board of Directors.

Enclosure: List of Alliance member organizations.

The Alliance for International Educational and Cultural Exchange is a coalition of 65 organizations with chapters and grassroots networks in all 50 states. Alliance member organizations administer or facilitate exchange programs that put a human face on American foreign policy, transmit America's democratic values, foster economic ties with overseas markets, engage millions of Americans in our foreign affairs, and develop foreign language, cross-cultural, and area studies expertise of American citizens.

MEMBER ORGANIZATIONS

Academy for Educational Development.
Africa-America Institute.
AFS Intercultural Programs.
AIESEC, Inc.
*Alliances Abroad [corporate associate member].
American Association of Community Colleges.
American Association of Intensive English Programs.
American Council of Young Political Leaders.
American Council on Education.
American Councils for International Education: ACTR/ACCELS.
American Institute for Foreign Study Foundation.
American Intercultural Student Exchange.
American-Scandinavian Foundation.
Aemrican Secondary Schools for International Students and Teachers.
AMIDEAST.
Amity Institute.
Association of International Education Administrators.
Association for International Practical Training.
Association of Professional Schools of International Affairs.
AYUSA International.
BUNAC.
CDS International.
Children's International Summer Villages, Inc.
CEC International Partners.
The College Board.
Communicating for Agriculture.
Concordia Language Villages.
Council of Graduate Schools.

Council of International Programs USA.
Council on International Educational Exchange.
Council on Standards for International Educational Travel.
Educational Testing Service.
EF Foundation for Foreign Study.
French-American Chamber of Commerce.
The Fulbright Association.
The German Marshall Fund of the United States.
Girl Scouts of the USA.
Institute of International Education.
International Cultural Exchange Services.
InterExchange.
International Internship Programs.
International Research and Exchanges Board.
Japan-America Student Conference.
LASPAU: Academic and Professional Programs for the Americas.
The Laurasian Institution.
Minnesota Agriculture Student Trainee/Practical Agricultural Reciprocal Training.
Meridian International Center.
NAFSA: Association of International Educators.
National 4–H/Japanese Exchange Program.
National Association of State Universities and Land-Grant Colleges.
National Council for Eurasian and East European Research.
National Council for International Visitors.
North Carolina Center for International Understanding.
Ohio Agricultural Intern Program.
Pacific Intercultural Exchange.
People to People International.
Program of Academic Exchange.
Sister Cities International.
University and College Intensive English Program.
World Education Services.
World Exchange, Ltd.
World Heritage.
World Learning.
YMCA International Program Services.
Youth Exchange Services.
Yourth For Understanding.

AFS–USA, INC.,
New York, NY, April 1, 2002.

Hon. EDWARD M. KENNEDY, RICHARD LUGAR, and LINCOLN CHAFEE,
U.S. Senate.

DEAR SENATORS KENNEDY, LUGAR, AND CHAFEE: I am writing on behalf of our staff, volunteers, and board members located in all 50 States to express our pleasure and thanks for initiating the cultural Bridges Act of 2002.

AFS is the oldest, largest, and most diverse high school exchange program in the United States and in the world. We understand and appreciate the leadership you have demonstrated in sponsoring this bill. Public diplomacy in the Islamic world requires the focus and funding contained in your bill. Our 54 years of experience in the field of exchange tells us that a serious commitment, sustained over a number of years, will be needed to defeat terrorism at its roots by increasing understanding and tolerance among people of different countries, beliefs and values. AFS exchanged students from Germany and Japan with the U.S. almost immediately after World War II. Today those countries are our allies. Democratic principles, respect for others, and individual freedom are our values, and they can be powerful when seen through daily interaction with our families and students.

You are doing the right thing. We stand ready to support you in any way we can.

Thank you for your pursuit of peace and freedom.

Sincerely,

ALEX J. PLINIO,
President.

ACADEMY FOR EDUCATIONAL DEVELOPMENT,
Washington, DC, April 2, 2002.

Hon. EDWARD M. KENNEDY, RICHARD LUGAR, and LINCOLN CHAFEE,
U.S. Senate, Washington, DC.

DEAR SENATORS KENNEDY, LUGAR AND CHAFEE: On behalf of the Academy for Educational Development, a non-profit organization serving people in more than 160 countries, I want to thank you for your leadership in introducing the Cultural Bridges Act of 2002.

International exchange programs are a critical component of the war on terrorism. Exchange programs enhance mutual understanding and build long-term bridges with individuals in other countries. Expanding the flow of people, ideas and information will promote greater understanding of the United States and will advance our foreign policy objectives.

The International Visitor Program has been particularly effective at reaching future foreign leaders and at advancing key foreign policy objectives. For example, a recent leadership development program brought student leaders from the Middle East and North Africa for exchanges with student leaders across the United States. Another program on the role of religion in the United States brought administrators from religious educational institutions, or ''madrassahs,'' in Pakistan to meet with civic and religious leaders in several cities. Programs such as these that target key issues and leaders should be significantly expanded in the Islamic world.

Although the world's attention has been focused on the Muslim world, exchange programs from countries with large Islamic populations are underrepresented in U.S. government-sponsored exchange programs. Your bill will significantly enhance the capacity to reach out to individuals in these countries through people-to-people exchanges that are among our best tools of diplomacy.

We thank you for your leadership, vision and commitment in introducing this critical piece of legislation.

Sincerely,

STEPHEN F. MOSELEY,
President and Chief Executive Officer.

AMERICAN COUNCILS FOR INTERNATIONAL EDUCATION,
Washington, DC, April 2, 2002.

Hon. EDWARD M. KENNEDY, RICHARD LUGAR, and LINCOLN CHAFEE,
U.S. Senate, Washington, DC.

DEAR SENATORS KENNEDY, LUGAR, and CHAFEE: I write to commend you for your leadership in introducing the Cultural Bridges Act of 2002, a legislative initiative designed to engage the diverse Islamic populations around the world through international exchange programs. I particular want to thank you for focusing on high school exchanges as a highly effective mechanism for introducing the United States to this audience, and them to our fellow Americans.

While our country's public diplomacy efforts—which include exchange programs—have earned us many friends in parts of the world, the dramatic events of September 11th and our examination of our standing with key populations in the Islamic world since those terrorist attacks have revealed that we have neglected a critical world population stretching from West Africa to Southeast Asia. This arc crosses the Arab Middle East, through Southeastern Europe and Central Asia to Indochina; approximately 1.4 billion people populate the countries along this arc. Your initiative would make it our national policy to reach out to the peoples of these countries to build mutual understanding.

The Cultural Bridges Act of 2002 would capitalize on our nation's capacity to educate and inform by bringing individuals to the United States to learn about our culture, language, and aspirations—all while studying in school, mastering their chosen profession, or doing research. It provides a highly effective (and low cost) way to positively influence foreign populations through citizen diplomacy, something we've done well with post-war Europe and Japan, Latin America, and most recently with the countries of the former Warsaw Pact.

My own organization has utilized academic and youth exchanges for more than 25 years with the former Soviet Union. Among our many successes in fostering understanding of the United States in that region, some of the most impressive results result from exchange programs involving youth, like the Future Leaders Exchange Program, and secondary school teachers, like the Excellence in Teaching Awards Exchange Program—both funded through an earlier congressional initiative, the FREEDOM Support Act. The Cultural Bridges Act that you are introducing in the Senate would facilitate similar successes in the Islamic World.

The American Councils has experience with working in the Muslim communities of the NIS—communities that exist throughout the 12 countries of the old Soviet Union. Some of the most dynamic needs for expanded exchange opportunities in the NIS are apparent in the predominately Islamic countries of Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan—countries that are critical to addressing our urgent security concerns in Central Asia and all of which would be eligible to benefit from your legislation.

Your exchanges initiative is both an effective bulwark against ignorance of the United States and a proactive measure for securing the peace we hope to achieve through our current military campaign. I applaud your leadership in introducing this bill, and look forward to its enactment.

Sincerely,

DAN E. DAVIDSON,
President.

AMERICAN INSTITUTE FOR FOREIGN STUDY,
Stamford, CT, April 2, 2002.

Hon. EDWARD M. KENNEDY, RICHARD LUGAR, and LINCOLN CHAFEE,
U.S. Senate.

DEAR SENATORS: As a member of the Alliance for International Educational and Cultural Exchange, I write to thank you for your leadership in introducing the Cultural Bridges Act of 2002.

Winning the war on terrorism will demand more than just our military prowess. It will require us to engage the peoples of the Islamic world about our society and values if we are to forge the mutual understanding and respect that will be the basic of peaceful, productive relationships. As September 11 and its aftermath make clear, our public diplomacy has fallen short.

Building productive ties will require a sustained and serious commitment that reaches well beyond our current efforts. The exchanges authorized in your bill are the most cost-effective way to encourage the positive personal and institutional relationships that will enhance our long-term national security.

Congressional leadership will be crucial to this endeavor. Student and exchange flows from the Muslim world are among the lowest of any region, and significant new resources

will be required to jump-start this effort. Moreover, a clear federal commitment will leverage private sector support from universities, schools, businesses, and communities across the U.S. This initiative will engage the American people directly in the conduct of the highest priority foreign policy.

Your legislation is the right bill at the right time. You have the gratitude and support of members of the exchange community throughout the United States.

Sincerely,

ROBERT J. BRENNAN,
President.

INSTITUTE OF INTERNATIONAL EDUCATION,
New York, NY April 2, 2002.

Hon. EDWARD M. KENNEDY, RICHARD G. LUGAR, and LINCOLN D. CHAFEE,
U.S. Senate, Washington, DC.

DEAR SENATORS: On behalf of the Institute of International Education, including our Trustees and volunteers across the country, please accept IIE's thanks and appreciation for the leadership you are showing by introducing the Cultural Bridges Act of 2002. Your initiative could not be more relevant and timely.

As always, the leadership of Congress in international educational exchange is critical. Now, in vulnerable areas of the world where peace, understanding and progress through education are vitally needed to insure that terrorism and intolerance are eliminated, your legislation addresses key areas where we can work to build shared values.

Exchanges of high school and college students, graduate students and young professionals, as well as others, who can help create the climate we need where progressive democratic developments flourish are sorely needed in Africa, the Near East, Central and South Asia, and Southeast Asia. The focus of your Cultural Bridges Act of 2002 on members of the Organization of Islamic Conference includes virtually every nation we need to reach if we are serious about making people to people diplomacy work for youth. As you know, the Institute has always regarded the Mutual Educational and Cultural Exchanges Act of 1961 as one of the most important of all this nation's foreign policy documents. By directing the Department of State to establish new initiatives through the authority of the 1961 Act you will assure that the philanthropic and higher education sectors not only support your efforts but help you leverage government resources for important common purposes.

Please let me know if there is anything the Institute can do to assist you in this critically important endeavor at a time of great national need.

Sincerely yours,

NATIONAL COUNCIL FOR INTERNATIONAL VISITORS,
Washington, DC, April 2, 2002.

Hon. EDWARD M. KENNEDY, RICHARD LUGAR, and LINCOLN CHAFEE,
U.S. Senate.

DEAR SENATORS KENNEDY, LUGAR, AND CHAFEE: On behalf of the Board and members of the National Council for International Visitors (NCIV), we thank you for your initiative in introducing the Cultural Bridges Act of 2002. NCIV members—nonprofit program agencies and 95 community organizations across the United States—organize professional programs, home visits, and cultural activities for participants in the State Department's International Visitor Program and other exchanges. More than 80,000 volunteers are involved in NCIV member activities each year, including WorldBoston, International Center of Indianapolis, and the World Affairs Council of Rhode Island.

NCIV members promote citizen diplomacy—the idea that the individual citizen has the right, even the responsibility, to help shape U.S. foreign relations ''one handshake at a time'' through exchanges. We are grateful for your leadership in introducing this legislation that will make more of these handshakes possible with participants from underserved areas of the world.

Sincerely,

ALAN KUMAMOTO,
Chair, Board of Directors.
SHERRY L. MUELLER,
President.

SISTER CITIES INTERNATIONAL,
Washington, DC, April 1, 2002.

Hon. EDWARD M. KENNEDY, RICHARD LUGAR, and LINCOLN CHAFEE,
U.S. Senate.

DEAR SENATORS KENNEDY, LUGAR, AND CHAFEE: On behalf of Sister Cities International and the 700 U.S. cities joined in cooperative sister city partnerships with 1,500 international cities in 121 countries, I applaud your leadership in introducing the Cultural Bridges Act of 2002. The Cultural Bridges Act of 2002 will be a vital tool in the conduct of U.S. foreign policy and public diplomacy in response to new challenges facing the United States.

The need for increased international understanding and cooperation has never been more imperative than in the aftermath of September 11. International education and exchange programs are critical elements in advancing U.S. foreign policy and national security, as they build understanding and cooperation between Americans and future foreign leaders. Nearly 150 present and past foreign heads of state made their first visits to the United States on exchange programs. This powerful tool for building productive, positive relationships has served the United States extraordinarily well over the years, and has included visits from world leaders such as Anwar Sadat and Indira Gandhi, French Premier Lionel Jospin and British Prime Minister Tony Blair.

Perhaps most importantly, the Cultural Bridges Act boldly leads the way for the federal government to encourage sustainable, cooperative relationships between the United States and the Islamic world. In the fight against terrorism and efforts to improve our national security, there can be no doubt that fostering international exchanges will help diminish negative stereotypes and build an environment of mutual understanding and respect for differences. Furthermore, the Cultural Bridges Act will help foster citizen diplomacy initiatives that will promote the involvement of local citizens in international engagement. Now more than ever, the federal government must invest in capacity building at the community level to promote citizen diplomacy, particularly with regard to the Islamic world. As we know, resources allotted for these activities are drastically insufficient in the current climate, and we hope the introduction of the Cultural Bridges Act will move our nation in the right direction of enhanced cooperation.

Thank you for your leadership on this pressing issue.

Sincerely,

TIM HONEY,
Executive Director.

WORLD LEARNING,
Washington, DC, April 1, 2002.

Hon. EDWARD M. KENNEDY, RICHARD LUGAR, and LINCOLN CHAFEE,
U.S. Senate, Washington, DC.

DEAR SENATORS KENNEDY, LUGAR, AND CHAFEE: Thank you for your leadership in introducing the Cultural Bridges Act of 2002. Enactment of this legislation will make possible increase opportunities to bring current and future leaders from the Islamic world to the United States and to send Americans to Muslim counties to teach and study.

Expanded opportunities for citizen exchange between the United States and the Islamic world will help to engender increased respect, understanding and trust between our peoples. building this mutual understanding will enhance our national security by broadening the range of productive interactions between the United States and Muslim countries.

Currently, student and other exchange flows with Muslim countries are lower than with regions of the world. The programs which the Cultural Bridges Act authorizes would provide for significant increases at this crucial time for our nation. Thank you again for your leadership in working to strengthen these important programs.

Sincerely yours,

ROBERT CHASE,
Vice President.

WORLD STUDY GROUP,
San Francisco, CA, April 2, 2002.

Hon. EDWARD M. KENNEDY, RICHARD LUGAR, and LINCOLN CHAFEE,
U.S. Senate.

DEAR SENATORS KENNEDY, LUGAR, AND CHAFEE: On behalf of the World Study Group, I write to thank you for your leadership in introducing the Cultural Bridges Act of 2002. The World Study Group and its affiliated J–1 visa programs are dedicated to increasing understanding and trust between people through international cultural exchange.

Building productive ties with Muslim world will require a sustained and serious commitment that reaches well beyond our current efforts. The exchanges authorized in your bill are the most cost-effective way to encourage the positive personal and institutional relationships that will enhance our long-term national security goals. Breaking down misunderstanding requires that our peoples know each other better.

Congressional leadership will be crucial to this endeavor. Student exchanges from the Muslim world are among the lowest of any region, and significant new resources will be required to jump start this effort. Moreover, a clear federal commitment will leverage private sector support and will immediately engage the American people directly in the conduct of this high priority foreign policy initiative.

Your legislation is the right bill at the right time. On behalf of AYUSA, AuPairCare, and Intrax Inc., we thank you. You have the gratitude and support of our staff and field representatives throughout the United States.

Sincerely,

JOHN WILHELM,
President.

AMENDMENTS SUBMITTED AND PROPOSED

SA 3401. Mr. BAUCUS (for himself and Mr. GRASSLEY) proposed an amendment to the bill H.R. 3009, to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes.

TEXT OF AMENDMENTS

SA 3401. Mr. BAUCUS (for himself and Mr. GRASSLEY) proposed an amendment to the bill H.R. 3009, to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, 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 ''Trade Act of 2002''.

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into 4 divisions as follows:

(1) DIVISION A.—Trade Adjustment Assistance.

(2) DIVISION B.—Bipartisan Trade Promotion Authority.

(3) DIVISION C.—Andean Trade Preference Act.

(4) DIVISION D.—Extension of Certain Preferential Trade Treatment and Other Provisions.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

DIVISION A—TRADE ADJUSTMENT ASSISTANCE

SEC. 101. SHORT TITLE.

This division may be cited as the ''Trade Adjustment Assistance Reform Act of 2002''.

TITLE I—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS

SEC. 111. ADJUSTMENT ASSISTANCE FOR WORKERS.

Chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) is amended to read as follows:

''CHAPTER 2—ADJUSTMENT ASSISTANCE FOR WORKERS

''Subchapter A—General Provisions

''SEC. 221. DEFINITIONS.

''In this chapter:

''(1) ADDITIONAL COMPENSATION.—The term 'additional compensation' has the meaning given that term in section 205(3) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

''(2) ADVERSELY AFFECTED EMPLOYMENT.—The term 'adversely affected employment' means employment in a firm or appropriate subdivision of a firm, if workers of that firm or subdivision are eligible to apply for adjustment assistance under this chapter.

''(3) ADVERSELY AFFECTED WORKER.—

''(A) IN GENERAL.—The term 'adversely affected worker' means a worker who is a member of a group of workers certified by the Secretary under section 231(a)(1) as eligible for trade adjustment assistance.

''(B) ADVERSELY AFFECTED SECONDARY WORKER.—The term 'adversely affected worker' includes an adversely affected secondary worker who is a member of a group of workers employed at a downstream producer or a

supplier, that is certified by the Secretary under section 231(a)(2) as eligible for trade adjustment assistance.

''(4) AVERAGE WEEKLY HOURS.—The term 'average weekly hours' means the average hours worked by a worker (excluding overtime) in the employment from which the worker has been or claims to have been separated in the 52 weeks (excluding weeks during which the worker was on leave for purposes of vacation, sickness, maternity, military service, or any other employer-authorized leave) preceding the week specified in paragraph (5)(B)(ii).

''(5) AVERAGE WEEKLY WAGE.—

''(A) IN GENERAL.—The term 'average weekly wage' means 1/13 of the total wages paid to an individual in the high quarter.

''(B) DEFINITIONS.—For purposes of computing the average weekly wage—

''(i) the term 'high quarter' means the quarter in which the individual's total wages were highest among the first 4 of the last 5 completed calendar quarters immediately preceding the quarter in which occurs the week with respect to which the computation is made; and

''(ii) the term 'week' means the week in which total separation occurred, or, in cases where partial separation is claimed, an appropriate week, as defined in regulations prescribed by the Secretary.

''(6) BENEFIT PERIOD.—The term 'benefit period' means, with respect to an individual, the following:

''(A) STATE LAW.—The benefit year and any ensuing period, as determined under applicable State law, during which the individual is eligible for regular compensation, additional compensation, or extended compensation.

''(B) FEDERAL LAW.—The equivalent to the benefit year or ensuing period provided for under the applicable Federal unemployment insurance law.

''(7) BENEFIT YEAR.—The term 'benefit year' has the same meaning given that term in the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

''(8) CONTRIBUTED IMPORTANTLY.—The term 'contributed importantly' means a cause that is important but not necessarily more important than any other cause.

''(9) COOPERATING STATE.—The term 'cooperating State' means any State that has entered into an agreement with the Secretary under section 222.

''(10) CUSTOMIZED TRAINING.—The term 'customized training' means training that is designed to meet the special requirements of an employer (including a group of employers) and that is conducted with a commitment by the employer to employ an individual on successful completion of the training.

''(11) DOWNSTREAM PRODUCER.—The term 'downstream producer' means a firm that performs additional, value-added production processes for a firm or subdivision, including a firm that performs final assembly or finishing, directly for another firm (or subdivision), for articles that were the basis for a certification of eligibility under section 231(a)(1) of a group of workers employed by such other firm, if the certification of eligibility under section 231(a)(1) is based on an increase in imports from, or a shift in production to, Canada or Mexico.

''(12) EXTENDED COMPENSATION.—The term 'extended compensation' has the meaning given that term in section 205(4) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

''(13) JOB FINDING CLUB.—The term 'job finding club' means a job search workshop which includes a period of structured, supervised activity in which participants attempt to obtain jobs.

''(14) JOB SEARCH PROGRAM.—The term 'job search program' means a job search workshop or job finding club.

''(15) JOB SEARCH WORKSHOP.—The term 'job search workshop' means a short (1- to 3-day) seminar, covering subjects such as labor market information, résumé writing, interviewing techniques, and techniques for finding job openings, that is designed to provide participants with knowledge that will enable the participants to find jobs.

''(16) ON-THE-JOB TRAINING.—The term 'on-the-job training' has the same meaning as that term has in section 101(31) of the Workforce Investment Act.

''(17) PARTIAL SEPARATION.—A partial separation shall be considered to exist with respect to an individual if—

''(A) the individual has had a 20-percent or greater reduction in the average weekly hours worked by that individual in adversely affected employment; and

''(B) the individual has had a 20-percent or greater reduction in the average weekly wage of the individual with respect to adversely affected employment.

''(18) REGULAR COMPENSATION.—The term 'regular compensation' has the meaning given that term in section 205(2) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

''(19) REGULAR STATE UNEMPLOYMENT.—The term 'regular State unemployment' means unemployment insurance benefits other than an extension of unemployment insurance by a State using its own funds beyond either the 26-week period mandated by Federal law or any additional period provided for under the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

''(20) SECRETARY.—The term 'Secretary' means the Secretary of Labor.

''(21) STATE.—The term 'State' includes each State of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

''(22) STATE AGENCY.—The term 'State agency' means the agency of the State that administers the State law.

''(23) STATE LAW.—The term 'State law' means the unemployment insurance law of the State approved by the Secretary under section 3304 of the Internal Revenue Code of 1986.

''(24) SUPPLIER.—The term 'supplier' means a firm that produces and supplies directly to another firm (or subdivision) component parts for articles that were the basis for a certification of eligibility under section 231(a)(1) of a group of workers employed by such other firm.

''(25) TOTAL SEPARATION.—The term 'total separation' means the layoff or severance of an individual from employment with a firm in which or in a subdivision of which, adversely affected employment exists.

''(26) UNEMPLOYMENT INSURANCE.—The term 'unemployment insurance' means the unemployment compensation payable to an individual under any State law or Federal unemployment compensation law, including chapter 85 of title 5, United States Code, and the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.).

''(27) WEEK.—Except as provided in paragraph 5(B)(ii), the term 'week' means a week as defined in the applicable State law.

''(28) WEEK OF UNEMPLOYMENT.—The term 'week of unemployment' means a week of total, part-total, or partial unemployment as determined under the applicable State law or Federal unemployment insurance law.

''SEC. 222. AGREEMENTS WITH STATES.

''(a) IN GENERAL.—The Secretary is authorized on behalf of the United States to enter into an agreement with any State or with any State agency (referred to in this chapter as 'cooperating State' and 'cooperating State agency', respectively) to facilitate the provision of services under this chapter.

''(b) PROVISIONS OF AGREEMENTS.—Under an agreement entered into under subsection (a)—

''(1) the cooperating State agency as an agent of the United States shall—

''(A) facilitate the early filing of petitions under section 231(b) for any group of workers that the State considers is likely to be eligible for benefits under this chapter;

''(B) assist the Secretary in the review of any petition submitted from that State by verifying the information and providing other assistance as the Secretary may request;

''(C) advise each worker who applies for unemployment insurance of the available benefits under this chapter and the procedures and deadlines for applying for those benefits and of the worker's potential eligibility for assistance with health care coverage through the trade adjustment assistance health insurance credit under section 6429 of the Internal Revenue Code of 1986 or under funds made available to the State to carry out section 173(f) of the Workforce Investment Act of 1998;

''(D) receive applications for services under this chapter;

''(E) provide payments on the basis provided for in this chapter;

''(F) advise each adversely affected worker to apply for training under section 240, and of the deadlines for benefits related to enrollment in training under this chapter;

''(G) ensure that the State employees with responsibility for carrying out an agreement entered into under subsection (a)—

''(i) inform adversely affected workers covered by a certification issued under section 231(c) of the workers' (and individual member's of the worker's family) potential eligibility for—

''(I) medical assistance under the medicaid program established under title XIX of the Social Security Act (42 U.S.C. 1396a et seq.);

''(II) child health assistance under the State children's health insurance program established under title XXI of that Act (42 U.S.C. 1397aa et seq.);

''(III) child care services for which assistance is provided under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.);

''(IV) the trade adjustment assistance health insurance credit under section 6429 of the Internal Revenue Code of 1986 and health care coverage assistance under funds made available to the State to carry out section 173(f) of the Workforce Investment Act of 1998; and

''(V) other Federal- and State-funded health care, child care, transportation, and assistance programs for which the workers may be eligible; and

''(ii) provide such workers with information regarding how to apply for such assistance, services, and programs, including notification that the election period for COBRA continuation may be extended for certain workers under section 603 of the Trade Adjustment Assistance Reform Act of 2002;

''(H) provide adversely affected workers referral to training services approved under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.), and any other appropriate Federal or State program designed to assist dislocated workers or unemployed individuals, consistent with the requirements of subsection (b)(2);

''(I) collect and transmit to the Secretary any data as the Secretary shall reasonably require to assist the Secretary in assuring the effective and efficient performance of the programs carried out under this chapter; and

''(J) otherwise actively cooperate with the Secretary and with other Federal and State agencies in providing payments and services under this chapter, including participation in the performance measurement system established by the Secretary under section 224.

''(2) the cooperating State shall—

''(A) arrange for the provision of services under this chapter through the one-stop delivery system established in section 134(c) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(c)) where available;

''(B) provide to adversely affected workers statewide rapid response activities under section 134(a)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(a)(2)(A)) in the same manner and to the same extent as any other worker eligible for those activities;

''(C) afford adversely affected workers the services provided under section 134(d) of the Workforce Investment Act of 1998 (29 U.S.C. 92864(d)) in the same manner and to the same extent as any other worker eligible for those services; and

''(D) provide training services under this chapter using training providers approved under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.) which may include community colleges, and other effective providers of training services.

''(c) OTHER PROVISIONS.—

''(1) APPROVAL OF TRAINING PROVIDERS.—The Secretary shall ensure that the training services provided by cooperating States are provided by organizations approved by the Secretary to effectively assist workers eligible for assistance under this chapter.

''(2) AMENDMENT, SUSPENSION, OR TERMINATION OF AGREEMENTS.—Each agreement entered into under this section shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

''(3) EFFECT ON UNEMPLOYMENT INSURANCE.—Each agreement entered into under this section shall provide that unemployment insurance otherwise payable to any adversely affected worker will not be denied or reduced for any week by reason of any right to payments under this chapter.

''(4) COORDINATION OF WORKFORCE INVESTMENT ACTIVITIES.—In order to promote the coordination of Workforce Investment Act activities in each State with activities carried out under this chapter, each agreement entered into under this section shall provide that the State shall submit to the Secretary, in such form as the Secretary may require, the description and information described in paragraphs (8) and (14) of section 112(b) of the Workforce Investment Act of 1998 (29 U.S.C. 2822(b) (8) and (14)).

''(d) REVIEW OF STATE DETERMINATIONS.—

''(1) IN GENERAL.—A determination by a cooperating State regarding entitlement to program benefits under this chapter is subject to review in the same manner and to the same extent as determinations under the applicable State law.

''(2) APPEAL.—A review undertaken by a cooperating State under paragraph (1) may be appealed to the Secretary pursuant to such regulations as the Secretary may prescribe.

''SEC. 223. ADMINISTRATION ABSENT STATE AGREEMENT.

''(a) IN GENERAL.—In any State in which there is no agreement in force under section 222, the Secretary shall arrange, under regulations prescribed by the Secretary, for the performance of all necessary functions under this chapter, including providing a hearing for any worker whose application for payment is denied.

''(b) FINALITY OF DETERMINATION.—A final determination under subsection (a) regarding entitlement to program benefits under this chapter is subject to review by the courts in the same manner and to the same extent as is provided by section 205(g) of the Social Security Act (42 U.S.C. 405(g)).

''SEC. 224. DATA COLLECTION; EVALUATIONS; REPORTS.

''(a) DATA COLLECTION.—The Secretary shall, pursuant to regulations prescribed by the Secretary, collect any data necessary to meet the requirements of this chapter.

''(b) PERFORMANCE EVALUATIONS.—The Secretary shall establish an effective performance measuring system to evaluate the following:

''(1) PROGRAM PERFORMANCE.—

''(A) speed of petition processing;

''(B) quality of petition processing;

''(C) cost of training programs;

''(D) coordination of programs under this title with programs under the Workforce Investment Act (29 U.S.C. 2801 et seq.);

''(E) length of time participants take to enter and complete training programs;

''(F) the effectiveness of individual contractors in providing appropriate retraining information;

''(G) the effectiveness of individual approved training programs in helping workers obtain employment;

''(H) best practices related to the provision of benefits and retraining; and

''(I) other data to evaluate how individual States are implementing the requirements of this title.

''(2) PARTICIPANT OUTCOMES.—

''(A) reemployment rates;

''(B) types of jobs in which displaced workers have been placed;

''(C) wage and benefit maintenance results;

''(D) training completion rates; and

''(E) other data to evaluate how effective programs under this chapter are for participants, taking into consideration current economic conditions in the State.

''(3) PROGRAM PARTICIPATION DATA.—

''(A) the number of workers receiving benefits and the type of benefits being received;

''(B) the number of workers enrolled in, and the duration of, training by major types of training;

''(C) earnings history of workers that reflects wages before separation and wages in any job obtained after receiving benefits under this Act;

''(D) the cause of dislocation identified in each certified petition;

''(E) the number of petitions filed and workers certified in each United States congressional district; and

''(F) the number of workers who received waivers under each category identified in section 235(c)(1) and the average duration of such waivers.

''(c) STATE PARTICIPATION.—The Secretary shall ensure, to the extent practicable, through oversight and effective internal control measures the following:

''(1) STATE PARTICIPATION.—Participation by each State in the performance measurement system established under subsection (b).

''(2) MONITORING.—Monitoring by each State of internal control measures with respect to performance measurement data collected by each State.

''(3) RESPONSE.—The quality and speed of the rapid response provided by each State under section 134(a)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(a)(2)(A)).

''(d) REPORTS.—

''(1) REPORTS BY THE SECRETARY.—

''(A) INITIAL REPORT.—Not later than 6 months after the date of enactment of the Trade Adjustment Assistance Reform Act of 2002, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report that—

''(i) describes the performance measurement system established under subsection (b);

''(ii) includes analysis of data collected through the system established under subsection (b);

''(iii) includes information identifying the number of workers who received waivers under section 235(c) and the average duration of those during the preceding year;

''(iv) describes and analyzes State participation in the system;

''(v) analyzes the quality and speed of the rapid response provided by each State under section 134(a)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(a)(2)(A)); and

''(vi) provides recommendations for program improvements.

''(B) ANNUAL REPORT.—Not later than 1 year after the date the report is submitted under subparagraph (A), and annually thereafter, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report that includes the information collected under clauses (ii) through (v) of subparagraph (A).

''(2) STATE REPORTS.—Pursuant to regulations prescribed by the Secretary, each State shall submit to the Secretary a report that details its participation in the programs established under this chapter, and that contains the data necessary to allow the Secretary to submit the report required under paragraph (1).

''(3) PUBLICATION.—The Secretary shall make available to each State, and other public and private organizations as determined by the Secretary, the data gathered and evaluated through the performance measurement system established under paragraph (1).

''SEC. 225. STUDY BY SECRETARY OF LABOR WHEN INTERNATIONAL TRADE COMMISSION BEGINS INVESTIGATION.

''(a) NOTIFICATION OF INVESTIGATION.—Whenever the International Trade Commission begins an investigation under section 202 with respect to an industry, the Commission shall immediately notify the Secretary of that investigation, and the Secretary shall immediately begin a study of—

''(1) the number of workers in the domestic industry producing the like or directly competitive article who have been or are likely to be certified as eligible for adjustment assistance under this chapter; and

''(2) the extent to which the adjustment of those workers to the import competition may be facilitated through the use of existing programs.

''(b) REPORT.—

''(1) IN GENERAL.—The Secretary shall provide a report based on the study conducted under subsection (a) to the President not later than 15 days after the day on which the Commission makes its report under section 202(f).

''(2) PUBLICATION.—The Secretary shall promptly make public the report provided to the President under paragraph (1) (with the exception of information which the Secretary determines to be confidential) and shall have a summary of the report published in the Federal Register.

''SEC. 226. REPORT BY SECRETARY OF LABOR ON LIKELY IMPACT OF TRADE AGREEMENTS.

''(a) IN GENERAL.—At least 90 calendar days before the day on which the President enters into a trade agreement under section 2103(b) of the Bipartisan Trade Promotion Authority Act of 2002, the President shall provide the Secretary with details of the agreement as it exists at that time and direct the Secretary to prepare and submit the

assessment described in subsection (b). Between the time the President instructs the Secretary to prepare the assessment under this section and the time the Secretary submits the assessment to Congress, the President shall keep the Secretary current with respect to the details of the agreement.

''(b) ASSESSMENT.—Not later than 90 calendar days after the President enters into the agreement, the Secretary shall submit to the President, the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and the Committees on Appropriations of the Senate and the House of Representatives, a report assessing the likely impact of the agreement on employment in the United States economy as a whole and in specific industrial sectors, including the extent of worker dislocations likely to result from implementation of the agreement. The report shall include an estimate of the financial and administrative resources necessary to provide trade adjustment assistance to all potentially adversely affected workers.

''Subchapter B—Certifications

''SEC. 231. CERTIFICATION AS ADVERSELY AFFECTED WORKERS.

''(a) ELIGIBILITY FOR CERTIFICATION.—

''(1) GENERAL RULE.—A group of workers (including workers in any agricultural firm or subdivision of an agricultural firm) shall be certified by the Secretary as adversely affected workers and eligible for trade adjustment assistance benefits under this chapter pursuant to a petition filed under subsection (b) if the Secretary determines that a significant number or proportion of the workers in the workers' firm or an appropriate subdivision of the firm have become totally or partially separated, or are threatened to become totally or partially separated, and that either—

''(A)(i) the sales or production, or both, of such firm or subdivision have decreased absolutely;

''(ii) the value or volume of imports of articles like or directly competitive with articles produced by that firm or subdivision have increased; and

''(iii) the increase in the value or volume of imports described in clause (ii) contributed importantly to the workers' separation or threat of separation and to the decline in the sales or production of such firm or subdivision; or

''(B) there has been a shift in production by the workers' firm or subdivision to a foreign country of articles like or directly competitive with articles which are produced by that firm or subdivision and the shift in production contributed importantly to the workers' separation or threat of separation.

''(2) ADVERSELY AFFECTED SECONDARY WORKER.—A group of workers (including workers in any agricultural firm or subdivision of an agricultural firm) shall be certified by the Secretary as adversely affected and eligible for trade adjustment assistance benefits under this chapter pursuant to a petition filed under subsection (b) if the Secretary determines that—

''(A) a significant number or proportion of the workers in the workers' firm or an appropriate subdivision of the firm have become totally or partially separated, or are threatened to become totally or partially separated;

''(B) the workers' firm (or subdivision) is a supplier or downstream producer to a firm (or subdivision) that employed a group of workers who received a certification of eligibility under paragraph (1), and such supply or production is related to the article that was the basis for such certification (as defined in section 221 (11) and (24)); and

''(C) a loss of business by the workers' firm with the firm (or subdivision) described in subparagraph (B) contributed importantly to the workers' separation or threat of separation determined under subparagraph (A).

''(3) SPECIAL RULE FOR SECONDARY WORKERS.—Notwithstanding paragraph (2), the Secretary may, pursuant to standards established by the Secretary and for good cause shown, certify as eligible for trade adjustment assistance under this chapter a group of workers who meet the requirements for certification as adversely affected secondary workers in paragraph (2), except that the Secretary has not received a petition under paragraph (1) on behalf of workers at a firm to which the petitioning workers' firm is a supplier or downstream producer as defined in section 221 (11) and (24).

''(4) SPECIAL PROVISIONS.—

''(A) OIL AND NATURAL GAS PRODUCERS.—For purposes of this section, any firm, or appropriate subdivision of a firm, that engages in exploration or drilling for oil or natural gas shall be considered to be a firm producing oil or natural gas.

''(B) OIL AND NATURAL GAS IMPORTS.—For purposes of this section, any firm, or appropriate subdivision of a firm, that engages in exploration or drilling for oil or natural gas, or otherwise produces oil or natural gas, shall be considered to be producing articles directly competitive with imports of oil and with imports of natural gas.

''(C) TACONITE.—For purposes of this section, taconite pellets produced in the United States shall be considered to be an article that is like or directly competitive with imports of semifinished steel slab.

''(b) PETITIONS.—

''(1) IN GENERAL.—A petition for certification of eligibility for trade adjustment assistance under this chapter for a group of adversely affected workers shall be filed simultaneously with the Secretary and with the Governor of the State in which the firm or subdivision of the firm employing the workers is located.

''(2) PERSONS WHO MAY FILE A PETITION.—A petition under paragraph (1) may be filed by any of the following:

''(A) WORKERS.—A group of workers (including workers in an agricultural firm or subdivision of any agricultural firm).

''(B) WORKER REPRESENTATIVES.—The certified or recognized union or other duly appointed representative of the workers.

''(C) WORKER ADJUSTMENT AND RETRAINING NOTIFICATION.—Any entity to which notice of a plant closing or mass layoff must be given under section 3 of the Worker Adjustment and Retraining Notification Act (29 U.S.C. 2102).

''(D) OTHER.—Employers of workers described in subparagraph (A), one-stop operators or one-stop partners (as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801)), or State employment agencies, on behalf of the workers.

''(E) REQUEST TO INITIATE CERTIFICATION.—The President, or the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives (by resolution), may petition the Secretary to initiate a certification process under this chapter to determine the eligibility for trade adjustment assistance of a group of workers.

''(3) ACTIONS BY GOVERNOR.—

''(A) COOPERATING STATE.—Upon receipt of a petition, the Governor of a cooperating State shall ensure that the requirements of the agreement entered into under section 222 are met.

''(B) OTHER STATES.—Upon receipt of a petition, the Governor of a State that has not entered into an agreement under section 222 shall coordinate closely with the Secretary to ensure that workers covered by a petition are—

''(i) provided with all available services, including rapid response activities under section 134 of the Workforce Investment Act (29 U.S.C. 2864);

''(ii) informed of the workers' (and individual member's of the worker's family) potential eligibility for—

''(I) medical assistance under the medicaid program established under title XIX of the Social Security Act (42 U.S.C. 1396a et seq.);

''(II) child health assistance under the State children's health insurance program established under title XXI of that Act (42 U.S.C. 1397aa et seq.);

''(III) child care services for which assistance is provided under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.);

''(IV) the trade adjustment assistance health insurance credit under section 6429 of the Internal Revenue Code of 1986 and health care coverage assistance under funds made available to the State to carry out section 173(f) of the Workforce Investment Act of 1998; and

''(V) other Federal and State funded health care, child care, transportation, and assistance programs that the workers may be eligible for; and

''(iii) provided with information regarding how to apply for the assistance, services, and programs described in clause (ii).

''(c) ACTIONS BY SECRETARY.—

''(1) IN GENERAL.—As soon as possible after the date on which a petition is filed under subsection (b), but not later than 40 days after that date, the Secretary shall determine whether the petitioning group meets the requirements of subsection (a), and if warranted, shall issue a certification of eligibility for trade adjustment assistance pursuant to this subchapter. In making the determination, the Secretary shall consult with all petitioning entities.

''(2) PUBLICATION OF DETERMINATION.—Upon making a determination under paragraph (1), the Secretary shall promptly publish a summary of the determination in the Federal Register together with the reasons for making that determination.

''(3) DATE SPECIFIED IN CERTIFICATION.—Each certification made under this subsection shall specify the date on which the total or partial separation began or threatened to begin with respect to a group of certified workers.

''(4) PROJECTED TRAINING NEEDS.—The Secretary shall inform the State Workforce Investment Board or equivalent agency, and other public or private agencies, institutions, employers, and labor organizations, as appropriate, of each certification issued under section 231 and of projections, if available, of the need for training under section 240 as a result of that certification.

''(d) SCOPE OF CERTIFICATION.—

''(1) IN GENERAL.—A certification issued under subsection (c) shall cover adversely affected workers in any group that meets the requirements of subsection (a), whose total or partial separation occurred on or after the date on which the petition was filed under subsection (b).

''(2) WORKERS SEPARATED PRIOR TO CERTIFICATION.—A certification issued under subsection (c) shall cover adversely affected workers whose total or partial separation occurred not more than 1 year prior to the date on which the petition was filed under subsection (b).

''(e) TERMINATION OF CERTIFICATION.—

''(1) IN GENERAL.—If the Secretary determines, with respect to any certification of eligibility, that workers separated from a firm or subdivision covered by a certification of eligibility are no longer adversely affected workers, the Secretary shall terminate the certification.

''(2) PUBLICATION OF TERMINATION.—The Secretary shall promptly publish notice of any termination made under paragraph (1) in the Federal Register together with the reasons for making that determination.

''(3) APPLICATION.—Any determination made under paragraph (1) shall apply only to total or partial separations occurring after the termination date specified by the Secretary.

''SEC. 232. BENEFIT INFORMATION TO WORKERS.

''(a) IN GENERAL.—The Secretary shall, in accordance with the provisions of section 222 or 223, as appropriate, provide prompt and full information to adversely affected workers covered by a certification issued under section 231(c), including information regarding—

''(1) benefit allowances, training, and other employment services available under this chapter;

''(2) petition and application procedures under this chapter;

''(3) appropriate filing dates for the allowances, training, and services available under this chapter; and

''(4) procedures for applying for and receiving all other Federal benefits and services available to separated workers during a period of unemployment.

''(b) ASSISTANCE TO GROUPS OF WORKERS.—

''(1) IN GENERAL.—The Secretary shall provide any necessary assistance to enable groups of workers to prepare petitions or applications for program benefits.

''(2) ASSISTANCE FROM STATES.—The Secretary shall ensure that cooperating States fully comply with the agreements entered into under section 222 and shall periodically review that compliance.

''(c) NOTICE.—

''(1) IN GENERAL.—Not later that 15 days after a certification is issued under section 231 (or as soon as practicable after separation), the Secretary shall provide written notice of the benefits available under this chapter to each worker whom the Secretary has reason to believe is covered by the certification.

''(2) PUBLICATION OF NOTICE.—The Secretary shall publish notice of the benefits available under this chapter to workers covered by each certification made under section 231 in newspapers of general circulation in the areas in which those workers reside.

''(3) NOTICE TO OTHER PARTIES AFFECTED BY THESE PROVISIONS REGARDING HEALTH ASSISTANCE.—The Secretary shall notify each provider of health insurance within the meaning of section 7527 of the Internal Revenue Code of 1986 of the availability of health care coverage assistance under title VI of the Trade Adjustment Assistance Reform Act of 2002 and of the temporary extension of the election period for COBRA continuation coverage for certain workers under section 603 of that Act.

''Subchapter C—Program Benefits

''PART I—GENERAL PROVISIONS

''SEC. 234. COMPREHENSIVE ASSISTANCE.

''Workers covered by a certification issued by the Secretary under section 231 shall be eligible for the following:

''(1) Trade adjustment allowances as described in sections 235 through 238.

''(2) Employment services as described in section 239.

''(3) Training as described in section 240.

''(4) Job search allowances as described in section 241.

''(5) Relocation allowances as described in section 242.

''(6) Supportive services and wage insurance as described in section 243.

''(7) Health care coverage assistance under title VI of the Trade Adjustment Assistance Reform Act of 2002.

''PART II—TRADE ADJUSTMENT ALLOWANCES

''SEC. 235. QUALIFYING REQUIREMENTS FOR WORKERS.

''(a) IN GENERAL.—Payment of a trade adjustment allowance shall be made to an adversely affected worker covered by a certification under section 231 who files an application for the allowance for any week of unemployment that begins more than 60 days after the date on which the petition that resulted in the certification was filed under section 231, if the following conditions are met:

''(1) TIME OF TOTAL OR PARTIAL SEPARATION FROM EMPLOYMENT.—The adversely affected worker's total or partial separation before the worker's application under this chapter occurred—

''(A) within the period specified in either section 231 (d) (1) or (2);

''(B) before the expiration of the 2-year period beginning on the date on which the certification under section 231 was issued; and

''(C) before the termination date (if any) determined pursuant to section 231(e).

''(2) EMPLOYMENT REQUIRED.—

''(A) IN GENERAL.—The adversely affected worker had, in the 52-week period ending with the week in which the total or partial separation occurred, at least 26 weeks of employment at wages of $30 or more a week with a single firm or subdivision of a firm.

''(B) UNAVAILABILITY OF DATA.—If data with respect to weeks of employment with a firm are not available, the worker had equivalent amounts of employment computed under regulations prescribed by the Secretary.

''(C) WEEK OF EMPLOYMENT.—For the purposes of this paragraph any week shall be treated as a week of employment at wages of $30 or more, if an adversely affected worker—

''(i) is on employer-authorized leave for purposes of vacation, sickness, injury, or maternity, or inactive duty training or active duty for training in the Armed Forces of the United States;

''(ii) does not work because of a disability that is compensable under a workmen's compensation law or plan of a State or the United States;

''(iii) had employment interrupted in order to serve as a full-time representative of a labor organization in that firm or subdivision; or

''(iv) is on call-up for purposes of active duty in a reserve status in the Armed Forces of the United States, provided that active duty is 'Federal service' as defined in section 8521(a)(1) of title 5, United States Code.

''(D) EXCEPTIONS.—

''(i) In the case of weeks described in clause (i) or (iii) of subparagraph (C), or both, not more than 7 weeks may be treated as weeks of employment under subparagraph (C).

''(ii) In the case of weeks described in clause (ii) or (iv) of subparagraph (C), not more than 26 weeks may be treated as weeks of employment under subparagraph (C).

''(3) UNEMPLOYMENT COMPENSATION.—The adversely affected worker meets all of the following requirements:

''(A) ENTITLEMENT TO UNEMPLOYMENT INSURANCE.—The worker was entitled to (or would be entitled to if the worker applied for) unemployment insurance for a week within the benefit period—

''(i) in which total or partial separation took place; or

''(ii) which began (or would have begun) by reason of the filing of a claim for unemployment insurance by the worker after total or partial separation.

''(B) EXHAUSTION OF UNEMPLOYMENT INSURANCE.—The worker has exhausted all rights to any regular State unemployment insurance to which the worker was entitled (or would be entitled if the worker had applied for any regular State unemployment insurance).

''(C) NO UNEXPIRED WAITING PERIOD.—The worker does not have an unexpired waiting period applicable to the worker for any unemployment insurance.

''(4) EXTENDED UNEMPLOYMENT COMPENSATION.—The adversely affected worker, with respect to a week of unemployment, would not be disqualified for extended compensation payable under the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) by reason of the work acceptance and job search requirements in section 202(a)(3) of that Act.

''(5) TRAINING.—The adversely affected worker is enrolled in a training program approved by the Secretary under section 240(a), and the enrollment occurred not later than the latest of the periods described in subparagraph (A), (B), or (C).

''(A) 16 WEEKS.—The worker enrolled not later than the last day of the 16th week after the worker's most recent total separation that meets the requirements of paragraphs (1) and (2).

''(B) 8 WEEKS.—The worker enrolled not later than the last day of the 8th week after the week in which the Secretary issues a certification covering the worker.

''(C) EXTENUATING CIRCUMSTANCES.—Notwithstanding subparagraphs (A) and (B), the adversely affected worker is eligible for trade adjustment assistance if the worker enrolled not later than 45 days after the later of the dates specified in subparagraph (A) or (B), and the Secretary determines there are extenuating circumstances that justify an extension in the enrollment period.

''(b) FAILURE TO PARTICIPATE IN TRAINING.—

''(1) IN GENERAL.—Until the adversely affected worker begins or resumes participation in a training program approved under section 240(a), no trade adjustment allowance may be paid under subsection (a) to an adversely affected worker for any week or any succeeding week in which—

''(A) the Secretary determines that—

''(i) the adversely affected worker—

''(I) has failed to begin participation in a training program the enrollment in which meets the requirement of subsection (a)(5); or

''(II) has ceased to participate in such a training program before completing the training program; and

''(ii) there is no justifiable cause for the failure or cessation; or

''(B) the waiver issued to that worker under subsection (c)(1) is revoked under subsection (c)(2).

''(2) EXCEPTION.—The provisions of subsection (a)(5) and paragraph (1) shall not apply with respect to any week of unemployment that begins before the first week following the week in which the certification is issued under section 231.

''(c) WAIVERS OF TRAINING REQUIREMENTS.—

''(1) ISSUANCE OF WAIVERS.—The Secretary may issue a written statement to an adversely affected worker waiving the requirement to be enrolled in training described in subsection (a) if the Secretary determines that the training requirement is not feasible or appropriate for the worker, because of 1 or more of the following reasons:

''(A) RECALL.—The worker has been notified that the worker will be recalled by the firm from which the separation occurred.

''(B) MARKETABLE SKILLS.—The worker possesses marketable skills for suitable employment (as determined pursuant to an assessment of the worker, which may include the profiling system under section 303(j) of the Social Security Act (42 U.S.C. 503(j)), carried out in accordance with guidelines issued by the Secretary) and there is a reasonable expectation of employment at equivalent wages in the foreseeable future.

''(C) RETIREMENT.—The worker is within 2 years of meeting all requirements for entitlement to either—

''(i) old-age insurance benefits under title II of the Social Security Act (42 U.S.C. 401 et seq.) (except for application therefore); or

''(ii) a private pension sponsored by an employer or labor organization.

''(D) HEALTH.—The worker is unable to participate in training due to the health of the worker, except that a waiver under this subparagraph shall not be construed to exempt a worker from requirements relating to the availability for work, active search for work, or refusal to accept work under Federal or State unemployment compensation laws.

''(E) ENROLLMENT UNAVAILABLE.—The first available enrollment date for the approved training of the worker is within 60 days after the date of the determination made under this paragraph, or, if later, there are extenuating circumstances for the delay in enrollment, as determined pursuant to guidelines issued by the Secretary.

''(F) TRAINING NOT AVAILABLE.—Training approved by the Secretary is not reasonably available to the worker from either governmental agencies or private sources (which may include area vocational education schools, as defined in section 3 of the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2302), and employers), no training that is suitable for the worker is available at a reasonable cost, or no training funds are available.

''(G) OTHER.—The Secretary may, at his discretion, issue a waiver if the Secretary determines that a worker has set forth in writing reasons other than those provided for in subparagraphs (A) through (F) justifying the grant of such waiver.

''(2) DURATION OF WAIVERS.—

''(A) IN GENERAL.—A waiver issued under paragraph (1) shall be effective for not more than 6 months after the date on which the waiver is issued, unless the Secretary determines otherwise.

''(B) REVOCATION.—The Secretary shall revoke a waiver issued under paragraph (1) if the Secretary determines that the basis of a waiver is no longer applicable to the worker.

''(3) AMENDMENTS UNDER SECTION 222.—

''(A) ISSUANCE BY COOPERATING STATES.—Pursuant to an agreement under section 222, the Secretary may authorize a cooperating State to issue waivers as described in paragraph (1).

''(B) SUBMISSION OF STATEMENTS.—An agreement under section 222 shall include a requirement that the cooperating State submit to the Secretary the written statements provided under paragraph (1) and a statement of the reasons for the waiver.

''SEC. 236. WEEKLY AMOUNTS.

''(a) IN GENERAL.—Subject to subsections (b) and (c), the trade adjustment allowance payable to an adversely affected worker for a week of total unemployment shall be an amount equal to the most recent weekly benefit amount of the unemployment insurance payable to the worker for a week of total unemployment preceding the worker's first exhaustion of unemployment insurance (as determined for purposes of section 235(a)(3)(B)) reduced (but not below zero) by—

''(1) any training allowance deductible under subsection (c); and

''(2) any income that is deductible from unemployment insurance under the disqualifying income provisions of the applicable State law or Federal unemployment insurance law.

''(b) ADJUSTMENT FOR WORKERS RECEIVING TRAINING.—

''(1) IN GENERAL.—Any adversely affected worker who is entitled to a trade adjustment allowance and who is receiving training approved by the Secretary, shall receive for each week in which the worker is undergoing that training, a trade adjustment allowance in an amount (computed for such week) equal to the greater of—

''(A) the amount computed under subsection (a); or

''(B) the amount of any weekly allowance for that training to which the worker would be entitled under any other Federal law for the training of workers, if the worker applied for that allowance.

''(2) ALLOWANCE PAID IN LIEU OF.—Any trade adjustment allowance calculated under paragraph (1) shall be paid in lieu of any training allowance to which the worker would be entitled under any other Federal law.

''(3) COORDINATION WITH UNEMPLOYMENT INSURANCE.—Any week in which a worker undergoing training approved by the Secretary receives payments from unemployment insurance shall be subtracted from the total number of weeks for which a worker may receive trade adjustment allowance under this chapter.

''(c) ADJUSTMENT FOR WORKERS RECEIVING ALLOWANCES UNDER OTHER FEDERAL LAW.—

''(1) REDUCTION IN WEEKS FOR WHICH ALLOWANCE WILL BE PAID.—If a training allowance under any Federal law (other than this Act) is paid to an adversely affected worker for any week of unemployment with respect to which the worker would be entitled (determined without regard to any disqualification under section 235(b)) to a trade adjustment allowance if the worker applied for that allowance, each week of unemployment shall be deducted from the total number of weeks of trade adjustment allowance otherwise payable to that worker under section 235(a) when the worker applies for a trade adjustment allowance and is determined to be entitled to the allowance.

''(2) PAYMENT OF DIFFERENCE.—If the training allowance paid to a worker for any week of unemployment is less than the amount of the trade adjustment allowance to which the worker would be entitled if the worker applied for the trade adjustment allowance, the worker shall receive, when the worker applies for a trade adjustment allowance and is determined to be entitled to the allowance, a trade adjustment allowance for that week equal to the difference between the training allowance and the trade adjustment allowance computed under subsection (b).

''SEC. 237. LIMITATIONS ON TRADE ADJUSTMENT ALLOWANCES.

''(a) AMOUNT PAYABLE.—The maximum amount of trade adjustment allowance payable to an adversely affected worker, with respect to the period covered by any certification, shall be the amount that is the product of 104 multiplied by the trade adjustment allowance payable to the worker for a week of total unemployment (as determined under section 236) reduced by the total sum of the regular State unemployment insurance to which the worker was entitled (or would have been entitled if the worker had applied for unemployment insurance) in the worker's first benefit period described in section 235(a)(3)(A).

''(b) DURATION OF PAYMENTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), a trade adjustment allowance shall not be paid for any week occurring after the close of the 104-week period that begins with the first week following the week in which the adversely affected worker was most recently totally separated—

''(A) within the period that is described in section 235(a)(1); and

''(B) with respect to which the worker meets the requirements of section 235(a)(2).

''(2) SPECIAL RULES.—

''(A) BREAK IN TRAINING.—For purposes of this chapter, a worker shall be treated as participating in a training program approved by the Secretary under section 240(a) during any week that is part of a break in a training that does not exceed 30 days if—

''(i) the worker was participating in a training program approved under section 240(a) before the beginning of the break in training; and

''(ii) the break is provided under the training program.

''(B) ON-THE-JOB TRAINING.—No trade adjustment allowance shall be paid to a worker under this chapter for any week during which the worker is receiving on-the-job training, except that a trade adjustment allowance shall be paid if a worker is enrolled in a non-paid customized training program.

''(C) SMALL BUSINESS ADMINISTRATION PILOT PROGRAM.—An adversely affected worker who is participating in a self-employment training program established by the Director of the Small Business Administration pursuant to section 102 of the Trade Adjustment Assistance Reform Act of 2002, shall not be ineligible to receive benefits under this chapter.

''(c) ADJUSTMENT OF AMOUNTS PAYABLE.—Amounts payable to an adversely affected worker under this chapter shall be subject to adjustment on a week-to-week basis as may be required by section 236.

''(d) YEAR-END ADJUSTMENT.—

''(1) IN GENERAL.—Notwithstanding any other provision of this Act or any other provision of law, if the benefit year of a worker ends within an extended benefit period, the number of weeks of extended benefits that the worker would, but for this subsection, be entitled to in that extended benefit period shall not be reduced by the number of weeks for which the worker was entitled, during that benefit year, to trade adjustment allowances under this part.

''(2) EXTENDED BENEFITS PERIOD.—For the purpose of this section the term 'extended benefit period' has the same meaning given that term in the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

''SEC. 238. APPLICATION OF STATE LAWS.

''(a) IN GENERAL.—Except where inconsistent with the provisions of this chapter and subject to such regulations as the Secretary may prescribe, the availability and disqualification provisions of the State law under which an adversely affected worker is entitled to unemployment insurance (whether or not the worker has filed a claim for such insurance), or, if the worker is not so entitled to unemployment insurance, of the State in which the worker was totally or partially separated, shall apply to a worker that files an application for trade adjustment assistance.

''(b) DURATION OF APPLICABILITY.—The State law determined to be applicable with respect to a separation of an adversely affected worker shall remain applicable for purposes of subsection (a), with respect to a separation until the worker becomes entitled to unemployment insurance under another State law (whether or not the worker has filed a claim for that insurance).

"PART III—EMPLOYMENT SERVICES, TRAINING, AND OTHER ALLOWANCES

"SEC. 239. EMPLOYMENT SERVICES.

''The Secretary shall, in accordance with section 222 or 223, as applicable, make every reasonable effort to secure for adversely affected workers covered by a certification under section 231, counseling, testing, placement, and other services provided for under any other Federal law.

"SEC. 240. TRAINING.

''(a) APPROVED TRAINING PROGRAMS.—

''(1) IN GENERAL.—The Secretary shall approve training programs that include—

''(A) on-the-job training or customized training;

''(B) any employment or training activity provided through a one-stop delivery system under chapter 5 of subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2861 et seq.);

''(C) any program of adult education;

''(D) any training program (other than a training program described in paragraph (3)) for which all, or any portion, of the costs of training the worker are paid—

''(i) under any Federal or State program other than this chapter; or

''(ii) from any source other than this section; and

''(E) any other training program that the Secretary determines is acceptable to meet the needs of an adversely affected worker.

In making the determination under subparagraph (E), the Secretary shall consult with interested parties.

''(2) TRAINING AGREEMENTS.—Before approving any training to which subsection (f)(1)(C) may apply, the Secretary may require that the adversely affected worker enter into an agreement with the Secretary under which the Secretary will not be required to pay under subsection (b) the portion of the costs of the training that the worker has reason to believe will be paid under the program, or by the source, described in clause (i) or (ii) of subsection (f)(1)(C).

''(3) LIMITATION ON APPROVALS.—The Secretary shall not approve a training program if all of the following apply:

''(A) PAYMENT BY PLAN.—Any portion of the costs of the training program are paid under any nongovernmental plan or program.

''(B) RIGHT TO OBTAIN.—The adversely affected worker has a right to obtain training or funds for training under that plan or program.

''(C) REIMBURSEMENT.—The plan or program requires the worker to reimburse the plan or program from funds provided under this chapter, or from wages paid under the training program, for any portion of the costs of that training program paid under the plan or program.

''(b) PAYMENT OF TRAINING COSTS.—

''(1) IN GENERAL.—Upon approval of a training program under subsection (a), and subject to the limitations imposed by this section, an adversely affected worker covered by a certification issued under section 231 may be eligible to have payment of the costs of that training, including any costs of an approved training program incurred by a worker before a certification was issued under section 231, made on behalf of the worker by the Secretary directly or through a voucher system.

''(2) ON-THE-JOB TRAINING AND CUSTOMIZED TRAINING.—

''(A) PROVISION OF TRAINING ON THE JOB OR CUSTOMIZED TRAINING.—If the Secretary approves training under subsection (a), the Secretary shall, insofar as possible, provide or assure the provision of that training on the job or customized training, and any training on the job or customized training that is approved by the Secretary under subsection (a) shall include related education necessary for the acquisition of skills needed for a position within a particular occupation.

''(B) MONTHLY INSTALLMENTS.—If the Secretary approves payment of any on-the-job training or customized training under subsection (a), the Secretary shall pay the costs of that training in equal monthly installments.

''(C) LIMITATIONS.—The Secretary may pay the costs of on-the-job training or customized training only if—

''(i) no employed worker is displaced by the adversely affected worker (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits);

''(ii) the training does not impair contracts for services or collective bargaining agreements;

''(iii) in the case of training that would affect a collective bargaining agreement, the written concurrence of the labor organization concerned has been obtained;

''(iv) no other individual is on layoff from the same, or any substantially equivalent, job for which the adversely affected worker is being trained;

''(v) the employer has not terminated the employment of any regular employee or otherwise reduced the workforce of the employer with the intention of filling the vacancy so created by hiring the adversely affected worker;

''(vi) the job for which the adversely affected worker is being trained is not being created in a promotional line that will infringe in any way upon the promotional opportunities of employed individuals;

''(vii) the training is not for the same occupation from which the worker was separated and with respect to which the worker's group was certified pursuant to section 231;

''(viii) the employer is provided reimbursement of not more than 50 percent of the wage rate of the participant, for the cost of providing the training and additional supervision related to the training;

''(ix) the employer has not received payment under subsection (b)(1) with respect to any other on-the-job training provided by the employer or customized training that failed to meet the requirements of clauses (i) through (vi); and

''(x) the employer has not taken, at any time, any action that violated the terms of any certification described in clause (viii) made by that employer with respect to any other on-the-job training provided by the employer or customized training for which the Secretary has made a payment under paragraph (1).

''(c) CERTAIN WORKERS ELIGIBLE FOR TRAINING BENEFITS.—An adversely affected worker covered by a certification issued under section 231, who is not qualified to receive a trade adjustment allowance under section 235, may be eligible to have payment of the costs of training made under this section, if the worker enters a training program approved by the Secretary not later than 6 months after the date on which the certification that covers the worker is issued or the Secretary determines that one of the following applied:

''(1) Funding was not available at the time at which the adversely affected worker was required to enter training under paragraph (1).

''(2) The adversely affected worker was covered by a waiver issued under section 235(c).

''(d) EXHAUSTION OF UNEMPLOYMENT INSURANCE NOT REQUIRED.—The Secretary may approve training, and pay the costs thereof, for any adversely affected worker who is a member of a group certified under section 231 at any time after the date on which the group is certified, without regard to whether the worker has exhausted all rights to any unemployment insurance to which the worker is entitled.

''(e) SUPPLEMENTAL ASSISTANCE.—

''(1) IN GENERAL.—Subject to paragraphs (2) and (3), when training is provided under a training program approved by the Secretary under subsection (a) in facilities that are not within commuting distance of a worker's regular place of residence, the Secretary may authorize supplemental assistance to defray reasonable transportation and subsistence expenses for separate maintenance.

''(2) TRANSPORTATION EXPENSES.—The Secretary may not authorize payments for travel expenses exceeding the prevailing mileage rate authorized under the Federal travel regulations.

''(3) SUBSISTENCE EXPENSES.—The Secretary may not authorize payments for subsistence that exceed the lesser of—

''(A) the actual per diem expenses for subsistence of the worker; or

''(B) an amount equal to 50 percent of the prevailing per diem allowance rate authorized under Federal travel regulations.

''(f) SPECIAL PROVISIONS; LIMITATIONS.—

''(1) LIMITATION ON MAKING PAYMENTS.—

''(A) DISALLOWANCE OF OTHER PAYMENT.—If the costs of training an adversely affected worker are paid by the Secretary under subsection (b), no other payment for those training costs may be made under any other provision of Federal law.

''(B) NO PAYMENT OF REIMBURSABLE COSTS.—No payment for the costs of approved training may be made under subsection (b) if those costs—

''(i) have already been paid under any other provision of Federal law; or

''(ii) are reimbursable under any other provision of Federal law and a portion of those costs has already been paid under that other provision of Federal law.

''(C) NO PAYMENT OF COSTS PAID ELSEWHERE.—The Secretary is not required to pay the costs of any training approved under subsection (a) to the extent that those costs are paid under any Federal or State program other than this chapter.

''(D) EXCEPTION.—The provisions of this paragraph shall not apply to, or take into account, any funds provided under any other provision of Federal law that are used for any purpose other than the direct payment of the costs incurred in training a particular adversely affected worker, even if the use of those funds has the effect of indirectly paying for or reducing any portion of the costs involved in training the adversely affected worker.

''(2) UNEMPLOYMENT ELIGIBILITY.—A worker may not be determined to be ineligible or disqualified for unemployment insurance or program benefits under this subchapter because the individual is in training approved under subsection (a), because of leaving work which is not suitable employment to enter the training, or because of the application to any week in training of provisions of State law or Federal unemployment insurance law relating to availability for work, active search for work, or refusal to accept work.

''(3) DEFINITION.—For purposes of this section the term 'suitable employment' means, with respect to a worker, work of a substantially equal or higher skill level than the worker's past adversely affected employment, and wages for such work at not less than 80 percent of the worker's average weekly wage.

''(4) PAYMENTS AFTER REEMPLOYMENT.—

''(A) IN GENERAL.—In the case of an adversely affected worker who secures reemployment, the Secretary may approve and

pay the costs of training (or shall continue to pay the costs of training previously approved) for that adversely affected worker, for the completion of the training program or up to 26 weeks, whichever is less, after the date the adversely affected worker becomes reemployed.

''(B) TRADE ADJUSTMENT ALLOWANCE.—An adversely affected worker who is reemployed and is undergoing training approved by the Secretary pursuant to subparagraph (A) may continue to receive a trade adjustment allowance, subject to the income offsets provided for in the worker's State unemployment compensation law in accordance with the provisions of section 237.

''(5) FUNDING.—The total amount of payments that may be made under this section for any fiscal year shall not exceed $300,000,000.

''SEC. 241. JOB SEARCH ALLOWANCES.

''(a) JOB SEARCH ALLOWANCE AUTHORIZED.—

''(1) IN GENERAL.—An adversely affected worker covered by a certification issued under section 231 may file an application with the Secretary for payment of a job search allowance.

''(2) APPROVAL OF APPLICATIONS.—The Secretary may grant an allowance pursuant to an application filed under paragraph (1) when all of the following apply:

''(A) ASSIST ADVERSELY AFFECTED WORKER.—The allowance is paid to assist an adversely affected worker who has been totally separated in securing a job within the United States.

''(B) LOCAL EMPLOYMENT NOT AVAILABLE.—The Secretary determines that the worker cannot reasonably be expected to secure suitable employment in the commuting area in which the worker resides.

''(C) APPLICATION.—The worker has filed an application for the allowance with the Secretary before—

''(i) the later of—

''(I) the 365th day after the date of the certification under which the worker is certified as eligible; or

''(II) the 365th day after the date of the worker's last total separation; or

''(ii) the date that is the 182d day after the date on which the worker concluded training, unless the worker received a waiver under section 235(c).

''(b) AMOUNT OF ALLOWANCE.—

''(1) IN GENERAL.—An allowance granted under subsection (a) shall provide reimbursement to the worker of 90 percent of the cost of necessary job search expenses as prescribed by the Secretary in regulations.

''(2) MAXIMUM ALLOWANCE.—Reimbursement under this subsection may not exceed $1,250 for any worker.

''(3) ALLOWANCE FOR SUBSISTENCE AND TRANSPORTATION.—Reimbursement under this subsection may not be made for subsistence and transportation expenses at levels exceeding those allowable under section 240(e).

''(c) EXCEPTION.—Notwithstanding subsection (b), the Secretary shall reimburse any adversely affected worker for necessary expenses incurred by the worker in participating in a job search program approved by the Secretary.

''SEC. 242. RELOCATION ALLOWANCES.

''(a) RELOCATION ALLOWANCE AUTHORIZED.—

''(1) IN GENERAL.—Any adversely affected worker covered by a certification issued under section 231 may file an application for a relocation allowance with the Secretary, and the Secretary may grant the relocation allowance, subject to the terms and conditions of this section.

''(2) CONDITIONS FOR GRANTING ALLOWANCE.—A relocation allowance may be granted if all of the following terms and conditions are met:

''(A) ASSIST AN ADVERSELY AFFECTED WORKER.—The relocation allowance will assist an adversely affected worker in relocating within the United States.

''(B) LOCAL EMPLOYMENT NOT AVAILABLE.—The Secretary determines that the worker cannot reasonably be expected to secure suitable employment in the commuting area in which the worker resides.

''(C) TOTAL SEPARATION.—The worker is totally separated from employment at the time relocation commences.

''(D) SUITABLE EMPLOYMENT OBTAINED.—The worker—

''(i) has obtained suitable employment affording a reasonable expectation of long-term duration in the area in which the worker wishes to relocate; or

''(ii) has obtained a bona fide offer of such employment.

''(E) APPLICATION.—The worker filed an application with the Secretary before—

''(i) the later of—

''(I) the 425th day after the date of the certification under section 231; or

''(II) the 425th day after the date of the worker's last total separation; or

''(ii) the date that is the 182d day after the date on which the worker concluded training, unless the worker received a waiver under section 235(c).

''(b) AMOUNT OF ALLOWANCE.—The relocation allowance granted to a worker under subsection (a) includes—

''(1) 90 percent of the reasonable and necessary expenses (including, but not limited to, subsistence and transportation expenses at levels not exceeding those allowable under section 240(e)) specified in regulations prescribed by the Secretary, incurred in transporting the worker, the worker's family, and household effects; and

''(2) a lump sum equivalent to 3 times the worker's average weekly wage, up to a maximum payment of $1,250.

''(c) LIMITATIONS.—A relocation allowance may not be granted to a worker unless—

''(1) the relocation occurs within 182 days after the filing of the application for relocation assistance; or

''(2) the relocation occurs within 182 days after the conclusion of training, if the worker entered a training program approved by the Secretary under section 240(a).

''SEC. 243. SUPPORTIVE SERVICES; WAGE INSURANCE.

''(a) SUPPORTIVE SERVICES.—

''(1) APPLICATION.—

''(A) IN GENERAL.—The State may, on behalf of any adversely affected worker or group of workers covered by a certification issued under section 231—

''(i) file an application with the Secretary for services under section 173 of the Workforce Investment Act of 1998 (relating to National Emergency Grants); and

''(ii) provide other services under title I of the Workforce Investment Act of 1998.

''(B) SERVICES.—The services available under this paragraph include transportation, child care, and dependent care that are necessary to enable a worker to participate in activities authorized under this chapter.

''(2) CONDITIONS.—The Secretary may approve an application filed under paragraph (1)(A)(i) and provide supportive services to an adversely affected worker only if the Secretary determines that all of the following apply:

''(A) NECESSITY.—Providing services is necessary to enable the worker to participate in or complete training.

''(B) CONSISTENT WITH WORKFORCE INVESTMENT ACT.—The services are consistent with the supportive services provided to participants under the provisions relating to dislocated worker employment and training activities set forth in chapter 5 of subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2861 et seq.).

''(b) WAGE INSURANCE PROGRAM.—

''(1) IN GENERAL.—Not later than 1 year after the date of enactment of the Trade Adjustment Assistance Reform Act of 2002, the Secretary shall establish, and the States shall implement, a Wage Insurance Program under which a State shall use the funds provided to the State for trade adjustment allowances to pay to an adversely affected worker certified under section 231 a wage subsidy of up to 50 percent of the difference between the wages received by the adversely affected worker from reemployment and the wages received by the adversely affected worker at the time of separation for a period not to exceed 2 years.

''(2) AMOUNT OF PAYMENT.—

''(A) WAGES UNDER $40,000.—If the wages the worker receives from reemployment are less than $40,000 a year, the wage subsidy shall be 50 percent of the difference between the amount of the wages received by the worker from reemployment and the amount of the wages received by the worker at the time of separation.

''(B) WAGES BETWEEN $40,000 AND $50,000.—If the wages received by the worker from reemployment are greater than $40,000 a year but less than $50,000 a year, the wage subsidy shall be 25 percent of the difference between the amount of the wages received by the worker from reemployment and the amount of the wages received by the worker at the time of separation.

''(3) ELIGIBILITY.—An adversely affected worker may be eligible to receive a wage subsidy under this subsection if the worker—

''(A) enrolls in the Wage Insurance Program;

''(B) obtains reemployment not more than 26 weeks after the date of separation from the adversely affected employment;

''(C) is at least 50 years of age;

''(D) earns not more than $50,000 a year in wages from reemployment;

''(E) is employed on a full-time basis as defined by State law in the State in which the worker is employed; and

''(F) does not return to the employment from which the worker was separated.

''(4) AMOUNT OF PAYMENTS.—The payments made under paragraph (1) to an adversely affected worker may not exceed $5,000 a year for each year of the 2-year period.

''(5) LIMITATION ON OTHER BENEFITS.—At the time a worker begins to receive a wage subsidy under this subsection the worker shall not be eligible to receive any benefits under this Act other than the wage subsidy unless the Secretary determines, pursuant to standards established by the Secretary, that the worker has shown circumstances that warrant eligibility for training benefits under section 240.

''(6) FUNDING.—The total amount of payments that may be made under this subsection for any fiscal year shall not exceed $50,000,000.

''(7) TERMINATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), no payments may be made under this subsection after the date that is 2 years after the date on which the program under this subsection is implemented in the State under paragraph (1).

''(B) EXCEPTION.—Notwithstanding subparagraph (A), a worker receiving payments under this subsection on the date described in subparagraph (A) shall continue to receive such payments for as long as the worker meets the eligibility requirements of this subsection.

''(c) STUDIES OF ASSISTANCE AVAILABLE TO ECONOMICALLY DISTRESSED WORKERS.—

''(1) STUDY BY THE GENERAL ACCOUNTING OFFICE.—

''(A) IN GENERAL.—The Comptroller General of the United States shall conduct a study of all assistance provided by the Federal Government for workers facing job loss and economic distress.

''(B) REPORT.—Not later than 1 year after the date of enactment of the Trade Adjustment Assistance Reform Act of 2002, the Comptroller General shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report on the study conducted under subparagraph (A). The report shall include a description of—

''(i) all Federal programs designed to assist workers facing job loss and economic distress, including all benefits and services;

''(ii) eligibility requirements for each of the programs; and

''(iii) procedures for applying for and receiving benefits and services under each of the programs.

''(C) DISTRIBUTION OF GAO REPORT.—The report described in subparagraph (B) shall be distributed to all one-stop partners authorized under the Workforce Investment Act of 1998.

''(2) STUDIES BY THE STATES.—

''(A) IN GENERAL.—Each State may conduct a study of its assistance programs for workers facing job loss and economic distress.

''(B) GRANTS.—The Secretary may award to each State a grant, not to exceed $50,000, to enable the State to conduct the study described in subparagraph (A). Each study shall be undertaken in consultation with affected parties.

''(C) REPORT.—Not later than 1 year after the date of the grant, each State that receives a grant under subparagraph (B) shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives the report described in subparagraph (A).

''(D) DISTRIBUTION OF STATE REPORTS.—A report prepared by a State under this paragraph shall be distributed to all the one-stop partners in the State.

''Subchapter D—Payment and Enforcement Provisions

''SEC. 244. PAYMENTS TO STATES.

''(a) IN GENERAL.—The Secretary, from time to time, shall certify to the Secretary of the Treasury for payment to each cooperating State, the sums necessary to enable that State as agent of the United States to make payments provided for by this chapter.

''(b) LIMITATION ON USE OF FUNDS.—

''(1) IN GENERAL.—All money paid to a cooperating State under this section shall be used solely for the purposes for which it is paid.

''(2) RETURN OF FUNDS NOT SO USED.—Money paid that is not used for the purpose for which it is paid under subsection (a) shall be returned to the Secretary of the Treasury at the time specified in the agreement entered into under section 222.

''(c) SURETY BOND.—Any agreement under section 222 may require any officer or employee of the cooperating State certifying payments or disbursing funds under the agreement or otherwise participating in the performance of the agreement, to give a surety bond to the United States in an amount the Secretary deems necessary, and may provide for the payment of the cost of that bond from funds for carrying out the purposes of this chapter.

''SEC. 245. LIABILITIES OF CERTIFYING AND DISBURSING OFFICERS.

''(a) LIABILITY OF CERTIFYING OFFICIALS.—No person designated by the Secretary, or designated pursuant to an agreement entered into under section 222, as a certifying officer, in the absence of gross negligence or intent to defraud the United States, shall be liable with respect to any payment certified by that person under this chapter.

''(b) LIABILITY OF DISBURSING OFFICERS.—No disbursing officer, in the absence of gross negligence or intent to defraud the United States, shall be liable with respect to any payment by that officer under this chapter if the payment was based on a voucher signed by a certifying officer designated according to subsection (a).

''SEC. 246. FRAUD AND RECOVERY OF OVERPAYMENTS.

''(a) IN GENERAL.—

''(1) OVERPAYMENT.—If a cooperating State, the Secretary, or a court of competent jurisdiction determines that any person has received any payment under this chapter to which the person was not entitled, including a payment referred to in subsection (b), that person shall be liable to repay that amount to the cooperating State or the Secretary, as the case may be.

''(2) EXCEPTION.—The cooperating State or the Secretary may waive repayment if the cooperating State or the Secretary determines, in accordance with guidelines prescribed by the Secretary, that all of the following apply:

''(A) NO FAULT.—The payment was made without fault on the part of the person.

''(B) REPAYMENT CONTRARY TO EQUITY.—Requiring repayment would be contrary to equity and good conscience.

''(3) PROCEDURE FOR RECOVERY.—

''(A) RECOVERY FROM OTHER ALLOWANCES AUTHORIZED.—Unless an overpayment is otherwise recovered or waived under paragraph (2), the cooperating State or the Secretary shall recover the overpayment by deductions from any sums payable to that person under this chapter, under any Federal unemployment compensation law administered by the cooperating State or the Secretary, or under any other Federal law administered by the cooperating State or the Secretary that provides for the payment of assistance or an allowance with respect to unemployment.

''(B) RECOVERY FROM STATE ALLOWANCES AUTHORIZED.—Notwithstanding any other provision of Federal or State law, the Secretary may require a cooperating State to recover any overpayment under this chapter by deduction from any unemployment insurance payable to that person under State law, except that no single deduction under this paragraph shall exceed 50 percent of the amount otherwise payable.

''(b) INELIGIBILITY FOR FURTHER PAYMENTS.—Any person, in addition to any other penalty provided by law, shall be ineligible for any further payments under this chapter if a cooperating State, the Secretary, or a court of competent jurisdiction determines that one of the following applies:

''(1) FALSE STATEMENT.—The person knowingly made, or caused another to make, a false statement or representation of a material fact, and as a result of the false statement or representation, the person received any payment under this chapter to which the person was not entitled.

''(2) FAILURE TO DISCLOSE.—The person knowingly failed, or caused another to fail, to disclose a material fact, and as a result of the nondisclosure, the person received any payment under this chapter to which the person was not entitled.

''(c) HEARING.—Except for overpayments determined by a court of competent jurisdiction, no repayment may be required, and no deduction may be made, under this section until a determination under subsection (a) by the cooperating State or the Secretary, as the case may be, has been made, notice of the determination and an opportunity for a fair hearing has been given to the person concerned, and the determination has become final.

''(d) RECOVERED FUNDS.—Any amount recovered under this section shall be returned to the Treasury of the United States.

''SEC. 247. CRIMINAL PENALTIES.

''Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for that person or for any other person any payment authorized to be furnished under this chapter or pursuant to an agreement under section 222 shall be fined not more than $10,000, imprisoned for not more than 1 year, or both.

''SEC. 248. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to the Department of Labor, for the period beginning October 1, 2001, and ending September 30, 2007, such sums as may be necessary to carry out the purposes of this chapter, including such additional sums for administrative expenses as may be necessary for the department to meet the increased workload created by the Trade Adjustment Assistance Reform Act of 2002, provided that funding provided for training services shall not be used for expenses of administering the trade adjustment assistance for workers program. Amounts appropriated under this section shall remain available until expended.

''SEC. 249. REGULATIONS.

''The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this chapter.

''SEC. 250. SUBPOENA POWER.

''(a) IN GENERAL.—The Secretary may require by subpoena the attendance of witnesses and the production of evidence necessary to make a determination under the provisions of this chapter.

''(b) COURT ORDER.—If a person refuses to obey a subpoena issued under subsection (a), a competent United States district court, upon petition by the Secretary, may issue an order requiring compliance with such subpoena.''.

SEC. 112. DISPLACED WORKER SELF-EMPLOYMENT TRAINING PILOT PROGRAM.

(a) ESTABLISHMENT.—Not later than 6 months after the date of enactment of this Act, the Administrator of the Small Business Administration (in this section referred to as the ''Administrator'') shall establish a self-employment training program (in this section referred to as the ''Program'') for adversely affected workers (as defined in chapter 2 of title II of the Trade Act of 1974), to be administered by the Small Business Administration.

(b) ELIGIBILITY FOR ASSISTANCE.—If an adversely affected worker seeks or receives assistance through the Program, such action shall not affect the eligibility of that worker to receive benefits under chapter 2 of title II of the Trade Act of 1974.

(c) TRAINING ASSISTANCE.—The Program shall include, at a minimum, training in—

(1) pre-business startup planning;

(2) awareness of basic credit practices and credit requirements; and

(3) developing business plans, financial packages, and credit applications.

(d) OUTREACH.—The Program should include outreach to adversely affected workers and counseling and lending partners of the Small Business Administration.

(e) REPORTS TO CONGRESS.—Beginning not later than 180 days after the date of enactment of this Act, the Administrator shall submit quarterly reports to the Committee on Finance and the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Ways and Means and the Committee on Small Business of the House of Representatives regarding the implementation of the Program, including Program delivery, staffing, and administrative expenses related to such implementation.

(f) GUIDELINES.—Not later than 180 days after the date of enactment of this Act, the Administrator shall issue such guidelines as the Administrator determines to be necessary to carry out the Program.

(g) EFFECTIVE DATE.—The Program shall terminate 3 years after the date of final publication of guidelines under subsection (f).

TITLE II—TRADE ADJUSTMENT ASSISTANCE FOR FIRMS

SEC. 201. REAUTHORIZATION OF PROGRAM.

(a) IN GENERAL.—Section 256(b) of chapter 3 of title II of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended to read as follows:

''(b) There are authorized to be appropriated to the Secretary $16,000,000 for each of fiscal years 2002 through 2007, to carry out the Secretary's functions under this chapter in connection with furnishing adjustment assistance to firms. Amounts appropriated under this subsection shall remain available until expended.''.

(b) ELIGIBILITY CRITERIA.—Section 251(c) of chapter 3 of title II of the Trade Act of 1974 (19 U.S.C. 2341(c)) is amended—

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

''(1) The Secretary shall certify a firm (including any agricultural firm) as eligible to apply for adjustment assistance under this chapter if the Secretary determines that a significant number or proportion of the workers in such firm have become totally or partially separated, or are threatened to become totally or partially separated, and that either—

''(A)(i)(I) sales or production, or both, of the firm have decreased absolutely, or

''(II) sales or production, or both, of an article that accounted for not less than 25 percent of the total production or sales of the firm during the 12-month period for which data are available have decreased absolutely; and

''(ii) increases in the value or volume of imports of articles like or directly competitive with articles which are produced by such firm contributed importantly to such total or partial separation, or threat thereof, and to such decline in sales or production; or

''(B) a shift in production by the workers' firm or subdivision to a foreign country of articles like or directly competitive with articles which are produced by that firm or subdivision contributed importantly to the workers' separation or threat of separation.''; and

(2) in paragraph (2), by striking ''paragraph (1)(C)'' and inserting ''paragraph (1)''.

TITLE III—TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES

SEC. 301. PURPOSE.

The purpose of this title is to assist communities with economic adjustment through the integration of political and economic organizations, the coordination of Federal, State, and local resources, the creation of community-based development strategies, and the provision of economic transition assistance.

SEC. 302. TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES.

Chapter 4 of title II of the Trade Act of 1974 (19 U.S.C. 2371 et seq.) is amended to read as follows:

''CHAPTER 4—COMMUNITY ECONOMIC ADJUSTMENT

''SEC. 271. DEFINITIONS.

''In this chapter:

''(1) CIVILIAN LABOR FORCE.—The term 'civilian labor force' has the meaning given that term in regulations prescribed by the Secretary of Labor.

''(2) COMMUNITY.—The term 'community' means a county or equivalent political subdivision of a State.

''(A) RURAL COMMUNITY.—The term 'rural community' means a community that has a rural-urban continuum code of 4 through 9.

''(B) URBAN COMMUNITY.—The term 'urban community' means a community that has a rural-urban continuum code of 0 through 3.

''(3) COMMUNITY ECONOMIC DEVELOPMENT COORDINATING COMMITTEE.—The term 'Community Economic Development Coordinating Committee' means a community group established under section 274 that consists of major groups significantly affected by an increase in imports or a shift in production, including local, regional, tribal, and State governments, regional councils of governments and economic development, and business, labor, education, health, religious, and other community-based organizations.

''(4) DIRECTOR.—The term 'Director' means the Director of the Office of Community Trade Adjustment.

''(5) ELIGIBLE COMMUNITY.—The term 'eligible community' means a community certified under section 273 as eligible for assistance under this chapter.

''(6) JOB LOSS.—The term 'job loss' means the total or partial separation of an individual, as those terms are defined in section 221.

''(7) OFFICE.—The term 'Office' means the Office of Community Trade Adjustment established under section 272.

''(8) RURAL-URBAN CONTINUUM CODE.—The term 'rural-urban continuum code' means a code assigned to a community according to the rural-urban continuum code system, as defined by the Economic Research Service of the Department of Agriculture.

''(9) SECRETARY.—The term 'Secretary' means the Secretary of Commerce.

''SEC. 272. OFFICE OF COMMUNITY TRADE ADJUSTMENT.

''(a) ESTABLISHMENT.—Within 6 months of the date of enactment of the Trade Adjustment Assistance Reform Act of 2002, there shall be established in the Office of Economic Adjustment of the Economic Development Administration of the Department of Commerce an Office of Community Trade Adjustment.

''(b) PERSONNEL.—The Office shall be headed by a Director, and shall have such staff as may be necessary to carry out the responsibilities described in this chapter.

''(c) COORDINATION OF FEDERAL RESPONSE.—The Office shall—

''(1) provide leadership, support, and coordination for a comprehensive management program to address economic dislocation in eligible communities;

''(2) establish an easily accessible, one-stop clearinghouse for States and eligible communities to obtain information regarding economic development assistance available under Federal law;

''(3) coordinate the Federal response to an eligible community—

''(A) by identifying all Federal, State, and local resources that are available to assist the eligible community in recovering from economic distress;

''(B) by ensuring that all Federal agencies offering assistance to an eligible community do so in a targeted, integrated manner that ensures that an eligible community has access to all available Federal assistance;

''(C) by assuring timely consultation and cooperation between Federal, State, and regional officials concerning community economic adjustment;

''(D) by identifying and strengthening existing agency mechanisms designed to assist communities in economic adjustment and workforce reemployment;

''(E) by applying consistent policies, practices, and procedures in the administration of Federal programs that are used to assist communities adversely impacted by an increase in imports or a shift in production;

''(F) by creating, maintaining, and using a uniform economic database to analyze community adjustment activities; and

''(G) by assigning a community economic adjustment advisor to work with each eligible community;

''(4) provide comprehensive technical assistance to any eligible community in the efforts of that community to—

''(A) identify serious economic problems in the community that result from an increase in imports or shift in production;

''(B) integrate the major groups and organizations significantly affected by the economic adjustment;

''(C) organize a Community Economic Development Coordinating Committee;

''(D) access Federal, State, and local resources designed to assist in economic development and trade adjustment assistance;

''(E) diversify and strengthen the community economy; and

''(F) develop a community-based strategic plan to address workforce dislocation and economic development;

''(5) establish specific criteria for submission and evaluation of a strategic plan submitted under section 276(d);

''(6) administer the grant programs established under sections 276 and 277; and

''(7) establish an interagency Trade Adjustment Assistance Working Group, consisting of the representatives of any Federal department or agency with responsibility for economic adjustment assistance, including the Department of Agriculture, the Department of Defense, the Department of Education, the Department of Labor, the Department of Housing and Urban Development, the Department of Health and Human Services, the Small Business Administration, the Department of the Treasury, the Department of Commerce, the Office of the United States Trade Representative, and the National Economic Council.

''(d) WORKING GROUP.—The working group established under subsection (c)(7) shall examine other options for addressing trade impacts on communities, such as:

''(1) Seeking legislative language directing the Foreign Trade Zone ('FTZ') Board to expedite consideration of FTZ applications from communities or businesses that have been found eligible for trade adjustment assistance.

''(2) Seeking legislative language to make new markets tax credits available in communities impacted by trade.

''(3) Seeking legislative language to make work opportunity tax credits available for hiring unemployed workers who are certified eligible for trade adjustment assistance.

''(4) Examining ways to assist trade impacted rural communities and industries take advantage of the Department of Agriculture's rural development program.

''SEC. 273. NOTIFICATION AND CERTIFICATION AS AN ELIGIBLE COMMUNITY.

''(a) NOTIFICATION.—The Secretary of Labor, not later than 15 days after making a determination that a group of workers is eligible for trade adjustment assistance under section 231, shall notify the Governor of the State in which the community in which the worker's firm is located and the Director, of the Secretary's determination.

''(b) CERTIFICATION.—Not later than 30 days after notification by the Secretary of Labor described in subsection (a), the Director shall certify as eligible for assistance under this chapter a community in which both of the following conditions applies:

''(1) NUMBER OF JOB LOSSES.—The Director finds that—

''(A) in an urban community, at least 500 workers have been certified for assistance

under section 231 in the most recent 36-month period preceding the date of certification under this section for which data are available; or

''(B) in a rural community, at least 300 workers have been certified for assistance under section 231 in the most recent 36-month period preceding the date of certification under this section for which data are available.

''(2) PERCENT OF WORKFORCE UNEMPLOYED.—The Director finds that the unemployment rate for the community is at least 1 percent greater than the national unemployment rate for the most recent 12-month period for which data are available.

''(c) NOTIFICATION TO ELIGIBLE COMMUNITIES.—Not later than 15 days after the Director certifies a community as eligible under subsection (b), the Director shall notify the community—

''(1) of its determination under subsection (b);

''(2) of the provisions of this chapter;

''(3) how to access the clearinghouse established under section 272(c)(2); and

''(4) how to obtain technical assistance provided under section 272(c)(4).

''SEC. 274. COMMUNITY ECONOMIC DEVELOPMENT COORDINATING COMMITTEE.

''(a) ESTABLISHMENT.—In order to apply for and receive benefits under this chapter, an eligible community shall establish a Community Economic Development Coordinating Committee certified by the Director as meeting the requirements of subsection (b)(1).

''(b) COMPOSITION OF THE COMMITTEE.—

''(1) LOCAL PARTICIPATION.—The Community Economic Development Coordinating Committee established by an eligible community under subsection (a) shall include representatives of those groups significantly affected by economic dislocation, such as local, regional, tribal, and State governments, regional councils of governments and economic development, business, labor, education, health organizations, religious, and other community-based groups providing assistance to workers, their families, and communities.

''(2) FEDERAL PARTICIPATION.—Pursuant to section 275(b)(3), the community economic adjustment advisor, assigned by the Director to assist an eligible community, shall serve as an ex officio member of the Community Economic Development Coordinating Committee, and shall arrange for participation by representatives of other Federal agencies on that Committee as necessary.

''(3) EXISTING ORGANIZATION.—An eligible community may designate an existing organization in that community as the Community Economic Development Coordinating Committee if that organization meets the requirements of paragraph (1) for the purposes of this chapter.

''(c) DUTIES.—The Community Economic Development Coordinating Committee shall—

''(1) ascertain the severity of the community economic adjustment required as a result of the increase in imports or shift in production;

''(2) assess the capacity of the community to respond to the required economic adjustment and the needs of the community as it undertakes economic adjustment, taking into consideration such factors as the number of jobs lost, the size of the community, the diversity of industries, the skills of the labor force, the condition of the current labor market, the availability of financial resources, the quality and availability of educational facilities, the adequacy and availability of public services, and the existence of a basic and advanced infrastructure in the community;

''(3) facilitate a dialogue between concerned interests in the community, represent the impacted community, and ensure all interests in the community work collaboratively toward collective goals without duplication of effort or resources;

''(4) oversee the development of a strategic plan for community economic development, taking into consideration the factors mentioned under paragraph (2), and consistent with the criteria established by the Secretary for the strategic plan developed under section 276;

''(5) create an executive council of members of the Community Economic Development Coordinating Committee to promote the strategic plan within the community and ensure coordination and cooperation among all stakeholders; and

''(6) apply for any grant, loan, or loan guarantee available under Federal law to develop or implement the strategic plan, and be an eligible recipient for funding for economic adjustment for that community.

''SEC. 275. COMMUNITY ECONOMIC ADJUSTMENT ADVISORS.

''(a) IN GENERAL.—Pursuant to section 272(c)(3)(G), the Director shall assign a community economic adjustment advisor to each eligible community.

''(b) DUTIES.—The community economic adjustment advisor shall—

''(1) provide technical assistance to the eligible community, assist in the development and implementation of a strategic plan, including applying for any grant available under this or any other Federal law to develop or implement that plan;

''(2) at the local and regional level, coordinate the response of all Federal agencies offering assistance to the eligible community;

''(3) serve as an ex officio member of the Community Economic Development Coordinating Committee established by an eligible community under section 274;

''(4) act as liaison between the Community Economic Development Coordinating Committee established by the eligible community and all other Federal agencies that offer assistance to eligible communities, including the Department of Agriculture, the Department of Defense, the Department of Education, the Department of Labor, the Department of Housing and Urban Development, the Department of Health and Human Services, the Small Business Administration, the Department of the Treasury, the National Economic Council, and other offices or agencies of the Department of Commerce;

''(5) report regularly to the Director regarding the progress of development activities in the community to which the community economic adjustment advisor is assigned; and

''(6) perform other duties as directed by the Secretary or the Director.

''SEC. 276. STRATEGIC PLANS.

''(a) IN GENERAL.—With the assistance of the community economic adjustment advisor, an eligible community may develop a strategic plan for community economic adjustment and diversification.

''(b) REQUIREMENTS FOR STRATEGIC PLAN.—A strategic plan shall contain, at a minimum, the following:

''(1) A description and justification of the capacity for economic adjustment, including the method of financing to be used, the anticipated management structure of the Community Economic Development Coordinating Committee, and the commitment of the community to the strategic plan over the long term.

''(2) A description of, and a plan to accomplish, the projects to be undertaken by the eligible community.

''(3) A description of how the plan and the projects to be undertaken by the eligible community will lead to job creation and job retention in the community.

''(4) A description of any alternative development plans that were considered, particularly less costly alternatives, and why those plans were rejected in favor of the proposed plan.

''(5) A description of any additional steps the eligible community will take to achieve economic adjustment and diversification, including how the plan and the projects will contribute to establishing or maintaining a level of public services necessary to attract and retain economic investment.

''(6) A description and justification for the cost and timing of proposed basic and advanced infrastructure improvements in the eligible community.

''(7) A description of the occupational and workforce conditions in the eligible community, including but not limited to existing levels of workforce skills and competencies, and educational programs available for workforce training and future employment needs.

''(8) A description of how the plan will adapt to changing markets, business cycles, and other variables.

''(9) A graduation strategy through which the eligible community demonstrates that the community will terminate the need for Federal assistance.

''(c) GRANTS TO DEVELOP STRATEGIC PLANS.—

''(1) IN GENERAL.—The Director, upon receipt of an application from a Community Economic Development Coordinating Committee on behalf of an eligible community, shall award a grant to that community to be used to develop the strategic plan.

''(2) AMOUNT.—The amount of a grant made under paragraph (1) shall be determined by the Secretary, but may not exceed $50,000 to each community.

''(3) LIMIT.—Each community can only receive 1 grant under this subsection for the purpose of developing a strategic plan in any 5-year period.

''(d) SUBMISSION OF PLAN.—A strategic plan developed under subsection (a) shall be submitted to the Director for evaluation and approval.

''SEC. 277. GRANTS FOR ECONOMIC DEVELOPMENT.

''The Director, upon receipt of an application from the Community Economic Development Coordinating Committee on behalf of an eligible community, may award a grant to that community to carry out any project or program included in the strategic plan approved under section 276(d) that—

''(1) will be located in, or will create or preserve high-wage jobs, in that eligible community; and

''(2) implements the strategy of that eligible community to create high-wage jobs in sectors that are expected to expand, including projects that—

''(A) encourage industries to locate in that eligible community, if such funds are not used to encourage the relocation of any employer in a manner that causes the dislocation of employees of that employer at another facility in the United States;

''(B) leverage resources to create or improve Internet or telecommunications capabilities to make the community more attractive for business;

''(C) establish a funding pool for job creation through entrepreneurial activities;

''(D) assist existing firms in that community to restructure or retool to become more competitive in world markets and prevent job loss; or

''(E) assist the community in acquiring the resources and providing the level of public services necessary to meet the objectives set out in the strategic plan.

"SEC. 278. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to the Department of Commerce, for the period beginning October 1, 2001, and ending September 30, 2007, such sums as may be necessary to carry out the purposes of this chapter.

"SEC. 279. GENERAL PROVISIONS.

''(a) REPORT BY THE DIRECTOR.—Not later than 6 months after the date of enactment of the Trade Adjustment Assistance Reform Act of 2002, and annually thereafter, the Director shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report regarding the programs established under this title.

''(b) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary to carry out the provisions of this chapter.

''(c) SUPPLEMENT NOT SUPPLANT.—Funds appropriated under this chapter shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide economic development assistance for communities.''.

TITLE IV—TRADE ADJUSTMENT ASSISTANCE FOR FARMERS

SEC. 401. TRADE ADJUSTMENT ASSISTANCE FOR FARMERS.

(a) IN GENERAL.—Title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.) is amended by adding at the end the following new chapter:

"CHAPTER 6—ADJUSTMENT ASSISTANCE FOR FARMERS

"SEC. 291. DEFINITIONS.

''In this chapter:

''(1) AGRICULTURAL COMMODITY.—The term 'agricultural commodity' means any agricultural commodity (including livestock), except fish as defined in section 299(1) of this Act, in its raw or natural state.

''(2) AGRICULTURAL COMMODITY PRODUCER.—The term 'agricultural commodity producer' has the same meaning as the term 'person' as prescribed by regulations promulgated under section 1001(5) of the Food Security Act of 1985 (7 U.S.C. 1308(5)). The term does not include any person described in section 299(2) of this Act.

''(3) CONTRIBUTED IMPORTANTLY.—

''(A) IN GENERAL.—The term 'contributed importantly' means a cause which is important but not necessarily more important than any other cause.

''(B) DETERMINATION OF CONTRIBUTED IMPORTANTLY.—The determination of whether imports of articles like or directly competitive with an agricultural commodity with respect to which a petition under this chapter was filed contributed importantly to a decline in the price of the agricultural commodity shall be made by the Secretary.

''(4) DULY AUTHORIZED REPRESENTATIVE.—The term 'duly authorized representative' means an association of agricultural commodity producers.

''(5) NATIONAL AVERAGE PRICE.—The term 'national average price' means the national average price paid to an agricultural commodity producer for an agricultural commodity in a marketing year as determined by the Secretary.

''(6) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"SEC. 292. PETITIONS; GROUP ELIGIBILITY.

''(a) IN GENERAL.—A petition for a certification of eligibility to apply for adjustment assistance under this chapter may be filed with the Secretary by a group of agricultural commodity producers or by their duly authorized representative. Upon receipt of the petition, the Secretary shall promptly publish notice in the Federal Register that the Secretary has received the petition and initiated an investigation.

''(b) HEARINGS.—If the petitioner, or any other person found by the Secretary to have a substantial interest in the proceedings, submits not later than 10 days after the date of the Secretary's publication under subsection (a) a request for a hearing, the Secretary shall provide for a public hearing and afford such interested person an opportunity to be present, to produce evidence, and to be heard.

''(c) GROUP ELIGIBILITY REQUIREMENTS.—The Secretary shall certify a group of agricultural commodity producers as eligible to apply for adjustment assistance under this chapter if the Secretary determines—

''(1) that the national average price for the agricultural commodity, or a class of goods within the agricultural commodity, produced by the group for the most recent marketing year for which the national average price is available is less than 80 percent of the average of the national average price for such agricultural commodity, or such class of goods, for the 5 marketing years preceding the most recent marketing year; and

''(2) that increases in imports of articles like or directly competitive with the agricultural commodity, or class of goods within the agricultural commodity, produced by the group contributed importantly to the decline in price described in paragraph (1).

''(d) SPECIAL RULE FOR QUALIFIED SUBSEQUENT YEARS.—A group of agricultural commodity producers certified as eligible under section 293 shall be eligible to apply for assistance under this chapter in any qualified year after the year the group is first certified, if the Secretary determines that—

''(1) the national average price for the agricultural commodity, or class of goods within the agricultural commodity, produced by the group for the most recent marketing year for which the national average price is available is equal to or less than the price determined under subsection (c)(1); and

''(2) the requirements of subsection (c)(2) are met.

''(e) DETERMINATION OF QUALIFIED YEAR AND COMMODITY.—In this chapter:

''(1) QUALIFIED YEAR.—The term 'qualified year', with respect to a group of agricultural commodity producers certified as eligible under section 293, means each consecutive year after the year in which the group is certified that the Secretary makes the determination under subsection (c) or (d), as the case may be.

''(2) CLASSES OF GOODS WITHIN A COMMODITY.—In any case in which there are separate classes of goods within an agricultural commodity, the Secretary shall treat each class as a separate commodity in determining group eligibility, the national average price, and level of imports under this section and section 296.

"SEC. 293. DETERMINATIONS BY SECRETARY OF AGRICULTURE.

''(a) IN GENERAL.—As soon as practicable after the date on which a petition is filed under section 292, but in any event not later than 40 days after that date, the Secretary shall determine whether the petitioning group meets the requirements of section 292 (c) or (d), as the case may be, and shall, if the group meets the requirements, issue a certification of eligibility to apply for assistance under this chapter covering agricultural commodity producers in any group that meets the requirements. Each certification shall specify the date on which eligibility under this chapter begins.

''(b) NOTICE.—Upon making a determination on a petition, the Secretary shall promptly publish a summary of the determination in the Federal Register, together with the Secretary's reasons for making the determination.

''(c) TERMINATION OF CERTIFICATION.—Whenever the Secretary determines, with respect to any certification of eligibility under this chapter, that the decline in price for the agricultural commodity covered by the certification is no longer attributable to the conditions described in section 292, the Secretary shall terminate such certification and promptly cause notice of such termination to be published in the Federal Register, together with the Secretary's reasons for making such determination.

"SEC. 294. STUDY BY SECRETARY OF AGRICULTURE WHEN INTERNATIONAL TRADE COMMISSION BEGINS INVESTIGATION.

''(a) IN GENERAL.—Whenever the International Trade Commission (in this chapter referred to as the 'Commission') begins an investigation under section 202 with respect to an agricultural commodity, the Commission shall immediately notify the Secretary of the investigation. Upon receipt of the notification, the Secretary shall immediately conduct a study of—

''(1) the number of agricultural commodity producers producing a like or directly competitive agricultural commodity who have been or are likely to be certified as eligible for adjustment assistance under this chapter, and

''(2) the extent to which the adjustment of such producers to the import competition may be facilitated through the use of existing programs.

''(b) REPORT.—Not later than 15 days after the day on which the Commission makes its report under section 202(f), the Secretary shall submit a report to the President setting forth the findings of the study described in subsection (a). Upon making the report to the President, the Secretary shall also promptly make the report public (with the exception of information which the Secretary determines to be confidential) and shall have a summary of the report published in the Federal Register.

"SEC. 295. BENEFIT INFORMATION TO AGRICULTURAL COMMODITY PRODUCERS.

''(a) IN GENERAL.—The Secretary shall provide full information to producers about the benefit allowances, training, and other employment services available under this title and about the petition and application procedures, and the appropriate filing dates, for such allowances, training, and services. The Secretary shall provide whatever assistance is necessary to enable groups to prepare petitions or applications for program benefits under this title.

''(b) NOTICE OF BENEFITS.—

''(1) IN GENERAL.—The Secretary shall mail written notice of the benefits available under this chapter to each agricultural commodity producer that the Secretary has reason to believe is covered by a certification made under this chapter.

''(2) OTHER NOTICE.—The Secretary shall publish notice of the benefits available under this chapter to agricultural commodity producers that are covered by each certification made under this chapter in newspapers of general circulation in the areas in which such producers reside.

''(3) OTHER FEDERAL ASSISTANCE.—The Secretary shall also provide information concerning procedures for applying for and receiving all other Federal assistance and services available to workers facing economic distress.

"SEC. 296. QUALIFYING REQUIREMENTS FOR AGRICULTURAL COMMODITY PRODUCERS.

''(a) IN GENERAL.—

''(1) REQUIREMENTS.—Payment of a trade adjustment allowance shall be made to an adversely affected agricultural commodity producer covered by a certification under this chapter who files an application for such allowance within 90 days after the date on

which the Secretary makes a determination and issues a certification of eligibility under section 293, if the following conditions are met:

''(A) The producer submits to the Secretary sufficient information to establish the amount of agricultural commodity covered by the application filed under subsection (a) that was produced by the producer in the most recent year.

''(B) The producer certifies that the producer has not received cash benefits under any provision of this title other than this chapter.

''(C) The producer's net farm income (as determined by the Secretary) for the most recent year is less than the producer's net farm income for the latest year in which no adjustment assistance was received by the producer under this chapter.

''(D) The producer certifies that the producer has met with an Extension Service employee or agent to obtain, at no cost to the producer, information and technical assistance that will assist the producer in adjusting to import competition with respect to the adversely affected agricultural commodity, including—

''(i) information regarding the feasibility and desirability of substituting 1 or more alternative commodities for the adversely affected agricultural commodity; and

''(ii) technical assistance that will improve the competitiveness of the production and marketing of the adversely affected agricultural commodity by the producer, including yield and marketing improvements.

''(2) LIMITATION.—

''(A) IN GENERAL.—Notwithstanding any other provision of this chapter, an agricultural commodity producer shall not be eligible for assistance under this chapter in any year in which the average adjusted gross income of the producer exceeds $2,500,000.

''(B) CERTIFICATION.—To comply with the limitation under subparagraph (A), an individual or entity shall provide to the Secretary—

''(i) a certification by a certified public accountant or another third party that is acceptable to the Secretary that the average adjusted gross income of the producer does not exceed $2,500,000; or

''(ii) information and documentation regarding the adjusted gross income of the producer through other procedures established by the Secretary.

''(C) DEFINITIONS.—In this subsection:

''(i) ADJUSTED GROSS INCOME.—The term 'adjusted gross income' means adjusted gross income of an agricultural commodity producer—

''(I) as defined in section 62 of the Internal Revenue Code of 1986 and implemented in accordance with procedures established by the Secretary; and

''(II) that is earned directly or indirectly from all agricultural and nonagricultural sources of an individual or entity for a fiscal or corresponding crop year.

''(ii) AVERAGE ADJUSTED GROSS INCOME.—

''(I) IN GENERAL.—The term 'average adjusted gross income' means the average adjusted gross income of a producer for each of the 3 preceding taxable years.

''(II) EFFECTIVE ADJUSTED GROSS INCOME.—In the case of a producer that does not have an adjusted gross income for each of the 3 preceding taxable years, the Secretary shall establish rules that provide the producer with an effective adjusted gross income for the applicable year.

''(b) AMOUNT OF CASH BENEFITS.—

''(1) IN GENERAL.—Subject to the provisions of section 298, an adversely affected agricultural commodity producer described in subsection (a) shall be entitled to adjustment assistance under this chapter in an amount equal to the product of—

''(A) one-half of the difference between—

''(i) an amount equal to 80 percent of the average of the national average price of the agricultural commodity covered by the application described in subsection (a) for the 5 marketing years preceding the most recent marketing year, and

''(ii) the national average price of the agricultural commodity for the most recent marketing year, and

''(B) the amount of the agricultural commodity produced by the agricultural commodity producer in the most recent marketing year.

''(2) SPECIAL RULE FOR SUBSEQUENT QUALIFIED YEARS.—The amount of cash benefits for a qualified year shall be determined in the same manner as cash benefits are determined under paragraph (1) except that the average national price of the agricultural commodity shall be determined under paragraph (1)(A)(i) by using the 5-marketing-year period used to determine the amount of cash benefits for the first certification.

''(c) MAXIMUM AMOUNT OF CASH ASSISTANCE.—The maximum amount of cash benefits an agricultural commodity producer may receive in any 12-month period shall not exceed $10,000.

''(d) LIMITATIONS ON OTHER ASSISTANCE.—An agricultural commodity producer entitled to receive a cash benefit under this chapter—

''(1) shall not be eligible for any other cash benefit under this title, and

''(2) shall be entitled to employment services and training benefits under part III of subchapter C of chapter 2.

''SEC. 297. FRAUD AND RECOVERY OF OVERPAYMENTS.

''(a) IN GENERAL.—

''(1) REPAYMENT.—If the Secretary, or a court of competent jurisdiction, determines that any person has received any payment under this chapter to which the person was not entitled, such person shall be liable to repay such amount to the Secretary, except that the Secretary may waive such repayment if the Secretary determines, in accordance with guidelines prescribed by the Secretary, that—

''(A) the payment was made without fault on the part of such person; and

''(B) requiring such repayment would be contrary to equity and good conscience.

''(2) RECOVERY OF OVERPAYMENT.—Unless an overpayment is otherwise recovered, or waived under paragraph (1), the Secretary shall recover the overpayment by deductions from any sums payable to such person under this chapter.

''(b) FALSE STATEMENT.—A person shall, in addition to any other penalty provided by law, be ineligible for any further payments under this chapter—

''(1) if the Secretary, or a court of competent jurisdiction, determines that the person—

''(A) knowingly has made, or caused another to make, a false statement or representation of a material fact; or

''(B) knowingly has failed, or caused another to fail, to disclose a material fact; and

''(2) as a result of such false statement or representation, or of such nondisclosure, such person has received any payment under this chapter to which the person was not entitled.

''(c) NOTICE AND DETERMINATION.—Except for overpayments determined by a court of competent jurisdiction, no repayment may be required, and no deduction may be made, under this section until a determination under subsection (a)(1) by the Secretary has been made, notice of the determination and an opportunity for a fair hearing thereon has been given to the person concerned, and the determination has become final.

''(d) PAYMENT TO TREASURY.—Any amount recovered under this section shall be returned to the Treasury of the United States.

''(e) PENALTIES.—Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for himself or for any other person any payment authorized to be furnished under this chapter shall be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

''SEC. 298. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There are authorized to be appropriated and there are appropriated to the Department of Agriculture not to exceed $90,000,000 for each of the fiscal years 2002 through 2007 to carry out the purposes of this chapter.

''(b) PROPORTIONATE REDUCTION.—If in any year, the amount appropriated under this chapter is insufficient to meet the requirements for adjustment assistance payable under this chapter, the amount of assistance payable under this chapter shall be reduced proportionately.''.

(b) EFFECTIVE DATE.—The amendments made by this title shall take effect on the date that is 180 days after the date of enactment of this Act.

TITLE V—TRADE ADJUSTMENT ASSISTANCE FOR FISHERMEN

SEC. 501. TRADE ADJUSTMENT ASSISTANCE FOR FISHERMEN.

(a) IN GENERAL.—Title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.), as amended by title IV of this Act, is amended by adding at the end the following new chapter:

''CHAPTER 7—ADJUSTMENT ASSISTANCE FOR FISHERMEN

''SEC. 299. DEFINITIONS.

''In this chapter:

''(1) COMMERCIAL FISHING, FISH, FISHERY, FISHING, FISHING VESSEL, PERSON, AND UNITED STATES FISH PROCESSOR.—The terms 'commercial fishing', 'fish', 'fishery', 'fishing', 'fishing vessel', 'person', and 'United States fish processor' have the same meanings as such terms have in the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802).

''(2) PRODUCER.—The term 'producer' means any person who—

''(A) is engaged in commercial fishing; or

''(B) is a United States fish processor.

''(3) CONTRIBUTED IMPORTANTLY.—

''(A) IN GENERAL.—The term 'contributed importantly' means a cause which is important but not necessarily more important than any other cause.

''(B) DETERMINATION OF CONTRIBUTED IMPORTANTLY.—The determination of whether imports of articles like or directly competitive with a fish caught through commercial fishing or processed by a United States fish processor with respect to which a petition under this chapter was filed contributed importantly to a decline in the price of the fish shall be made by the Secretary.

''(4) DULY AUTHORIZED REPRESENTATIVE.—The term 'duly authorized representative' means an association of producers.

''(5) NATIONAL AVERAGE PRICE.—The term 'national average price' means the national average price paid to a producer for fish in a marketing year as determined by the Secretary.

''(6) SECRETARY.—The term 'Secretary' means the Secretary of Commerce.

''(7) TRADE ADJUSTMENT ASSISTANCE CENTER.—The term 'Trade Adjustment Assistance Center' shall have the same meaning as such term has in section 253.

''SEC. 299A. PETITIONS; GROUP ELIGIBILITY.

''(a) IN GENERAL.—A petition for a certification of eligibility to apply for adjustment

assistance under this chapter may be filed with the Secretary by a group of producers or by their duly authorized representative. Upon receipt of the petition, the Secretary shall promptly publish notice in the Federal Register that the Secretary has received the petition and initiated an investigation.

''(b) HEARINGS.—If the petitioner, or any other person found by the Secretary to have a substantial interest in the proceedings, submits not later than 10 days after the date of the Secretary's publication under subsection (a) a request for a hearing, the Secretary shall provide for a public hearing and afford such interested person an opportunity to be present, to produce evidence, and to be heard.

''(c) GROUP ELIGIBILITY REQUIREMENTS.—The Secretary shall certify a group of producers as eligible to apply for adjustment assistance under this chapter if the Secretary determines—

''(1) that the national average price for the fish, or a class of fish, produced by the group for the most recent marketing year for which the national average price is available is less than 80 percent of the average of the national average price for such fish, or such class of fish, for the 5 marketing years preceding the most recent marketing year; and

''(2) that increases in imports of articles like or directly competitive with the fish, or class of fish, produced by the group contributed importantly to the decline in price described in paragraph (1).

''(d) SPECIAL RULE FOR QUALIFIED SUBSEQUENT YEARS.—A group of producers certified as eligible under section 299B shall be eligible to apply for assistance under this chapter in any qualified year after the year the group is first certified, if the Secretary determines that—

''(1) the national average price for the fish, or class of fish, produced by the group for the most recent marketing year for which the national average price is available is equal to or less than the price determined under subsection (c)(1); and

''(2) the requirements of subsection (c)(2) are met.

''(e) DETERMINATION OF QUALIFIED YEAR AND COMMODITY.—In this chapter:

''(1) QUALIFIED YEAR.—The term 'qualified year', with respect to a group of producers certified as eligible under section 299B, means each consecutive year after the year in which the group is certified that the Secretary makes the determination under subsection (c) or (d), as the case may be.

''(2) CLASSES OF GOODS WITHIN A COMMODITY.—In any case in which there are separate classes of fish, the Secretary shall treat each class as a separate commodity in determining group eligibility, the national average price, and level of imports under this section and section 299E.

''SEC. 299B. DETERMINATIONS BY SECRETARY.

''(a) IN GENERAL.—As soon as practicable after the date on which a petition is filed under section 299A, but in any event not later than 40 days after that date, the Secretary shall determine whether the petitioning group meets the requirements of section 299A (c) or (d), as the case may be, and shall, if the group meets the requirements, issue a certification of eligibility to apply for assistance under this chapter covering producers in any group that meets the requirements. Each certification shall specify the date on which eligibility under this chapter begins.

''(b) NOTICE.—Upon making a determination on a petition, the Secretary shall promptly publish a summary of the determination in the Federal Register, together with the Secretary's reasons for making the determination.

''(c) TERMINATION OF CERTIFICATION.—Whenever the Secretary determines, with respect to any certification of eligibility under this chapter, that the decline in price for the fish covered by the certification is no longer attributable to the conditions described in section 299A, the Secretary shall terminate such certification and promptly cause notice of such termination to be published in the Federal Register, together with the Secretary's reasons for making such determination.

''SEC. 299C. STUDY BY SECRETARY WHEN INTERNATIONAL TRADE COMMISSION BEGINS INVESTIGATION.

''(a) IN GENERAL.—Whenever the International Trade Commission (in this chapter referred to as the 'Commission') begins an investigation under section 202 with respect to a fish, the Commission shall immediately notify the Secretary of the investigation. Upon receipt of the notification, the Secretary shall immediately conduct a study of—

''(1) the number of producers producing a like or directly competitive agricultural commodity who have been or are likely to be certified as eligible for adjustment assistance under this chapter, and

''(2) the extent to which the adjustment of such producers to the import competition may be facilitated through the use of existing programs.

''(b) REPORT.—Not later than 15 days after the day on which the Commission makes its report under section 202(f), the Secretary shall submit a report to the President setting forth the findings of the study under subsection (a). Upon making his report to the President, the Secretary shall also promptly make the report public (with the exception of information which the Secretary determines to be confidential) and shall have a summary of it published in the Federal Register.

''SEC. 299D. BENEFIT INFORMATION TO PRODUCERS.

''(a) IN GENERAL.—The Secretary shall provide full information to producers about the benefit allowances, training, and other employment services available under this title and about the petition and application procedures, and the appropriate filing dates, for such allowances, training, and services. The Secretary shall provide whatever assistance is necessary to enable groups to prepare petitions or applications for program benefits under this title.

''(b) NOTICE OF BENEFITS.—

''(1) IN GENERAL.—The Secretary shall mail written notice of the benefits available under this chapter to each producer that the Secretary has reason to believe is covered by a certification made under this chapter.

''(2) OTHER NOTICE.—The Secretary shall publish notice of the benefits available under this chapter to producers that are covered by each certification made under this chapter in newspapers of general circulation in the areas in which such producers reside.

''SEC. 299E. QUALIFYING REQUIREMENTS FOR PRODUCERS.

''(a) IN GENERAL.—Payment of a trade adjustment allowance shall be made to an adversely affected producer covered by a certification under this chapter who files an application for such allowance within 90 days after the date on which the Secretary makes a determination and issues a certification of eligibility under section 299B, if the following conditions are met:

''(1) The producer submits to the Secretary sufficient information to establish the amount of fish covered by the application filed under subsection (a) that was produced by the producer in the most recent year.

''(2) The producer certifies that the producer has not received cash benefits under any provision of this title other than this chapter.

''(3) The producer's net fishing or processing income (as determined by the Secretary) for the most recent year is less than the producer's net fishing or processing income for the latest year in which no adjustment assistance was received by the producer under this chapter.

''(4) The producer certifies that—

''(A) the producer has met with an employee or agent from a Trade Adjustment Assistance Center to obtain, at no cost to the producer, information and technical assistance that will assist the producer in adjusting to import competition with respect to the adversely affected fish, including—

''(i) information regarding the feasibility and desirability of substituting 1 or more alternative fish for the adversely affected fish; and

''(ii) technical assistance that will improve the competitiveness of the production and marketing of the adversely affected fish by the producer, including yield and marketing improvements; and

''(B) none of the benefits will be used to purchase, lease, or finance any new fishing vessel, add capacity to any fishery, or otherwise add to the overcapitalization of any fishery.

''(b) AMOUNT OF CASH BENEFITS.—

''(1) IN GENERAL.—Subject to the provisions of section 299G, an adversely affected producer described in subsection (a) shall be entitled to adjustment assistance under this chapter in an amount equal to the product of—

''(A) one-half of the difference between—

''(i) an amount equal to 80 percent of the average of the national average price of the fish covered by the application described in subsection (a) for the 5 marketing years preceding the most recent marketing year; and

''(ii) the national average price of the fish for the most recent marketing year; and

''(B) the amount of the fish produced by the producer in the most recent marketing year.

''(2) SPECIAL RULE FOR SUBSEQUENT QUALIFIED YEARS.—The amount of cash benefits for a qualified year shall be determined in the same manner as cash benefits are determined under paragraph (1) except that the average national price of the fish shall be determined under paragraph (1)(A)(i) by using the 5-marketing-year period used to determine the amount of cash benefits for the first certification. A producer shall only be eligible for benefits for subsequent qualified years if the Secretary or his designee determines that sufficient progress has been made implementing the plans developed under section 299E(a)(4) of this title.

''(c) MAXIMUM AMOUNT OF CASH ASSISTANCE.—The maximum amount of cash benefits a producer may receive in any 12-month period shall not exceed $10,000.

''(d) LIMITATIONS ON OTHER ASSISTANCE.—A producer entitled to receive a cash benefit under this chapter—

''(1) shall not be eligible for any other cash benefit under this title, and

''(2) shall be entitled to employment services and training benefits under part III of subchapter C of chapter 2.

''SEC. 299F. FRAUD AND RECOVERY OF OVERPAYMENTS.

''(a) IN GENERAL.—

''(1) REPAYMENT.—If the Secretary, or a court of competent jurisdiction, determines that any person has received any payment under this chapter to which the person was not entitled, such person shall be liable to repay such amount to the Secretary, except

that the Secretary may waive such repayment if the Secretary determines, in accordance with guidelines prescribed by the Secretary, that—

''(A) the payment was made without fault on the part of such person; and

''(B) requiring such repayment would be contrary to equity and good conscience.

''(2) RECOVERY OF OVERPAYMENT.—Unless an overpayment is otherwise recovered, or waived under paragraph (1), the Secretary shall recover the overpayment by deductions from any sums payable to such person under this chapter.

''(b) FALSE STATEMENT.—A person shall, in addition to any other penalty provided by law, be ineligible for any further payments under this chapter—

''(1) if the Secretary, or a court of competent jurisdiction, determines that the person—

''(A) knowingly has made, or caused another to make, a false statement or representation of a material fact; or

''(B) knowingly has failed, or caused another to fail, to disclose a material fact; and

''(2) as a result of such false statement or representation, or of such nondisclosure, such person has received any payment under this chapter to which the person was not entitled.

''(c) NOTICE AND DETERMINATION.—Except for overpayments determined by a court of competent jurisdiction, no repayment may be required, and no deduction may be made, under this section until a determination under subsection (a)(1) by the Secretary has been made, notice of the determination and an opportunity for a fair hearing thereon has been given to the person concerned, and the determination has become final.

''(d) PAYMENT TO TREASURY.—Any amount recovered under this section shall be returned to the Treasury of the United States.

''(e) PENALTIES.—Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for himself or for any other person any payment authorized to be furnished under this chapter shall be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

''SEC. 299G. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There are authorized to be appropriated and there are appropriated to the Department of Commerce not to exceed $10,000,000 for each of the fiscal years 2002 through 2007 to carry out the purposes of this chapter.

''(b) PROPORTIONATE REDUCTION.—If in any year, the amount appropriated under this chapter is insufficient to meet the requirements for adjustment assistance payable under this chapter, the amount of assistance payable under this chapter shall be reduced proportionately.''.

(b) EFFECTIVE DATE.—The amendments made by this title shall take effect on the date that is 180 days after the date of enactment of this Act.

TITLE VI—HEALTH CARE COVERAGE OPTIONS FOR WORKERS ELIGIBLE FOR TRADE ADJUSTMENT ASSISTANCE

SEC. 601. TRADE ADJUSTMENT ASSISTANCE HEALTH INSURANCE CREDIT.

(a) IN GENERAL.—Subchapter B of chapter 65 of the Internal Revenue Code of 1986 (relating to abatements, credits, and refunds) is amended by inserting after section 6428 the following new section:

''SEC. 6429. TRADE ADJUSTMENT ASSISTANCE HEALTH INSURANCE CREDIT.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by subtitle A an amount equal to 70 percent of the amount paid during the taxable year for coverage for the taxpayer, the taxpayer's spouse, and dependents of the taxpayer under qualified health insurance during eligible coverage months.

''(b) ELIGIBLE COVERAGE MONTH.—For purposes of this section—

''(1) IN GENERAL.—The term 'eligible coverage month' means any month if, as of the first day of such month—

''(A) the taxpayer is an eligible individual,

''(B) the taxpayer is covered by qualified health insurance,

''(C) the premium for coverage under such insurance for such month is paid by the taxpayer, and

''(D) the taxpayer does not have other specified coverage.

''(2) SPECIAL RULES.—

''(A) JOINT RETURNS.—In the case of a joint return, the requirements of paragraph (1) shall be treated as met if at least 1 spouse satisfies such requirements.

''(B) EXCLUSION OF MONTHS IN WHICH INDIVIDUAL IS IMPRISONED.—Such term shall not include any month with respect to an individual if, as of the first day of such month, such individual is imprisoned under Federal, State, or local authority.

''(3) OTHER SPECIFIED COVERAGE.—For purposes of this subsection, an individual has other specified coverage for any month if, as of the first day of such month—

''(A) SUBSIDIZED COVERAGE.—

''(i) IN GENERAL.—Such individual is covered under any qualified health insurance under which at least 50 percent of the cost of coverage (determined under section 4980B) is paid or incurred by an employer (or former employer) of the taxpayer or the taxpayer's spouse.

''(ii) TREATMENT OF CAFETERIA PLANS AND FLEXIBLE SPENDING ACCOUNTS.—For purposes of clause (i), the cost of benefits—

''(I) which are chosen under a cafeteria plan (as defined in section 125(d)), or provided under a flexible spending or similar arrangement, of such an employer, and

''(II) which are not includible in gross income under section 106,

shall be treated as borne by such employer.

''(B) COVERAGE UNDER MEDICARE, MEDICAID, OR SCHIP.—Such individual—

''(i) is entitled to benefits under part A of title XVIII of the Social Security Act or is enrolled under part B of such title, or

''(ii) is enrolled in the program under title XIX or XXI of such Act (other than under section 1928).

''(C) CERTAIN OTHER COVERAGE.—Such individual—

''(i) is enrolled in a health benefits plan under chapter 89 of title 5, United States Code,

''(ii) is entitled to receive benefits under chapter 55 of title 10, United States Code,

''(iii) is entitled to receive benefits under chapter 17 of title 38, United States Code, or

''(iv) is eligible for benefits under the Indian Health Care Improvement Act.

''(4) SPECIAL RULE.—For purposes of this subsection, an individual does not have other specified coverage for any month if such coverage is under a qualified long-term care insurance contract (as defined in section 7702B(b)(1)).

''(c) ELIGIBLE INDIVIDUAL.—For purposes of this section, the term 'eligible individual' means an individual who is qualified to receive payment of a trade adjustment allowance under section 235 of the Trade Act of 1974, as amended by section 111 of the Trade Adjustment Assistance Reform Act of 2002.

''(d) QUALIFIED HEALTH INSURANCE.—For purposes of this section, the term 'qualified health insurance' means health insurance coverage described under section 173(f) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)).

''(e) COORDINATION WITH ADVANCE PAYMENTS OF CREDIT.—

''(1) RECAPTURE OF EXCESS ADVANCE PAYMENTS.—If any payment is made by the Secretary under section 7527 during any calendar year to a provider of qualified health insurance for an individual, then the tax imposed by this chapter for the individual's last taxable year beginning in such calendar year shall be increased by the aggregate amount of such payments.

''(2) RECONCILIATION OF PAYMENTS ADVANCED AND CREDIT ALLOWED.—Any increase in tax under paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit (other than the credit allowed by subsection (a)) allowable under part IV of subchapter A of chapter 1.

''(f) SPECIAL RULES.—

''(1) COORDINATION WITH OTHER DEDUCTIONS.—Amounts taken into account under subsection (a) shall not be taken into account in determining any deduction allowed under section 162(l) or 213.

''(2) MSA DISTRIBUTIONS.—Amounts distributed from an Archer MSA (as defined in section 220(d)) shall not be taken into account under subsection (a).

''(3) DENIAL OF CREDIT TO DEPENDENTS.—No credit shall be allowed under this section to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

''(4) CREDIT TREATED AS REFUNDABLE CREDIT.—For purposes of this title, the credit allowed under this section shall be treated as a credit allowable under subpart C of part IV of subchapter A of chapter 1.

''(5) EXPENSES MUST BE SUBSTANTIATED.—A payment for qualified health insurance to which subsection (a) applies may be taken into account under this section only if the taxpayer substantiates such payment in such form as the Secretary may prescribe.

''(6) REGULATIONS.—The Secretary may prescribe such regulations and other guidance as may be necessary or appropriate to carry out this section and section 7527.''.

(b) INFORMATION REPORTING.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986 (relating to information concerning transactions with other persons) is amended by inserting after section 6050S the following new section:

''SEC. 6050T. RETURNS RELATING TO TRADE ADJUSTMENT ASSISTANCE HEALTH INSURANCE CREDIT.

''(a) REQUIREMENT OF REPORTING.—Every person—

''(1) who, in connection with a trade or business conducted by such person, receives payments during any calendar year from any individual for coverage of such individual or any other individual under qualified health insurance (as defined in section 6429(d)), and

''(2) who claims a reimbursement for an advance credit amount,

shall, at such time as the Secretary may prescribe, make the return described in subsection (b) with respect to each individual from whom such payments were received or for whom such a reimbursement is claimed.

''(b) FORM AND MANNER OF RETURNS.—A return is described in this subsection if such return—

''(1) is in such form as the Secretary may prescribe, and

''(2) contains—

''(A) the name, address, and TIN of each individual referred to in subsection (a),

''(B) the aggregate of the advance credit amounts provided to such individual and for which reimbursement is claimed,

''(C) the number of months for which such advance credit amounts are so provided, and

''(D) such other information as the Secretary may prescribe.

''(c) STATEMENTS TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under subsection (a) shall furnish to each individual whose name is required to be set forth in such return a written statement showing—

''(1) the name and address of the person required to make such return and the phone number of the information contact for such person, and

''(2) the information required to be shown on the return with respect to such individual.

The written statement required under the preceding sentence shall be furnished on or before January 31 of the year following the calendar year for which the return under subsection (a) is required to be made.

''(d) ADVANCE CREDIT AMOUNT.—For purposes of this section, the term 'advance credit amount' means an amount for which the person can claim a reimbursement pursuant to a program established by the Secretary under section 7527.''.

(2) ASSESSABLE PENALTIES.—

(A) Subparagraph (B) of section 6724(d)(1) of such Code (relating to definitions) is amended by redesignating clauses (xi) through (xvii) as clauses (xii) through (xviii), respectively, and by inserting after clause (x) the following new clause:

''(xi) section 6050T (relating to returns relating to trade adjustment assistance health insurance credit),''.

(B) Paragraph (2) of section 6724(d) of such Code is amended by striking ''or'' at the end of subparagraph (Z), by striking the period at the end of subparagraph (AA) and inserting '', or'', and by adding after subparagraph (AA) the following new subparagraph:

''(BB) section 6050T (relating to returns relating to trade adjustment assistance health insurance credit).''.

(3) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 of such Code is amended by inserting after the item relating to section 6050S the following new item:

''Sec. 6050T. Returns relating to trade adjustment assistance health insurance credit.''.

(c) CRIMINAL PENALTY FOR FRAUD.—

(1) IN GENERAL.—Subchapter B of chapter 75 of the Internal Revenue Code of 1986 (relating to other offenses) is amended by adding at the end the following:

''SEC. 7276. PENALTIES FOR OFFENSES RELATING TO TRADE ADJUSTMENT ASSISTANCE HEALTH INSURANCE CREDIT.

''Any person who knowingly misuses Department of the Treasury names, symbols, titles, or initials to convey the false impression of association with, or approval or endorsement by, the Department of the Treasury of any insurance products or group health coverage in connection with the credit for trade adjustment assistance health insurance under section 6429 shall on conviction thereof be fined not more than $10,000, or imprisoned not more than 1 year, or both.''.

(2) The table of sections for subchapter B of chapter 75 of such Code is amended by adding at the end the following:

''Sec. 7276. Penalties for offenses relating to trade adjustment assistance health insurance credit.''.

(d) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period '', or from section 6429 of such Code''.

(2) The table of sections for subchapter B of chapter 65 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 6429. Trade adjustment assistance health insurance credit.''.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2001, without regard to whether final regulations to carry out such amendments have been promulgated by such date.

(2) PENALTIES.—The amendments made by subsection (c) shall take effect on the date of the enactment of this Act.

SEC. 602. ADVANCE PAYMENT OF TRADE ADJUSTMENT ASSISTANCE HEALTH INSURANCE CREDIT.

(a) IN GENERAL.—Chapter 77 of the Internal Revenue Code of 1986 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

''SEC. 7527. ADVANCE PAYMENT OF TRADE ADJUSTMENT ASSISTANCE HEALTH INSURANCE CREDIT.

''(a) GENERAL RULE.—The Secretary shall establish a program for making payments on behalf of eligible individuals (as defined in section 6429(c)) to providers of health insurance for such individuals for whom a qualified health insurance credit eligibility certificate is in effect.

''(b) QUALIFIED HEALTH INSURANCE CREDIT ELIGIBILITY CERTIFICATE.—For purposes of this section, a qualified health insurance credit eligibility certificate is a statement certified by a designated local agency (as defined in section 51(d)(11)) (or by any other entity designated by the Secretary) which—

''(1) certifies that the individual was an eligible individual (as defined in section 6429(c)) as of the first day of any month, and

''(2) provides such other information as the Secretary may require for purposes of this section.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 7527. Advance payment of trade adjustment assistance health insurance credit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, without regard to whether final regulations to carry out such amendments have been promulgated by such date.

SEC. 603. HEALTH INSURANCE COVERAGE FOR ELIGIBLE INDIVIDUALS.

(a) ELIGIBILITY FOR GRANTS.—Section 173(a) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(a)) is amended—

(1) in paragraph (2), by striking ''and'' at the end;

(2) in paragraph (3) by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(4) from funds appropriated under section 174(c)—

''(A) to a State to provide the assistance described in subsection (f) to any eligible worker (as defined in subsection (f)(4)(B)); and

''(B) to a State to provide the assistance described in subsection (g) to any eligible worker (as defined in subsection (g)(5)).''.

(b) USE OF FUNDS FOR HEALTH INSURANCE COVERAGE.—Section 173 of the Workforce Investment Act of 1998 (29 U.S.C. 2918) is amended by adding at the end the following:

''(f) HEALTH INSURANCE COVERAGE ASSISTANCE FOR ELIGIBLE WORKERS.—

''(1) IN GENERAL.—Funds made available to a State under paragraph (4)(A) of subsection (a) may be used by the State for the following:

''(A) HEALTH INSURANCE COVERAGE.—To assist an eligible worker (as defined in paragraph (4)(B)) in enrolling in health insurance coverage through—

''(i) COBRA continuation coverage;

''(ii) State-based continuation coverage provided by the State under a State law that requires such coverage even though the coverage would not otherwise be required under the provisions of law referred to in paragraph (4)(A);

''(iii) the enrollment of the eligible worker and the eligible worker's spouse and dependents in health insurance coverage offered through a qualified State high risk pool or other comparable State-based health insurance coverage alternative;

''(iv) the enrollment of the eligible worker and the eligible worker's spouse and dependents in the health insurance program offered for State employees;

''(v) the enrollment of the eligible worker and the eligible worker's spouse and dependents in a State-based health insurance program that is comparable to the health insurance program offered for State employees;

''(vi) a direct payment arrangement entered into by the State and a group health plan (including a multiemployer plan as defined in section 3(37) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(37))), an issuer of health insurance coverage, an administrator, or an employer, as appropriate, on behalf of the eligible worker and the eligible worker's spouse and dependents;

''(vii) the enrollment of the eligible worker and the eligible worker's spouse and dependents in a State-operated, State-funded health plan;

''(viii) the enrollment of the eligible worker and the eligible worker's spouse and dependents in health insurance coverage offered through a State arrangement with a private sector health care coverage purchasing pool; or

''(ix) in the case of an eligible worker who was enrolled in individual health insurance coverage during the 6-month period that ends on the date on which the worker became unemployed, enrollment in such individual health insurance coverage.

''(B) ESTABLISHMENT OF HEALTH INSURANCE COVERAGE MECHANISMS.—To establish or administer—

''(i) a qualified State high risk pool for the purpose of providing health insurance coverage to an eligible worker and the eligible worker's spouse and dependents;

''(ii) a State-based program for the purpose of providing health insurance coverage to an eligible worker and the eligible worker's spouse and dependents that is comparable to the State health insurance program for State employees; or

''(iii) a program under which the State enters into arrangements described in subparagraph (A)(vi).

''(C) ADMINISTRATIVE EXPENSES.—To pay the administrative expenses related to the enrollment of eligible workers and the eligible workers spouses and dependents in health insurance coverage described in subparagraph (A), including—

''(i) eligibility verification activities;

''(ii) the notification of eligible workers of available health insurance coverage options;

''(iii) processing qualified health insurance credit eligibility certificates provided for under section 7527 of the Internal Revenue Code of 1986;

''(iv) providing assistance to eligible workers in enrolling in health insurance coverage;

''(v) the development or installation of necessary data management systems; and

''(vi) any other expenses determined appropriate by the Secretary.

''(2) REQUIREMENTS RELATING TO HEALTH INSURANCE COVERAGE.—With respect to health insurance coverage provided to eligible workers under any of clauses (ii) through (viii) of paragraph (1)(A), the State shall ensure that—

''(A) enrollment is guaranteed for workers who provide a qualified health insurance credit eligibility certificate described in section 7527 of the Internal Revenue Code of 1986 and who pay the remainder of the premium for such enrollment;

''(B) no pre-existing condition limitations are imposed with respect to such eligible workers;

''(C) the worker is not required (as a condition of enrollment or continued enrollment under the coverage) to pay a premium or contribution that is greater than the premium or contribution for a similarly situated individual who is not an eligible worker;

''(D) benefits under the coverage are the same as (or substantially similar to) the benefits provided to similarly situated individuals who are not eligible workers;

''(E) the standard loss ratio for the coverage is not less than 65 percent;

''(F) in the case of coverage provided under paragraph (1)(A)(v), the premiums and benefits are comparable to the premiums and benefits applicable to State employees; and

''(G) such coverage otherwise meets requirements established by the Secretary.

''(3) AVAILABILITY OF FUNDS.—

''(A) EXPEDITED PROCEDURES.—With respect to applications submitted by States for grants under this subsection, the Secretary shall—

''(i) not later than 15 days after the date on which the Secretary receives a completed application from a State, notify the State of the determination of the Secretary with respect to the approval or disapproval of such application;

''(ii) in the case of a State application that is disapproved by the Secretary, provide technical assistance, at the request of the State, in a timely manner to enable the State to submit an approved application; and

''(iii) develop procedures to expedite the provision of funds to States with approved applications.

''(B) AVAILABILITY AND DISTRIBUTION OF FUNDS.—The Secretary shall ensure that funds made available under section 174(c)(1)(A) to carry out subsection (a)(4)(A) are available to States throughout the period described in section 174(c)(2)(A).

''(4) DEFINITIONS.—For purposes of this subsection:

''(A) COBRA CONTINUATION COVERAGE.—The term 'COBRA continuation coverage' means coverage under a group health plan provided by an employer pursuant to title XXII of the Public Health Service Act, section 4980B of the Internal Revenue Code of 1986, part 6 of subtitle B of title I of the Employee Retirement Income Security Act of 1974, or section 8905a of title 5, United States Code.

''(B) ELIGIBLE WORKER.—The term 'eligible worker' means an individual who—

''(i) is qualified to receive payment of a trade adjustment allowance under section 235 of the Trade Act of 1974, as amended by section 111 of the Trade Adjustment Assistance Reform Act of 2002;

''(ii) does not have other specified coverage; and

''(iii) is not imprisoned under Federal, State, or local authority.

''(C) OTHER SPECIFIED COVERAGE.—With respect to any individual, the term 'other specified coverage' means—

''(i) SUBSIDIZED COVERAGE.—

''(I) IN GENERAL.—Such individual is covered under any health insurance coverage under which at least 50 percent of the cost of coverage (determined under section 4980B of the Internal Revenue Code of 1986) is paid or incurred by an employer (or former employer) of the individual or the individual's spouse.

''(II) TREATMENT OF CAFETERIA PLANS AND FLEXIBLE SPENDING ACCOUNTS.—For purposes of subclause (I), the cost of benefits which are chosen under a cafeteria plan (as defined in section 125(d) of such Code), or provided under a flexible spending or similar arrangement, of such an employer, and which are not includible in gross income under section 106 of such Code, shall be treated as borne by such employer.

''(ii) COVERAGE UNDER MEDICARE, MEDICAID, OR SCHIP.—Such individual—

''(I) is entitled to benefits under part A of title XVIII of the Social Security Act or is enrolled under part B of such title, or

''(II) is enrolled in the program under title XIX or XXI of such Act (other than under section 1928).

''(iii) CERTAIN OTHER COVERAGE.—Such individual—

''(I) is enrolled in a health benefits plan under chapter 89 of title 5, United States Code;

''(II) is entitled to receive benefits under chapter 55 of title 10, United States Code;

''(III) is entitled to receive benefits under chapter 17 of title 38, United States Code; or

''(IV) is eligible for benefits under the Indian Health Care Improvement Act.

Such term does not include coverage under a qualified long-term care insurance contract (as defined in section 7702B(b)(1) of the Internal Revenue Code of 1986).

''(D) GROUP HEALTH PLAN.—The term 'group health plan' has the meaning given that term in section 2791(a) of the Public Health Service Act (42 U.S.C. 300gg–91(a)), section 607(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1167(1)), and section 4980B(g)(2) of the Internal Revenue Code of 1986.

''(E) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' has the meaning given that term in section 2791(b)(1) of the Public Health Service Act (42 U.S.C. 300gg–91(b)(1)) (other than insurance if substantially all of its coverage is of excepted benefits described in section 2791(c) of such Act (42 U.S.C. 300gg–91(c)) .

''(F) INDIVIDUAL HEALTH INSURANCE COVERAGE.—The term 'individual health insurance coverage' means health insurance coverage offered to individuals other than in connection with a group health plan. Such term does not include Federal- or State-based health insurance coverage.

''(G) QUALIFIED STATE HIGH RISK POOL.—The term 'qualified State high risk pool' has the meaning given that term in section 2744(c)(2) of the Public Health Service Act.

''(H) STANDARD LOSS RATIO.—The term 'standard loss ratio', with respect to the pool of insured individuals under coverage described in clauses (ii) through (viii) of subparagraph (A) for a year, means—

''(i) the amount of claims incurred with respect to the pool of insured individuals in each such type of coverage for such year; divided by

''(ii) the premiums paid for enrollment in each such coverage for such year.

''(g) INTERIM HEALTH AND OTHER ASSISTANCE.—

''(1) IN GENERAL.—Funds made available to a State under paragraph (4)(B) of subsection (a) may be used by the State to provide assistance and support services to eligible workers, including health care coverage, transportation, child care, dependent care, and income assistance.

''(2) INCOME SUPPORT.—With respect to any income assistance provided to an eligible worker with such funds, such assistance shall supplement and not supplant other income support or assistance provided under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) (as in effect on the day before the effective date of the Trade Adjustment Assistance Reform Act of 2002) or the unemployment compensation laws of the State where the eligible worker resides.

''(3) HEALTH CARE COVERAGE.—With respect to any health care coverage assistance provided to an eligible worker with such funds, the following rules shall apply:

''(A) The State may provide assistance in obtaining health care coverage to the eligible worker and to the eligible worker's spouse and dependents.

''(B) Such assistance shall supplement and may not supplant any other State or local funds used to provide health care coverage and may not be included in determining the amount of non-Federal contributions required under any program.

''(4) AVAILABILITY OF FUNDS.—

''(A) EXPEDITED PROCEDURES.—With respect to applications submitted by States for grants under this subsection, the Secretary shall—

''(i) not later than 15 days after the date on which the Secretary receives a completed application from a State, notify the State of the determination of the Secretary with respect to the approval or disapproval of such application;

''(ii) in the case of a State application that is disapproved by the Secretary, provide technical assistance, at the request of the State, in a timely manner to enable the State to submit an approved application; and

''(iii) develop procedures to expedite the provision of funds to States with approved applications.

''(B) AVAILABILITY AND DISTRIBUTION OF FUNDS.—The Secretary shall ensure that funds made available under section 174(c)(1)(B) to carry out subsection (a)(4)(B) are available to States throughout the period described in section 174(c)(2)(B).

''(5) DEFINITION OF ELIGIBLE WORKER.—In this subsection, the term 'eligible worker' means an individual who is a member of a group of workers certified after April 1, 2002 under chapter 2 of title II of the Trade Act of 1974 (as in effect on the day before the effective date of the Trade Adjustment Assistance Reform Act of 2002) and who is determined to be qualified to receive payment of a trade adjustment allowance under such chapter (as so in effect).''.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 174 of the Workforce Investment Act of 1998 (29 U.S.C. 2919) is amended by adding at the end the following:

''(c) ASSISTANCE FOR ELIGIBLE WORKERS.—

''(1) IN GENERAL.—There are authorized to be appropriated—

''(A) to carry out subsection (a)(4)(A) of section 173—

''(i) $10,000,000 for fiscal year 2002; and

''(ii) $60,000,000 for each of fiscal years 2003 through 2007; and

''(B) to carry out subsection (a)(4)(B) of section 173—

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

''(ii) $100,000,000 for fiscal year 2003; and

''(iii) $50,000,000 for fiscal year 2004.

''(2) AVAILABILITY OF FUNDS.—Funds appropriated under—

''(A) paragraph (1)(A) for each fiscal year shall, notwithstanding section 189(g), remain available for obligation during the pendency of any outstanding claim under the Trade Act of 1974, as amended by the Trade Adjustment Assistance Reform Act of 2002; and

''(B) paragraph (1)(B), for each fiscal year shall, notwithstanding section 189(g), remain

available during the period that begins on the date of enactment of the Trade Adjustment Assistance Reform Act of 2002 and ends on September 30, 2004.''.

(d) CONFORMING AMENDMENT.—Section 132(a)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2862(a)(2)(A)) is amended by inserting '', other than under subsection (a)(4), (f), and (g)'' after ''grants''.

(e) TEMPORARY EXTENSION OF COBRA ELECTION PERIOD FOR CERTAIN INDIVIDUALS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the election period for COBRA continuation coverage (as defined in section 6429(d)(2) of the Internal Revenue Code of 1986) with respect to any eligible individual (as defined in section 6429(c) of such Code) for whom such period has expired as of the date of the enactment of this Act, shall not end before the date that is 60 days after the date the individual becomes such an eligible individual.

(2) PREEXISTING CONDITIONS.—If an individual becomes such an eligible individual, any period before the date of such eligibility shall be disregarded for purposes of determining the 63-day periods referred to in section 701(c)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1181(c)(2)), section 2701(c)(2) of the Public Health Service Act (42 U.S.C. 300gg(c)(2)), and section 9801(c)(2) of the Internal Revenue Code of 1986.

TITLE VII—CONFORMING AMENDMENTS AND EFFECTIVE DATE

SEC. 701. CONFORMING AMENDMENTS.

(a) AMENDMENTS TO THE TRADE ACT OF 1974.—

(1) ASSISTANCE TO INDUSTRIES.—Section 265 of the Trade Act of 1974 (19 U.S.C. 2355) is amended by striking ''certified as eligible to apply for adjustment assistance under sections 231 or 251'', and inserting ''certified as eligible for trade adjustment assistance benefits under section 231, or as eligible to apply for adjustment assistance under section 251''.

(2) GENERAL ACCOUNTING OFFICE REPORT.—Section 280 of the Trade Act of 1974 (19 U.S.C. 2391) is amended to read as follows:

''SEC. 280. GENERAL ACCOUNTING OFFICE REPORT.

''(a) STUDY AND REPORT.—The Comptroller General of the United States shall conduct a study of the adjustment assistance programs established under chapters 2, 3, 4, 6, and 7 of this title and shall report the results of such study to the Congress no later than January 31, 2005. Such report shall include an evaluation of—

''(1) the effectiveness of such programs in aiding workers, farmers, fishermen, firms, and communities to adjust to changed economic conditions resulting from changes in the patterns of international trade; and

''(2) the coordination of the administration of such programs and other Government programs which provide unemployment compensation and relief to depressed areas.

''(b) ASSISTANCE OF OTHER DEPARTMENTS AND AGENCIES.—In carrying out his responsibilities under this section, the Comptroller General shall, to the extent practical, avail himself of the assistance of the Departments of Labor, Commerce, and Agriculture and the Small Business Administration. The Secretaries of Labor, Commerce, and Agriculture and the Administrator of the Small Business Administration shall make available to the Comptroller General any assistance necessary for an effective evaluation of the adjustment assistance programs established under this title.''.

(3) COORDINATION.—Section 281 of the Trade Act of 1974 (19 U.S.C. 2392) is amended by striking ''Departments of Labor and Commerce'' and inserting ''Departments of Labor, Commerce, and Agriculture''.

(4) TRADE MONITORING SYSTEM.—Section 282 of the Trade Act of 1974 (19 U.S.C. 2393) is amended by striking ''The Secretary of Commerce and the Secretary of Labor'' and inserting ''The Secretaries of Commerce, Labor, and Agriculture''.

(5) JUDICIAL REVIEW.—

(A) Section 284(a) of the Trade Act of 1974 (19 U.S.C. 2395(a)) is amended by striking ''under section 223 or section 250(c)'' and all that follows through ''the Secretary of Commerce under section 271'' and inserting ''under section 231, a firm or its representative, or any other interested domestic party aggrieved by a final determination of the Secretary of Commerce under section 251, an agricultural commodity producer (as defined in section 291(2)) aggrieved by a determination of the Secretary of Agriculture under section 293, or a producer (as defined in section 299(2)) aggrieved by a determination of the Secretary of Commerce under section 299B''.

(B) Section 284 of such Trade Act of 1974 is amended in the second sentence of subsection (a) and in subsections (b) and (c), by inserting ''or the Secretary of Agriculture'' after ''Secretary of Commerce'' each place it appears.

(6) TERMINATION.—Section 285 of the Trade Act of 1974 is amended to read as follows:

''SEC. 285. TERMINATION.

''(a) ASSISTANCE FOR WORKERS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), trade adjustment assistance, vouchers, allowances, and other payments or benefits may not be provided under chapter 2 after September 30, 2007.

''(2) EXCEPTION.—Notwithstanding paragraph (1), a worker shall continue to receive trade adjustment assistance benefits and other benefits under chapter 2 for any week for which the worker meets the eligibility requirements of that chapter, if on or before September 30, 2007, the worker is—

''(A) certified as eligible for trade adjustment assistance benefits under section 231; and

''(B) otherwise eligible to receive trade adjustment assistance benefits under chapter 2.

''(b) OTHER ASSISTANCE.—

''(1) ASSISTANCE FOR FIRMS.—Technical assistance may not be provided under chapter 3 after September 30, 2007.

''(2) ASSISTANCE FOR COMMUNITIES.—Technical assistance and other payments may not be provided under chapter 4 after September 30, 2007.

''(3) ASSISTANCE FOR FARMERS AND FISHERMEN.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), adjustment assistance, vouchers, allowances, and other payments or benefits may not be provided under chapter 6 or 7 after September 30, 2007.

''(B) EXCEPTION.—Notwithstanding subparagraph (A), an agricultural commodity producer (as defined in section 291(2)) or producer (as defined in section 299(2)), shall continue to receive adjustment assistance benefits and other benefits under chapter 6 or 7, whichever applies, for any week for which the agricultural commodity producer or producer meets the eligibility requirements of chapter 6 or 7, whichever applies, if on or before September 30, 2007, the agricultural commodity producer or producer is—

''(i) certified as eligible for adjustment assistance benefits under chapter 6 or 7, whichever applies; and

''(ii) is otherwise eligible to receive adjustment assistance benefits under such chapter 6 or 7.''.

(6) TABLE OF CONTENTS.—

(A) IN GENERAL.—The table of contents for chapters 2, 3, and 4 of title II of the Trade Act of 1974 is amended to read as follows:

''Sec. 275. Community economic adjustment advisors.
''Sec. 276. Strategic plans.
''Sec. 277. Grants for economic development.
''Sec. 278. Authorization of appropriations.
''Sec. 279. General provisions.''.

(B) CHAPTERS 6 AND 7.—The table of contents for title II of the Trade Act of 1974, as amended by subparagraph (A), is amended by inserting after the items relating to chapter 5 the following:

''CHAPTER 6—ADJUSTMENT ASSISTANCE FOR FARMERS

''Sec. 291. Definitions.
''Sec. 292. Petitions; group eligibility.
''Sec. 293. Determinations by Secretary of Agriculture.
''Sec. 294. Study by Secretary of Agriculture when International Trade Commission begins investigation.
''Sec. 295. Benefit information to agricultural commodity producers.
''Sec. 296. Qualifying requirements for agricultural commodity producers.
''Sec. 297. Fraud and recovery of overpayments.
''Sec. 298. Authorization of appropriations.

''CHAPTER 7—ADJUSTMENT ASSISTANCE FOR FISHERMEN

''Sec. 299. Definitions.
''Sec. 299A. Petitions; group eligibility.
''Sec. 299B. Determinations by Secretary.
''Sec. 299C. Study by Secretary when International Trade Commission begins investigation.
''Sec. 299D. Benefit information to producers.
''Sec. 299E. Qualifying requirements for producers.
''Sec. 299F. Fraud and recovery of overpayments.
''Sec. 299G. Authorization of appropriations.''.

(b) INTERNAL REVENUE CODE.—

(1) ADJUSTED GROSS INCOME.—Section 62(a)(12) of the Internal Revenue Code of 1986 (relating to the definition of adjusted gross income) is amended by striking ''trade readjustment allowances under section 231 or 232'' and inserting ''trade adjustment allowances under section 235 or 236''.

(2) FEDERAL UNEMPLOYMENT.—

(A) IN GENERAL.—Section 3304(a)(8) of the Internal Revenue Code of 1986 (relating to the approval of State unemployment insurance laws) is amended to read as follows:

''(8) compensation shall not be denied to an individual for any week because the individual is in training with the approval of the State agency, or in training approved by the Secretary of Labor pursuant to chapter 2 of title II of the Trade Act of 1974 (or because of the application, to any such week in training, of State law provisions relating to availability for work, active search for work, or refusal to accept work);''.

(B) EFFECTIVE DATE.—

(i) IN GENERAL.—Except as provided in clause (ii), the amendments made by this paragraph shall apply in the case of compensation paid for weeks beginning on or after the date that is 90 days after the date of enactment of this Act.

(ii) MEETING OF STATE LEGISLATURE.—

(I) IN GENERAL.—If the Secretary of Labor identifies a State as requiring a change to its statutes or regulations in order to comply with the amendments made by subparagraph (A), the amendments made by subparagraph (A) shall apply in the case of compensation paid for weeks beginning after the earlier of—

(aa) the date the State changes its statutes or regulations in order to comply with the amendments made by this section; or

(bb) the end of the first session of the State legislature which begins after the date of enactment of this Act or which began prior to such date and remained in session for at least 25 calendar days after such date;

except that in no case shall the amendments made by this Act apply before the date described in clause (i).

(II) SESSION DEFINED.—In this clause, the term ''session'' means a regular, special, budget, or other session of a State legislature.

(c) AMENDMENTS TO TITLE 28.—

(1) CIVIL ACTIONS AGAINST THE UNITED STATES.—Section 1581(d) of title 28, United States Code, is amended—

(A) in paragraph (1), by striking ''section 223'' and inserting ''section 231'';

(B) in paragraph (2), by striking ''and''; and

(C) by striking paragraph (3), and inserting the following:

''(3) any final determination of the Secretary of Agriculture under section 293 of the Trade Act of 1974 with respect to the eligibility of an agricultural commodity producer (as defined in section 291(2)) for adjustment assistance under such Act; and

''(4) any final determination of the Secretary of Commerce under section 299B of the Trade Act of 1974 with respect to the eligibility of a producer (as defined in section 299(2)) for adjustment assistance under such Act.''.

(2) PERSONS ENTITLED TO COMMENCE A CIVIL ACTION.—Section 2631 of title 28, United States Code, is amended—

(A) by amending subsection (d)(1) to read as follows:

''(d)(1) A civil action to review any final determination of the Secretary of Labor under section 231 of the Trade Act of 1974 with respect to the certification of workers as adversely affected and eligible for trade adjustment assistance under that Act may be commenced by a worker, a group of workers, a certified or recognized union, or an authorized representative of such worker or group, that petitions for certification under that Act or is aggrieved by the final determination.'';

(B) by striking paragraph (3), and inserting the following:

''(3) A civil action to review any final determination of the Secretary of Agriculture under section 293 of the Trade Act of 1974 with respect to the eligibility of an agricultural commodity producer for adjustment assistance may be commenced in the Court of International Trade by an agricultural commodity producer that applies for assistance under such Act and is aggrieved by such final determination, or by any other interested party that is aggrieved by such final determination.''; and

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

''(4) A civil action to review any final determination of the Secretary of Commerce under section 299B of the Trade Act of 1974 with respect to the eligibility of an producer (as defined in section 299(2)) for adjustment assistance may be commenced in the Court of International Trade by a producer that applies for assistance under such Act and is aggrieved by such final determination, or by any other interested party that is aggrieved by such final determination.''.

(3) TIME FOR COMMENCEMENT OF ACTION.—Section 2636(d) of title 28, United States Code, is amended by striking ''under section 223 of the Trade Act of 1974 or a final determination of the Secretary of Commerce under section 251 or section 271 of such Act'' and inserting ''under section 231 of the Trade Act of 1974, a final determination of the Secretary of Commerce under section 251 of that Act, a final determination of the Secretary of Agriculture under section 293 of that Act, or a final determination of the Secretary of Commerce under section 299B of that Act''.

(4) SCOPE AND STANDARD OF REVIEW.—Section 2640(c) of title 28, United States Code, is amended by striking ''under section 223 of the Trade Act of 1974 or any final determination of the Secretary of Commerce under section 251 or section 271 of such Act'' and inserting ''under section 231 of the Trade Act of 1974, a final determination of the Secretary of Commerce under section 251 of that Act, a final determination of the Secretary of Agriculture under section 293 of that Act, or a final determination of the Secretary of Commerce under section 299B of that Act''.

(5) RELIEF.—Section 2643(c)(2) of title 28, United States Code, is amended by striking ''under section 223 of the Trade Act of 1974 or any final determination of the Secretary of Commerce under section 251 or section 271 of such Act'' and inserting ''under section 231 of the Trade Act of 1974, a final determination of the Secretary of Commerce under section 251 of that Act, a final determination of the Secretary of Agriculture under section 293 of that Act, or a final determination of the Secretary of Commerce under section 299B of that Act''.

(d) AMENDMENT TO THE FOOD STAMP ACT OF 1977.—Section 6(o)(1)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o)(1)(B)) is amended by striking ''section 236'' and inserting ''section 240''.

TITLE VIII—SAVINGS PROVISIONS AND EFFECTIVE DATE

SEC. 801. SAVINGS PROVISIONS.

(a) PROCEEDINGS NOT AFFECTED.—

(1) IN GENERAL.—The provisions of this division shall not affect any petition for certification for benefits under chapter 2 of title II of the Trade Act of 1974 that was in effect on September 30, 2001. Determinations shall be issued, appeals shall be taken therefrom, and payments shall be made under those determinations, as if this division had not been enacted, and orders issued in any proceeding 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.

(2) MODIFICATION OR DISCONTINUANCE.—Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any proceeding under the same terms and conditions and to the same extent that the proceeding could have been discontinued or modified if this division had not been enacted.

(b) SUITS NOT AFFECTED.—The provisions of this division shall not affect any suit commenced before October 1, 2001, and in all those suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this division had not been enacted.

(c) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Federal Government, or by or against any individual in the official capacity of that individual as an officer of the Federal Government, shall abate by reason of enactment of this Act.

SEC. 802. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in sections 401(b), 501(b), and 701(b)(2)(B), titles IX, X, and XI, and subsections (b), (c), and (d) of this section, the amendments made by this division shall apply to—

(1) petitions for certification filed under chapter 2 or 3 of title II of the Trade Act of 1974 on or after the date that is 90 days after the date of enactment of this Act; and

(2) certifications for assistance under chapter 4 of title II of the Trade Act of 1974 issued on or after the date that is 90 days after the date of enactment of this Act.

(b) WORKERS CERTIFIED AS ELIGIBLE BEFORE EFFECTIVE DATE.—Notwithstanding subsection (a), a worker shall continue to receive (or be eligible to receive) trade adjustment assistance and other benefits under chapter 2 of title II of the Trade Act of 1974, as in effect on September 30, 2001, for any week for which the worker meets the eligibility requirements of such chapter 2 as in effect on such date, if on or before such date, the worker—

(1) was certified as eligible for trade adjustment assistance benefits under such chapter as in effect on such date; and

(2) would otherwise be eligible to receive trade adjustment assistance benefits under such chapter as in effect on such date.

(c) WORKERS WHO BECAME ELIGIBLE DURING QUALIFIED PERIOD.—

(1) IN GENERAL.—Notwithstanding subsection (a) or any other provision of law, including section 285 of the Trade Act of 1974, any worker who would have been eligible to receive trade adjustment assistance or other benefits under chapter 2 of title II of the Trade Act if 1974 during the qualified period if such chapter 2 had been in effect during such period, shall be eligible to receive trade adjustment assistance and other benefits under chapter 2 of title II of the Trade Act of 1974, as in effect on September 30, 2001, for any week during the qualified period for which the worker meets the eligibility requirements of such chapter 2 as in effect on September 30, 2001.

(2) QUALIFIED PERIOD.—For purposes of this subsection, the term ''qualified period'' means the period beginning on January 11, 2002 and ending on the date that is 90 days after the date of enactment of this Act.

(d) ADJUSTMENT ASSISTANCE FOR FIRMS.—

(1) IN GENERAL.—Notwithstanding subsection (a) or any other provision of law, including section 285 of the Trade Act of 1974, and except as provided in paragraph (2) any firm that would have been eligible to receive adjustment assistance under chapter 3 of title II of the Trade Act if 1974 during the qualified period if such chapter 3 had been in effect during such period, shall be eligible to receive adjustment assistance under chapter 3 of title II of the Trade Act of 1974, as in effect on September 30, 2001, for any week during the qualified period for which the firm meets the eligibility requirements of such chapter 3 as in effect on September 30, 2001.

(2) QUALIFIED PERIOD.—For purposes of this subsection, the term ''qualified period'' means the period beginning on October 1, 2001 and ending on the date that is 90 days after the date of enactment of this Act.

TITLE IX—REVENUE PROVISIONS

SEC. 901. CUSTOM USER FEES.

Section 13031(j)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)) is amended by striking ''September 30, 2003'' and inserting ''December 31, 2010''.

TITLE X—MISCELLANEOUS PROVISIONS

SEC. 1001. COUNTRY OF ORIGIN LABELING OF FISH AND SHELLFISH PRODUCTS.

(a) DEFINITIONS.—In this section:

(1) COVERED COMMODITY.—The term ''covered commodity'' means—

(A) a perishable agricultural commodity; and

(B) any fish or shellfish, and any fillet, steak, nugget, or any other flesh from fish or shellfish, whether fresh, chilled, frozen, canned, smoked, or otherwise preserved.

(2) FOOD SERVICE ESTABLISHMENT.—The term ''food service establishment'' means a restaurant, cafeteria, lunch room, food stand, saloon, tavern, bar, lounge, or other similar facility operated as an enterprise engaged in the business of selling food to the public.

(3) PERISHABLE AGRICULTURAL COMMODITY; RETAILER.—The terms ''perishable agricultural commodity'' and ''retailer'' have the meanings given the terms in section 1(b) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499a(b)).

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture, acting through the Agricultural Marketing Service.

(b) NOTICE OF COUNTRY OF ORIGIN.—

(1) REQUIREMENT.—Except as provided in paragraph (3), a retailer of a covered commodity shall inform consumers, at the final point of sale of the covered commodity to consumers, of the country of origin of the covered commodity.

(2) UNITED STATES COUNTRY OF ORIGIN.—A retailer of a covered commodity may designate the covered commodity as having a United States country of origin only if the covered commodity is exclusively harvested and processed in the United States, or in the case of farm-raised fish and shellfish, is hatched, raised, harvested, and processed in the United States.

(3) EXEMPTION FOR FOOD SERVICE ESTABLISHMENTS.—Paragraph (1) shall not apply to a covered commodity if the covered commodity is prepared or served in a food service establishment, and—

(A) offered for sale or sold at the food service establishment in normal retail quantities; or

(B) served to consumers at the food service establishment.

(c) METHOD OF NOTIFICATION.—

(1) IN GENERAL.—The information required by subsection (b) may be provided to consumers by means of a label, stamp, mark, placard, or other clear and visible sign on the covered commodity or on the package, display, holding unit, or bin containing the covered commodity at the final point of sale to consumers.

(2) LABELED COMMODITIES.—If the covered commodity is already individually labeled for retail sale regarding country of origin, the retailer shall not be required to provide any additional information to comply with this section.

(d) AUDIT VERIFICATION SYSTEM.—The Secretary may require that any person that prepares, stores, handles, or distributes a covered commodity for retail sale maintain a verifiable recordkeeping audit trail that will permit the Secretary to ensure compliance with the regulations promulgated under subsection (g).

(e) INFORMATION.—Any person engaged in the business of supplying a covered commodity to a retailer shall provide information to the retailer indicating the country of origin of the covered commodity.

(f) ENFORCEMENT.—

(1) IN GENERAL.—Each Federal agency having jurisdiction over retailers of covered commodities shall, at such time as the necessary regulations are adopted under subsection (g), adopt measures intended to ensure that the requirements of this section are followed by affected retailers.

(2) VIOLATION.—A violation of subsection (b) shall be treated as a violation under the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.).

(g) REGULATIONS.—

(1) IN GENERAL.—The Secretary may promulgate such regulations as are necessary to carry out this section within 1 year after the date of enactment of this Act.

(2) PARTNERSHIPS WITH STATES.—In promulgating the regulations, the Secretary shall, to the maximum extent practicable, enter into partnerships with States that have the enforcement infrastructure necessary to carry out this section.

(h) APPLICATION.—This section shall apply to the retail sale of a covered commodity beginning on the date that is 180 days after the date of enactment of this Act.

SEC. 1002. SUGAR POLICY.

(a) FINDINGS.—Congress finds that—

(1) the tariff-rate quotas imposed on imports of sugar, syrups and sugar-containing products under chapters 17, 18, 19, and 21 of the Harmonized Tariff Schedule of the United States are an essential element of United States sugar policy;

(2) circumvention of the tariff-rate quotas will, if unchecked, make it impossible to achieve the objectives of United States sugar policy;

(3) the tariff-rate quotas have been circumvented frequently, defeating the purposes of United States sugar policy and causing disruption to the United States market for sweeteners, injury to domestic growers, refiners, and processors of sugar, and adversely affecting legitimate exporters of sugar to the United States;

(4) it is essential to United States sugar policy that the tariff-rate quotas be enforced and that deceptive practices be prevented, including the importation of products with no commercial use and failure to disclose all relevant information to the United States Customs Service; and

(5) unless action is taken to prevent circumvention, circumvention of the tariff-rate quotas will continue and will ultimately destroy United States sugar policy.

(b) POLICY.—It is the policy of the United States to maintain the integrity of the tariff-rate quotas on sugars, syrups, and sugar-containing products by stopping circumvention as soon as it becomes apparent. It is also the policy of the United States that products not used to circumvent the tariff-rate quotas, such as molasses used for animal feed or for rum, not be affected by any action taken pursuant to this Act.

(c) IDENTIFICATION OF IMPORTS.—

(1) IDENTIFICATION.—Not later than 30 days after the date of enactment of this Act, and on a regular basis thereafter, the Secretary of Agriculture shall—

(A) identify imports of articles that are circumventing tariff-rate quotas on sugars, syrups, or sugar-containing products imposed under chapter 17, 18, 19, or 21 of the Harmonized Tariff Schedule of the United States; and

(B) report to the President the articles found to be circumventing the tariff-rate quotas.

(2) ACTION BY PRESIDENT.—Upon receiving the report from the Secretary of Agriculture, the President shall, by proclamation, include any article identified by the Secretary in the appropriate tariff-rate quota provision of the Harmonized Tariff Schedule.

TITLE XI—CUSTOMS REAUTHORIZATION

SEC. 1101. SHORT TITLE.

This title may be cited as the ''Customs Border Security Act of 2002''.

Subtitle A—United States Customs Service

CHAPTER 1—DRUG ENFORCEMENT AND OTHER NONCOMMERCIAL AND COMMERCIAL OPERATIONS

SEC. 1111. AUTHORIZATION OF APPROPRIATIONS FOR NONCOMMERCIAL OPERATIONS, COMMERCIAL OPERATIONS, AND AIR AND MARINE INTERDICTION.

(a) NONCOMMERCIAL OPERATIONS.—Section 301(b)(1) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)) is amended—

(1) in subparagraph (A) to read as follows: ''(A) $886,513,000 for fiscal year 2003.''; and

(2) in subparagraph (B) to read as follows: ''(B) $909,471,000 for fiscal year 2004.''.

(b) COMMERCIAL OPERATIONS.—

(1) IN GENERAL.—Section 301(b)(2)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(2)(A)) is amended—

(A) in clause (i) to read as follows:

''(i) $1,603,482,000 for fiscal year 2003.''; and

(B) in clause (ii) to read as follows:

''(ii) $1,645,009,000 for fiscal year 2004.''.

(2) AUTOMATED COMMERCIAL ENVIRONMENT COMPUTER SYSTEM.—Of the amount made available for each of fiscal years 2003 and 2004 under section 301(b)(2)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(2)(A)), as amended by paragraph (1), $308,000,000 shall be available until expended for each such fiscal year for the development, establishment, and implementation of the Automated Commercial Environment computer system.

(3) REPORTS.—Not later than 90 days after the date of enactment of this Act, and not later than each subsequent 90-day period, the Commissioner of Customs shall prepare and submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report demonstrating that the development and establishment of the Automated Commercial Environment computer system is being carried out in a cost-effective manner and meets the modernization requirements of title VI of the North American Free Trade Agreements Implementation Act.

(c) AIR AND MARINE INTERDICTION.—Section 301(b)(3) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(3)) is amended—

(1) in subparagraph (A) to read as follows:

''(A) $181,860,000 for fiscal year 2003.''; and

(2) in subparagraph (B) to read as follows:

''(B) $186,570,000 for fiscal year 2004.''.

(d) SUBMISSION OF OUT-YEAR BUDGET PROJECTIONS.—Section 301(a) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(a)) is amended by adding at the end the following:

''(3) By not later than the date on which the President submits to Congress the budget of the United States Government for a fiscal year, the Commissioner of Customs shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the projected amount of funds for the succeeding fiscal year that will be necessary for the operations of the Customs Service as provided for in subsection (b).''.

SEC. 1112. ANTITERRORIST AND ILLICIT NARCOTICS DETECTION EQUIPMENT FOR THE UNITED STATES-MEXICO BORDER, UNITED STATES-CANADA BORDER, AND FLORIDA AND THE GULF COAST SEAPORTS.

(a) FISCAL YEAR 2003.—Of the amounts made available for fiscal year 2003 under section 301(b)(1)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A)), as amended by section 1111(a) of this title, $90,244,000 shall be available until expended for acquisition and other expenses associated with implementation and deployment of antiterrorist and illicit narcotics detection equipment along the United States-Mexico border, the United States-Canada border, and Florida and the Gulf Coast seaports, as follows:

(1) UNITED STATES-MEXICO BORDER.—For the United States-Mexico border, the following:

(A) $6,000,000 for 8 Vehicle and Container Inspection Systems (VACIS).

(B) $11,200,000 for 5 mobile truck x-rays with transmission and backscatter imaging.

(C) $13,000,000 for the upgrade of 8 fixed-site truck x-rays from the present energy level of 450,000 electron volts to 1,000,000 electron volts (1–MeV).

(D) $7,200,000 for 8 1–MeV pallet x-rays.

(E) $1,000,000 for 200 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(F) $600,000 for 50 contraband detection kits to be distributed among all southwest border ports based on traffic volume.

(G) $500,000 for 25 ultrasonic container inspection units to be distributed among all ports receiving liquid-filled cargo and to ports with a hazardous material inspection facility.

(H) $2,450,000 for 7 automated targeting systems.

(I) $360,000 for 30 rapid tire deflator systems to be distributed to those ports where port runners are a threat.

(J) $480,000 for 20 portable Treasury Enforcement Communications Systems (TECS) terminals to be moved among ports as needed.

(K) $1,000,000 for 20 remote watch surveillance camera systems at ports where there are suspicious activities at loading docks, vehicle queues, secondary inspection lanes, or areas where visual surveillance or observation is obscured.

(L) $1,254,000 for 57 weigh-in-motion sensors to be distributed among the ports with the greatest volume of outbound traffic.

(M) $180,000 for 36 AM traffic information radio stations, with 1 station to be located at each border crossing.

(N) $1,040,000 for 260 inbound vehicle counters to be installed at every inbound vehicle lane.

(O) $950,000 for 38 spotter camera systems to counter the surveillance of customs inspection activities by persons outside the boundaries of ports where such surveillance activities are occurring.

(P) $390,000 for 60 inbound commercial truck transponders to be distributed to all ports of entry.

(Q) $1,600,000 for 40 narcotics vapor and particle detectors to be distributed to each border crossing.

(R) $400,000 for license plate reader automatic targeting software to be installed at each port to target inbound vehicles.

(2) UNITED STATES-CANADA BORDER.—For the United States-Canada border, the following:

(A) $3,000,000 for 4 Vehicle and Container Inspection Systems (VACIS).

(B) $8,800,000 for 4 mobile truck x-rays with transmission and backscatter imaging.

(C) $3,600,000 for 4 1–MeV pallet x-rays.

(D) $250,000 for 50 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(E) $300,000 for 25 contraband detection kits to be distributed among ports based on traffic volume.

(F) $240,000 for 10 portable Treasury Enforcement Communications Systems (TECS) terminals to be moved among ports as needed.

(G) $400,000 for 10 narcotics vapor and particle detectors to be distributed to each border crossing based on traffic volume.

(3) FLORIDA AND GULF COAST SEAPORTS.—For Florida and the Gulf Coast seaports, the following:

(A) $4,500,000 for 6 Vehicle and Container Inspection Systems (VACIS).

(B) $11,800,000 for 5 mobile truck x-rays with transmission and backscatter imaging.

(C) $7,200,000 for 8 1–MeV pallet x-rays.

(D) $250,000 for 50 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(E) $300,000 for 25 contraband detection kits to be distributed among ports based on traffic volume.

(b) FISCAL YEAR 2004.—Of the amounts made available for fiscal year 2004 under section 301(b)(1)(B) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(B)), as amended by section 1111(a) of this title, $9,000,000 shall be available until expended for the maintenance and support of the equipment and training of personnel to maintain and support the equipment described in subsection (a).

(c) ACQUISITION OF TECHNOLOGICALLY SUPERIOR EQUIPMENT; TRANSFER OF FUNDS.—

(1) IN GENERAL.—The Commissioner of Customs may use amounts made available for fiscal year 2003 under section 301(b)(1)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A)), as amended by section 1111(a) of this title, for the acquisition of equipment other than the equipment described in subsection (a) if such other equipment—

(A)(i) is technologically superior to the equipment described in subsection (a); and

(ii) will achieve at least the same results at a cost that is the same or less than the equipment described in subsection (a); or

(B) can be obtained at a lower cost than the equipment described in subsection (a).

(2) TRANSFER OF FUNDS.—Notwithstanding any other provision of this section, the Commissioner of Customs may reallocate an amount not to exceed 10 percent of—

(A) the amount specified in any of subparagraphs (A) through (R) of subsection (a)(1) for equipment specified in any other of such subparagraphs (A) through (R);

(B) the amount specified in any of subparagraphs (A) through (G) of subsection (a)(2) for equipment specified in any other of such subparagraphs (A) through (G); and

(C) the amount specified in any of subparagraphs (A) through (E) of subsection (a)(3) for equipment specified in any other of such subparagraphs (A) through (E).

SEC. 1113. COMPLIANCE WITH PERFORMANCE PLAN REQUIREMENTS.

As part of the annual performance plan for each of the fiscal years 2003 and 2004 covering each program activity set forth in the budget of the United States Customs Service, as required under section 1115 of title 31, United States Code, the Commissioner of Customs shall establish performance goals, performance indicators, and comply with all other requirements contained in paragraphs (1) through (6) of subsection (a) of such section with respect to each of the activities to be carried out pursuant to sections 1121 of this title.

CHAPTER 2—CHILD CYBER-SMUGGLING CENTER OF THE CUSTOMS SERVICE

SEC. 1121. AUTHORIZATION OF APPROPRIATIONS FOR PROGRAM TO PREVENT CHILD PORNOGRAPHY/CHILD SEXUAL EXPLOITATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Customs Service $10,000,000 for fiscal year 2003 to carry out the program to prevent child pornography/child sexual exploitation established by the Child Cyber-Smuggling Center of the Customs Service.

(b) USE OF AMOUNTS FOR CHILD PORNOGRAPHY CYBER TIPLINE.—Of the amount appropriated under subsection (a), the Customs Service shall provide 3.75 percent of such amount to the National Center for Missing and Exploited Children for the operation of the child pornography cyber tipline of the Center and for increased public awareness of the tipline.

CHAPTER 3—MISCELLANEOUS PROVISIONS

SEC. 1131. ADDITIONAL CUSTOMS SERVICE OFFICERS FOR UNITED STATES-CANADA BORDER.

Of the amount made available for fiscal year 2003 under paragraphs (1) and (2)(A) of section 301(b) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C.

2075(b)), as amended by section 1111 of this title, $25,000,000 shall be available until expended for the Customs Service to hire approximately 285 additional Customs Service officers to address the needs of the offices and ports along the United States-Canada border.

SEC. 1132. STUDY AND REPORT RELATING TO PERSONNEL PRACTICES OF THE CUSTOMS SERVICE.

(a) STUDY.—The Commissioner of Customs shall conduct a study of current personnel practices of the Customs Service, including an overview of performance standards and the effect and impact of the collective bargaining process on drug interdiction efforts of the Customs Service and a comparison of duty rotation policies of the Customs Service and other Federal agencies that employ similarly-situated personnel.

(b) REPORT.—Not later than 120 days after the date of enactment of this Act, the Commissioner of Customs shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report containing the results of the study conducted under subsection (a).

SEC. 1133. STUDY AND REPORT RELATING TO ACCOUNTING AND AUDITING PROCEDURES OF THE CUSTOMS SERVICE.

(a) STUDY.—(1) The Commissioner of Customs shall conduct a study of actions by the Customs Service to ensure that appropriate training is being provided to Customs Service personnel who are responsible for financial auditing of importers.

(2) In conducting the study, the Commissioner—

(A) shall specifically identify those actions taken to comply with provisions of law that protect the privacy and trade secrets of importers, such as section 552(b) of title 5, United States Code, and section 1905 of title 18, United States Code; and

(B) shall provide for public notice and comment relating to verification of the actions described in subparagraph (A).

(b) REPORT.—Not later than 6 months after the date of enactment of this Act, the Commissioner of Customs shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report containing the results of the study conducted under subsection (a).

SEC. 1134. ESTABLISHMENT AND IMPLEMENTATION OF COST ACCOUNTING SYSTEM; REPORTS.

(a) ESTABLISHMENT AND IMPLEMENTATION.—

(1) IN GENERAL.—Not later than September 30, 2003, the Commissioner of Customs shall, in accordance with the audit of the Customs Service's fiscal years 2000 and 1999 financial statements (as contained in the report of the Office of the Inspector General of the Department of the Treasury issued on February 23, 2001), establish and implement a cost accounting system for expenses incurred in both commercial and noncommercial operations of the Customs Service.

(2) ADDITIONAL REQUIREMENT.—The cost accounting system described in paragraph (1) shall provide for an identification of expenses based on the type of operation, the port at which the operation took place, the amount of time spent on the operation by personnel of the Customs Service, and an identification of expenses based on any other appropriate classification necessary to provide for an accurate and complete accounting of the expenses.

(b) REPORTS.—Beginning on the date of enactment of this Act and ending on the date on which the cost accounting system described in subsection (a) is fully implemented, the Commissioner of Customs shall prepare and submit to Congress on a quarterly basis a report on the progress of implementing the cost accounting system pursuant to subsection (a).

SEC. 1135. STUDY AND REPORT RELATING TO TIMELINESS OF PROSPECTIVE RULINGS.

(a) STUDY.—The Comptroller General shall conduct a study on the extent to which the Office of Regulations and Rulings of the Customs Service has made improvements to decrease the amount of time to issue prospective rulings from the date on which a request for the ruling is received by the Customs Service.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report containing the results of the study conducted under subsection (a).

(c) DEFINITION.—In this section, the term ''prospective ruling'' means a ruling that is requested by an importer on goods that are proposed to be imported into the United States and that relates to the proper classification, valuation, or marking of such goods.

SEC. 1136. STUDY AND REPORT RELATING TO CUSTOMS USER FEES.

(a) STUDY.—The Comptroller General shall conduct a study on the extent to which the amount of each customs user fee imposed under section 13031(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a)) is commensurate with the level of services provided by the Customs Service relating to the fee so imposed.

(b) REPORT.—Not later than 120 days after the date of enactment of this Act, the Comptroller General shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report in classified form containing—

(1) the results of the study conducted under subsection (a); and

(2) recommendations for the appropriate amount of the customs user fees if such results indicate that the fees are not commensurate with the level of services provided by the Customs Service.

CHAPTER 4—ANTITERRORISM PROVISIONS

SEC. 1141. EMERGENCY ADJUSTMENTS TO OFFICES, PORTS OF ENTRY, OR STAFFING OF THE CUSTOMS SERVICE.

Section 318 of the Tariff Act of 1930 (19 U.S.C. 1318) is amended—

(1) by striking ''Whenever the President'' and inserting ''(a) Whenever the President''; and

(2) by adding at the end the following:

''(b)(1) Notwithstanding any other provision of law, the Secretary of the Treasury, when necessary to respond to a national emergency declared under the National Emergencies Act (50 U.S.C. 1601 et seq.) or to a specific threat to human life or national interests, is authorized to take the following actions on a temporary basis:

''(A) Eliminate, consolidate, or relocate any office or port of entry of the Customs Service.

''(B) Modify hours of service, alter services rendered at any location, or reduce the number of employees at any location.

''(C) Take any other action that may be necessary to directly respond to the national emergency or specific threat.

''(2) Notwithstanding any other provision of law, the Commissioner of Customs, when necessary to respond to a specific threat to human life or national interests, is authorized to close temporarily any Customs office or port of entry or take any other lesser action that may be necessary to respond to the specific threat.

''(3) The Secretary of the Treasury or the Commissioner of Customs, as the case may be, shall notify the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate not later than 72 hours after taking any action under paragraph (1) or (2).''.

SEC. 1142. MANDATORY ADVANCED ELECTRONIC INFORMATION FOR CARGO AND PASSENGERS.

(a) CARGO INFORMATION.—

(1) IN GENERAL.—Section 431(b) of the Tariff Act of 1930 (19 U.S.C. 1431(b)) is amended—

(A) in the first sentence, by striking ''Any manifest'' and inserting ''(1) Any manifest''; and

(B) by adding at the end the following:

''(2) In addition to any other requirement under this section, for each land, air, or vessel carrier required to make entry or obtain clearance under the customs laws of the United States, the pilot, the master, operator, or owner of such carrier (or the authorized agent of such operator or owner) shall provide by electronic transmission cargo manifest information in advance of such entry or clearance in such manner, time, and form as prescribed under regulations by the Secretary. The Secretary may exclude any class of land, air, or vessel carrier for which the Secretary concludes the requirements of this subparagraph are not necessary.''.

(2) CONFORMING AMENDMENTS.—Subparagraphs (A) and (C) of section 431(d)(1) of such Act are each amended by inserting before the semicolon ''or subsection (b)(2)''.

(b) PASSENGER INFORMATION.—Part II of title IV of the Tariff Act of 1930 (19 U.S.C. 1431 et seq.) is amended by inserting after section 431 the following:

''SEC. 432. PASSENGER AND CREW MANIFEST INFORMATION REQUIRED FOR LAND, AIR, OR VESSEL CARRIERS.

''(a) IN GENERAL.—For every person arriving or departing on a land, air, or vessel carrier required to make entry or obtain clearance under the customs laws of the United States, the pilot, the master, operator, or owner of such carrier (or the authorized agent of such operator or owner) shall provide by electronic transmission manifest information described in subsection (b) in advance of such entry or clearance in such manner, time, and form as prescribed under regulations by the Secretary.

''(b) INFORMATION DESCRIBED.—The information described in this subsection shall include for each person described in subsection (a), the person's—

''(1) full name;

''(2) date of birth and citizenship;

''(3) gender;

''(4) passport number and country of issuance;

''(5) United States visa number or resident alien card number, as applicable;

''(6) passenger name record; and

''(7) such additional information that the Secretary, by regulation, determines is reasonably necessary to ensure aviation and maritime safety pursuant to the laws enforced or administered by the Customs Service.''.

(c) DEFINITION.—Section 401 of the Tariff Act of 1930 (19 U.S.C. 1401) is amended by adding at the end the following:

''(t) The term 'land, air, or vessel carrier' means a land, air, or vessel carrier, as the case may be, that transports goods or passengers for payment or other consideration, including money or services rendered.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect beginning 45 days after the date of enactment of this Act.

SEC. 1143. BORDER SEARCH AUTHORITY FOR CERTAIN CONTRABAND IN OUTBOUND MAIL.

The Tariff Act of 1930 is amended by inserting after section 582 the following:

"SEC. 583. EXAMINATION OF OUTBOUND MAIL.

''(a) EXAMINATION.—

''(1) IN GENERAL.—For purposes of ensuring compliance with the Customs laws of the United States and other laws enforced by the Customs Service, including the provisions of law described in paragraph (2), a Customs officer may, subject to the provisions of this section, stop and search at the border, without a search warrant, mail of domestic origin transmitted for export by the United States Postal Service and foreign mail transiting the United States that is being imported or exported by the United States Postal Service.

''(2) PROVISIONS OF LAW DESCRIBED.—The provisions of law described in this paragraph are the following:

''(A) Section 5316 of title 31, United States Code (relating to reports on exporting and importing monetary instruments).

''(B) Sections 1461, 1463, 1465, and 1466 and chapter 110 of title 18, United States Code (relating to obscenity and child pornography).

''(C) Section 1003 of the Controlled Substances Import and Export Act (21 U.S.C. 953; relating to exportation of controlled substances).

''(D) The Export Administration Act of 1979 (50 U.S.C. App. 2401 et seq.).

''(E) Section 38 of the Arms Export Control Act (22 U.S.C. 2778).

''(F) The International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

''(b) SEARCH OF MAIL NOT SEALED AGAINST INSPECTION AND OTHER MAIL.—Mail not sealed against inspection under the postal laws and regulations of the United States, mail which bears a customs declaration, and mail with respect to which the sender or addressee has consented in writing to search, may be searched by a Customs officer.

''(c) SEARCH OF MAIL SEALED AGAINST INSPECTION.—(1) Mail sealed against inspection under the postal laws and regulations of the United States may be searched by a Customs officer, subject to paragraph (2), upon reasonable cause to suspect that such mail contains one or more of the following:

''(A) Monetary instruments, as defined in section 1956 of title 18, United States Code.

''(B) A weapon of mass destruction, as defined in section 2332a(b) of title 18, United States Code.

''(C) A drug or other substance listed in schedule I, II, III, or IV in section 202 of the Controlled Substances Act (21 U.S.C. 812).

''(D) National defense and related information transmitted in violation of any of sections 793 through 798 of title 18, United States Code.

''(E) Merchandise mailed in violation of section 1715 or 1716 of title 18, United States Code.

''(F) Merchandise mailed in violation of any provision of chapter 71 (relating to obscenity) or chapter 110 (relating to sexual exploitation and other abuse of children) of title 18, United States Code.

''(G) Merchandise mailed in violation of the Export Administration Act of 1979 (50 U.S.C. App. 2401 et seq.).

''(H) Merchandise mailed in violation of section 38 of the Arms Export Control Act (22 U.S.C. 2778).

''(I) Merchandise mailed in violation of the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

''(J) Merchandise mailed in violation of the Trading with the Enemy Act (50 U.S.C. App. 1 et seq.).

''(K) Merchandise subject to any other law enforced by the Customs Service.

''(2) No person acting under authority of paragraph (1) shall read, or authorize any other person to read, any correspondence contained in mail sealed against inspection unless prior to so reading—

''(A) a search warrant has been issued pursuant to Rule 41, Federal Rules of Criminal Procedure; or

''(B) the sender or addressee has given written authorization for such reading.''.

SEC. 1144. AUTHORIZATION OF APPROPRIATIONS FOR REESTABLISHMENT OF CUSTOMS OPERATIONS IN NEW YORK CITY.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated for the reestablishment of operations of the Customs Service in New York, New York, such sums as may be necessary for fiscal year 2003.

(2) OPERATIONS DESCRIBED.—The operations referred to in paragraph (1) include, but are not limited to, the following:

(A) Operations relating to the Port Director of New York City, the New York Customs Management Center (including the Director of Field Operations), and the Special Agent-In-Charge for New York.

(B) Commercial operations, including textile enforcement operations and salaries and expenses of—

(i) trade specialists who determine the origin and value of merchandise;

(ii) analysts who monitor the entry data into the United States of textiles and textile products; and

(iii) Customs officials who work with foreign governments to examine textile makers and verify entry information.

(b) AVAILABILITY.—Amounts appropriated pursuant to the authorization of appropriations under subsection (a) are authorized to remain available until expended.

CHAPTER 5—TEXTILE TRANSSHIPMENT PROVISIONS

SEC. 1151. GAO AUDIT OF TEXTILE TRANSSHIPMENT MONITORING BY CUSTOMS SERVICE.

(a) GAO AUDIT.—The Comptroller General of the United States shall conduct an audit of the system established and carried out by the Customs Service to monitor textile transshipment.

(b) REPORT.—Not later than 9 months after the date of enactment of this Act, the Comptroller General shall submit to the Committee on Ways and Means of the House of Representatives and Committee on Finance of the Senate a report that contains the results of the study conducted under subsection (a), including recommendations for improvements to the transshipment monitoring system if applicable.

(c) TRANSSHIPMENT DESCRIBED.—Transshipment within the meaning of this section has occurred when preferential treatment under any provision of law has been claimed for a textile or apparel article on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components. For purposes of the preceding sentence, false information is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment under the provision of law in question.

SEC. 1152. AUTHORIZATION OF APPROPRIATIONS FOR TEXTILE TRANSSHIPMENT ENFORCEMENT OPERATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated for textile transshipment enforcement operations of the Customs Service $9,500,000 for fiscal year 2003.

(2) AVAILABILITY.—Amounts appropriated pursuant to the authorization of appropriations under paragraph (1) are authorized to remain available until expended.

(b) USE OF FUNDS.—Of the amount appropriated pursuant to the authorization of appropriations under subsection (a), the following amounts are authorized to be made available for the following purposes:

(1) IMPORT SPECIALISTS.—$1,463,000 for 21 Customs import specialists to be assigned to selected ports for documentation review to support detentions and exclusions and 1 additional Customs import specialist assigned to the Customs headquarters textile program to administer the program and provide oversight.

(2) INSPECTORS.—$652,080 for 10 Customs inspectors to be assigned to selected ports to examine targeted high-risk shipments.

(3) INVESTIGATORS.—(A) $1,165,380 for 10 investigators to be assigned to selected ports to investigate instances of smuggling, quota and trade agreement circumvention, and use of counterfeit visas to enter inadmissible goods.

(B) $149,603 for 1 investigator to be assigned to Customs headquarters textile program to coordinate and ensure implementation of textile production verification team results from an investigation perspective.

(4) INTERNATIONAL TRADE SPECIALISTS.—$226,500 for 3 international trade specialists to be assigned to Customs headquarters to be dedicated to illegal textile transshipment policy issues and other free trade agreement enforcement issues.

(5) PERMANENT IMPORT SPECIALISTS FOR HONG KONG.—$500,000 for 2 permanent import specialist positions and $500,000 for 2 investigators to be assigned to Hong Kong to work with Hong Kong and other government authorities in Southeast Asia to assist such authorities pursue proactive enforcement of bilateral trade agreements.

(6) VARIOUS PERMANENT TRADE POSITIONS.—$3,500,000 for the following:

(A) 2 permanent positions to be assigned to the Customs attaché office in Central America to address trade enforcement issues for that region.

(B) 2 permanent positions to be assigned to the Customs attaché office in South Africa to address trade enforcement issues pursuant to the African Growth and Opportunity Act (title I of Public Law 106–200).

(C) 4 permanent positions to be assigned to the Customs attaché office in Mexico to address the threat of illegal textile transshipment through Mexico and other related issues under the North American Free Trade Agreement Act.

(D) 2 permanent positions to be assigned to the Customs attaché office in Seoul, South Korea, to address the trade issues in the geographic region.

(E) 2 permanent positions to be assigned to the proposed Customs attaché office in New Delhi, India, to address the threat of illegal textile transshipment and other trade enforcement issues.

(F) 2 permanent positions to be assigned to the Customs attaché office in Rome, Italy, to address trade enforcement issues in the geographic region, including issues under free trade agreements with Jordan and Israel.

(7) ATTORNEYS.—$179,886 for 2 attorneys for the Office of the Chief Counsel of the Customs Service to pursue cases regarding illegal textile transshipment.

(8) AUDITORS.—$510,000 for 6 Customs auditors to perform internal control reviews and document and record reviews of suspect importers.

(9) ADDITIONAL TRAVEL FUNDS.—$250,000 for deployment of additional textile production verification teams to sub-Saharan Africa.

(10) TRAINING.—(A) $75,000 for training of Customs personnel.

(B) $200,000 for training for foreign counterparts in risk management analytical techniques and for teaching factory inspection techniques, model law Development, and enforcement techniques.

(11) OUTREACH.—$60,000 for outreach efforts to United States importers.

SEC. 1153. IMPLEMENTATION OF THE AFRICAN GROWTH AND OPPORTUNITY ACT.

Of the amount made available for fiscal year 2003 under section 301(b)(2)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(2)(A)), as amended by section 1111(b)(1) of this title, $1,317,000 shall be available until expended for the Customs Service to provide technical assistance to help sub-Saharan Africa countries develop and implement effective visa and anti-transshipment systems as required by the African Growth and Opportunity Act (title I of Public Law 106–200), as follows:

(1) TRAVEL FUNDS.—$600,000 for import specialists, special agents, and other qualified Customs personnel to travel to sub-Saharan Africa countries to provide technical assistance in developing and implementing effective visa and anti-transshipment systems.

(2) IMPORT SPECIALISTS.—$266,000 for 4 import specialists to be assigned to Customs headquarters to be dedicated to providing technical assistance to sub-Saharan African countries for developing and implementing effective visa and anti-transshipment systems.

(3) DATA RECONCILIATION ANALYSTS.—$151,000 for 2 data reconciliation analysts to review apparel shipments.

(4) SPECIAL AGENTS.—$300,000 for 2 special agents to be assigned to Customs headquarters to be available to provide technical assistance to sub-Saharan African countries in the performance of investigations and other enforcement initiatives.

Subtitle B—Office of the United States Trade Representative

SEC. 1161. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 141(g)(1) of the Trade Act of 1974 (19 U.S.C. 2171(g)(1)) is amended—

(1) in subparagraph (A)—

(A) in the matter preceding clause (i), by striking ''not to exceed'';

(B) in clause (i) to read as follows:

''(i) $30,000,000 for fiscal year 2003.''; and

(C) in clause (ii) to read as follows:

''(ii) $31,000,000 for fiscal year 2004.''; and

(2) in subparagraph (B)—

(A) in clause (i), by adding ''and'' at the end;

(B) by striking clause (ii); and

(C) by redesignating clause (iii) as clause (ii).

(b) SUBMISSION OF OUT-YEAR BUDGET PROJECTIONS.—Section 141(g) of the Trade Act of 1974 (19 U.S.C. 2171(g)) is amended by adding at the end the following:

''(3) By not later than the date on which the President submits to Congress the budget of the United States Government for a fiscal year, the United States Trade Representative shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the projected amount of funds for the succeeding fiscal year that will be necessary for the Office to carry out its functions.''.

(c) ADDITIONAL STAFF FOR OFFICE OF ASSISTANT U.S. TRADE REPRESENTATIVE FOR CONGRESSIONAL AFFAIRS.—

(1) IN GENERAL.—There is authorized to be appropriated such sums as may be necessary for fiscal year 2003 for the salaries and expenses of two additional legislative specialist employee positions within the Office of the Assistant United States Trade Representative for Congressional Affairs.

(2) AVAILABILITY.—Amounts appropriated pursuant to the authorization of appropriations under paragraph (1) are authorized to remain available until expended.

Subtitle C—United States International Trade Commission

SEC. 1171. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 330(e)(2)(A) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(2)) is amended—

(1) in clause (i) to read as follows:

''(i) $51,400,000 for fiscal year 2003.''; and

(2) in clause (ii) to read as follows:

''(ii) $53,400,000 for fiscal year 2004.''.

(b) SUBMISSION OF OUT-YEAR BUDGET PROJECTIONS.—Section 330(e) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(2)) is amended by adding at the end the following:

''(4) By not later than the date on which the President submits to Congress the budget of the United States Government for a fiscal year, the Commission shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the projected amount of funds for the succeeding fiscal year that will be necessary for the Commission to carry out its functions.''.

Subtitle D—Other Trade Provisions

SEC. 1181. INCREASE IN AGGREGATE VALUE OF ARTICLES EXEMPT FROM DUTY ACQUIRED ABROAD BY UNITED STATES RESIDENTS.

(a) IN GENERAL.—Subheading 9804.00.65 of the Harmonized Tariff Schedule of the United States is amended in the article description column by striking ''$400'' and inserting ''$800''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect 90 days after the date of enactment of this Act.

SEC. 1182. REGULATORY AUDIT PROCEDURES.

Section 509(b) of the Tariff Act of 1930 (19 U.S.C. 1509(b)) is amended by adding at the end the following:

''(6)(A) If during the course of any audit concluded under this subsection, the Customs Service identifies overpayments of duties or fees or over-declarations of quantities or values that are within the time period and scope of the audit that the Customs Service has defined, then in calculating the loss of revenue or monetary penalties under section 592, the Customs Service shall treat the overpayments or over-declarations on finally liquidated entries as an offset to any underpayments or underdeclarations also identified on finally liquidated entries if such overpayments or over-declarations were not made by the person being audited for the purpose of violating any provision of law.

''(B) Nothing in this paragraph shall be construed to authorize a refund not otherwise authorized under section 520.''.

Subtitle E—Sense of Senate

SEC. 1191. SENSE OF SENATE.

It is the sense of the Senate that fees collected for certain customs services (commonly referred to as ''customs user fees'') provided for in section 13031 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c) may be used only for the operations and programs of the United States Customs Service.

DIVISION B—BIPARTISAN TRADE PROMOTION AUTHORITY

TITLE XXI—TRADE PROMOTION AUTHORITY

SEC. 2101. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This title may be cited as the ''Bipartisan Trade Promotion Authority Act of 2002''.

(b) FINDINGS.—Congress makes the following findings:

(1) The expansion of international trade is vital to the national security of the United States. Trade is critical to the economic growth and strength of the United States and to its leadership in the world. Stable trading relationships promote security and prosperity. Trade agreements today serve the same purposes that security pacts played during the Cold War, binding nations together through a series of mutual rights and obligations. Leadership by the United States in international trade fosters open markets, democracy, and peace throughout the world.

(2) The national security of the United States depends on its economic security, which in turn is founded upon a vibrant and growing industrial base. Trade expansion has been the engine of economic growth. Trade agreements maximize opportunities for the critical sectors and building blocks of the economy of the United States, such as information technology, telecommunications and other leading technologies, basic industries, capital equipment, medical equipment, services, agriculture, environmental technology, and intellectual property. Trade will create new opportunities for the United States and preserve the unparalleled strength of the United States in economic, political, and military affairs. The United States, secured by expanding trade and economic opportunities, will meet the challenges of the twenty-first century.

(3) Support for continued trade expansion requires that dispute settlement procedures under international trade agreements not add to or diminish the rights and obligations provided in such agreements. Nevertheless, in several cases, dispute settlement panels and the WTO Appellate Body have added to obligations and diminished rights of the United States under WTO Agreements. In particular, dispute settlement panels and the Appellate Body have—

(A) given insufficient deference to the expertise and fact-finding of the Department of Commerce and the United States International Trade Commission;

(B) imposed an obligation concerning the casual relationship between increased imports into the United States and serious injury to domestic industry necessary to support a safeguard measure that is different from the obligation set forth in the applicable WTO Agreements;

(C) imposed an obligation concerning the exclusion from safeguards measures of products imported from countries party to a free trade agreement that is different from the obligation set forth in the applicable WTO Agreements;

(D) imposed obligations on the Department of Commerce with respect to the use of facts available in antidumping investigations that are different from the obligations set forth in the applicable WTO Agreements; and

(E) accorded insufficient deference to the Department of Commerce's methodology for adjusting countervailing duties following the privatization of a subsidized foreign producer.

SEC. 2102. TRADE NEGOTIATING OBJECTIVES.

(a) OVERALL TRADE NEGOTIATING OBJECTIVES.—The overall trade negotiating objectives of the United States for agreements subject to the provisions of section 2103 are—

(1) to obtain more open, equitable, and reciprocal market access;

(2) to obtain the reduction or elimination of barriers and distortions that are directly related to trade and that decrease market opportunities for United States exports or otherwise distort United States trade;

(3) to further strengthen the system of international trading disciplines and procedures, including dispute settlement;

(4) to foster economic growth, raise living standards, and promote full employment in the United States and to enhance the global economy;

(5) to ensure that trade and environmental policies are mutually supportive and to seek to protect and preserve the environment and enhance the international means of doing so, while optimizing the use of the world's resources;

(6) to promote respect for worker rights and the rights of children consistent with core labor standards of the International Labor Organization (as defined in section 2113(2)) and an understanding of the relationship between trade and worker rights;

(7) to seek provisions in trade agreements under which parties to those agreements strive to ensure that they do not weaken or reduce the protections afforded in domestic environmental and labor laws as an encouragement for trade; and

(8) to ensure that trade agreements afford small businesses equal access to international markets, equitable trade benefits, expanded export market opportunities, and provide for the reduction or elimination of trade barriers that disproportionately impact small business.

(b) PRINCIPAL TRADE NEGOTIATING OBJECTIVES.—

(1) TRADE BARRIERS AND DISTORTIONS.—The principal negotiating objectives of the United States regarding trade barriers and other trade distortions are—

(A) to expand competitive market opportunities for United States exports and to obtain fairer and more open conditions of trade by reducing or eliminating tariff and nontariff barriers and policies and practices of foreign governments directly related to trade that decrease market opportunities for United States exports or otherwise distort United States trade; and

(B) to obtain reciprocal tariff and nontariff barrier elimination agreements, with particular attention to those tariff categories covered in section 111(b) of the Uruguay Round Agreements Act (19 U.S.C. 3521(b)).

(2) TRADE IN SERVICES.—The principal negotiating objective of the United States regarding trade in services is to reduce or eliminate barriers to international trade in services, including regulatory and other barriers that deny national treatment and market access or unreasonably restrict the establishment or operations of service suppliers.

(3) FOREIGN INVESTMENT.—Recognizing that United States law on the whole provides a high level of protection for investment, consistent with or greater than the level required by international law, the principal negotiating objectives of the United States regarding foreign investment are to reduce or eliminate artificial or trade-distorting barriers to trade-related foreign investment, while ensuring that United States investors in the United States are not accorded lesser rights than foreign investors in the United States, and to secure for investors important rights comparable to those that would be available under United States legal principles and practice, by—

(A) reducing or eliminating exceptions to the principle of national treatment;

(B) freeing the transfer of funds relating to investments;

(C) reducing or eliminating performance requirements, forced technology transfers, and other unreasonable barriers to the establishment and operation of investments;

(D) seeking to establish standards for expropriation and compensation for expropriation, consistent with United States legal principles and practice;

(E) seeking to establish standards for fair and equitable treatment consistent with United States legal principles and practice, including the principle of due process;

(F) providing meaningful procedures for resolving investment disputes;

(G) seeking to improve mechanisms used to resolve disputes between an investor and a government through—

(i) mechanisms to eliminate frivolous claims and to deter the filing of frivolous claims;

(ii) procedures to ensure the efficient selection of arbitrators and the expeditious disposition of claims;

(iii) procedures to enhance opportunities for public input into the formulation of government positions; and

(iv) establishment of a single appellate body to review decisions in investor-to-government disputes and thereby provide coherence to the interpretations of investment provisions in trade agreements; and

(H) ensuring the fullest measure of transparency in the dispute settlement mechanism, to the extent consistent with the need to protect information that is classified or business confidential, by—

(i) ensuring that all requests for dispute settlement are promptly made public;

(ii) ensuring that—

(I) all proceedings, submissions, findings, and decisions are promptly made public;

(II) all hearings are open to the public; and

(iii) establishing a mechanism for acceptance of amicus curiae submissions from businesses, unions, and nongovernmental organizations.

(4) INTELLECTUAL PROPERTY.—The principal negotiating objectives of the United States regarding trade-related intellectual property are—

(A) to further promote adequate and effective protection of intellectual property rights, including through—

(i)(I) ensuring accelerated and full implementation of the Agreement on Trade-Related Aspects of Intellectual Property Rights referred to in section 101(d)(15) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(15), particularly with respect to meeting enforcement obligations under that agreement; and

(II) ensuring that the provisions of any multilateral or bilateral trade agreement governing intellectual property rights that is entered into by the United States reflect a standard of protection similar to that found in United States law;

(ii) providing strong protection for new and emerging technologies and new methods of transmitting and distributing products embodying intellectual property;

(iii) preventing or eliminating discrimination with respect to matters affecting the availability, acquisition, scope, maintenance, use, and enforcement of intellectual property rights;

(iv) ensuring that standards of protection and enforcement keep pace with technological developments, and in particular ensuring that rightholders have the legal and technological means to control the use of their works through the Internet and other global communication media, and to prevent the unauthorized use of their works; and

(v) providing strong enforcement of intellectual property rights, including through accessible, expeditious, and effective civil, administrative, and criminal enforcement mechanisms; and

(B) to secure fair, equitable, and nondiscriminatory market access opportunities for United States persons that rely upon intellectual property protection.

(5) TRANSPARENCY.—The principal negotiating objective of the United States with respect to transparency is to obtain wider and broader application of the principle of transparency through—

(A) increased and more timely public access to information regarding trade issues and the activities of international trade institutions;

(b) increased openness at the WTO and other international trade fora by increasing public access to appropriate meetings, proceedings, and submissions, including with regard to dispute settlement and investment; and

(C) increased and more timely public access to all notifications and supporting documentation submitted by parties to the WTO.

(6) ANTI-CORRUPTION.—The principal negotiating objectives of the United States with respect to the use of money or other things of value to influence acts, decisions, or omissions of foreign governments or officials or to secure any improper advantage in a manner affecting trade are—

(A) to obtain high standards and appropriate domestic enforcement mechanisms applicable to persons from all countries participating in the applicable trade agreement that prohibit such attempts to influence acts, decisions, or omissions of foreign governments; and

(B) to ensure that such standards do not place United States persons at a competitive disadvantage in international trade.

(7) IMPROVEMENT OF THE WTO AND MULTILATERAL TRADE AGREEMENTS.—The principal negotiating objectives of the United States regarding the improvement of the World Trade Organization, the Uruguay Round Agreements, and other multilateral and bilateral trade agreements are—

(A) to achieve full implementation and extend the coverage of the World Trade Organization and such agreements to products, sectors, and conditions of trade not adequately covered; and

(B) to expand country participation in and enhancement of the Information Technology Agreement and other trade agreements.

(8) REGULATORY PRACTICES.—The principal negotiating objectives of the United States regarding the use of government regulation or other practices by foreign governments to provide a competitive advantage to their domestic producers, service providers, or investors and thereby reduce market access for United States goods, services, and investments are—

(A) to achieve increased transparency and opportunity for the participation of affected parties in the development of regulations;

(B) to require that proposed regulations be based on sound science, cost-benefit analysis, risk assessment, or other objective evidence;

(C) to establish consultative mechanisms among parties to trade agreements to promote increased transparency in developing guidelines, rules, regulations, and laws for government procurement and other regulatory regimes; and

(D) to achieve the elimination of government measures such as price controls and reference pricing which deny full market access for United States products.

(9) ELECTRONIC COMMERCE.—The principal negotiating objectives of the United States with respect to electronic commerce are—

(A) to ensure that current obligations, rules, disciplines, and commitments under the World Trade Organization apply to electronic commerce;

(B) to ensure that—

(i) electronically delivered goods and services receive no less favorable treatment under trade rules and commitments than like products delivered in physical form; and

(ii) the classification of such goods and services ensures the most liberal trade treatment possible;

(C) to ensure that governments refrain from implementing trade-related measures that impede electronic commerce;

(D) where legitimate policy objectives require domestic regulations that affect electronic commerce, to obtain commitments that any such regulations are the least restrictive on trade, nondiscriminatory, and

transparent, and promote an open market environment; and

(E) to extend the moratorium of the World Trade Organization on duties on electronic transmissions.

(10) RECIPROCAL TRADE IN AGRICULTURE.—

(A) IN GENERAL.—The principal negotiating objective of the United States with respect to agriculture is to obtain competitive opportunities for United States exports of agricultural commodities in foreign markets substantially equivalent to the competitive opportunities afforded foreign exports in United States markets and to achieve fairer and more open conditions of trade in bulk, specialty crop, and value-added commodities by—

(i) reducing or eliminating, by a date certain, tariffs or other charges that decrease market opportunities for United States exports—

(I) giving priority to those products that are subject to significantly higher tariffs or subsidy regimes of major producing countries; and

(II) providing reasonable adjustment periods for United States import-sensitive products, in close consultation with the Congress on such products before initiating tariff reduction negotiations;

(ii) reducing tariffs to levels that are the same as or lower than those in the United States;

(iii) seeking to eliminate all export subsidies on agricultural commodities while maintaining bona fide food aid and preserving United States agricultural market development and export credit programs that allow the United States to compete with other foreign export promotion efforts;

(iv) allowing the preservation of programs that support family farms and rural communities but do not distort trade;

(v) developing disciplines for domestic support programs, so that production that is in excess of domestic food security needs is sold at world prices;

vi) eliminating Government policies that create price-depressing surpluses;

(vii) eliminating state trading enterprises whenever possible;

(viii) developing, strengthening, and clarifying rules and effective dispute settlement mechanisms to eliminate practices that unfairly decrease United States market access opportunities or distort agricultural markets to the detriment of the United States, particularly with respect to import-sensitive products, including—

(I) unfair or trade-distorting activities of state trading enterprises and other administrative mechanisms, with emphasis on requiring price transparency in the operation of state trading enterprises and such other mechanisms in order to end cross subsidization, price discrimination, and price undercutting;

(II) unjustified trade restrictions or commercial requirements, such as labeling, that affect new technologies, including biotechnology;

(III) unjustified sanitary or phytosanitary restrictions, including those not based on scientific principles in contravention of the Uruguay Round Agreements;

(IV) other unjustified technical barriers to trade; and

(V) restrictive rules in the administration of tariff rate quotas;

(ix) eliminating practices that adversely affect trade in perishable or cyclical products, while improving import relief mechanisms to recognize the unique characteristics of perishable and cyclical agriculture;

(x) ensuring that the use of import relief mechanisms for perishable and cyclical agriculture are as accessible and timely to growers in the United States as those mechanisms that are used by other countries;

(xi) taking into account whether a party to the negotiations has failed to adhere to the provisions of already existing trade agreements with the United States or has circumvented obligations under those agreements;

(xii) taking into account whether a product is subject to market distortions by reason of a failure of a major producing country to adhere to the provisions of already existing trade agreements with the United States or by the circumvention by that country of its obligations under those agreements;

(xiii) otherwise ensuring that countries that accede to the World Trade Organization have made meaningful market liberalization commitments in agriculture;

(xiv) taking into account the impact that agreements covering agriculture to which the United States is a party, including the North American Free Trade Agreement, have on the United States agricultural industry;

(xv) maintaining bona fide food assistance programs and preserving United States market development and export credit programs; and

(xvi) strive to complete a general multilateral round in the World Trade Organization by January 1, 2005, and seek the broadest market access possible in multilateral, regional, and bilateral negotiations, recognizing the effect that simultaneous sets of negotiations may have on United States import-sensitive commodities (including those subject to tariff-rate quotas).

(B) Consultation

(i) BEFORE COMMENCING NEGOTIATIONS.—Before commencing negotiations with respect to agriculture, the United States Trade Representative, in consultation with the Congress, shall seek to develop a position on the treatment of seasonal and perishable agricultural products to be employed in the negotiations in order to develop an international consensus on the treatment of seasonal or perishable agricultural products in investigations relating to dumping and safeguards and in any other relevant area.

(ii) DURING NEGOTIATIONS.—During any negotiations on agricultural subsidies, the United States Trade Representative shall seek to establish the common base year for calculating the Aggregated Measurement of Support (as defined in the Agreement on Agriculture) as the end of each country's Uruguay Round implementation period, as reported in each country's Uruguay Round market access schedule.

(iii) SCOPE OF OBJECTIVE.—The negotiating objective provided in subparagraph (A) applies with respect to agricultural matters to be addressed in any trade agreement entered into under section 2103 (a) or (b), including any trade agreement entered into under section 2103 (a) or (b) that provides for accession to a trade agreement to which the United States is already a party, such as the North American Free Trade Agreement and the United States-Canada Free Trade Agreement.

(11) LABOR AND THE ENVIRONMENT.—The principal negotiating objectives of the United States with respect to labor and the environment are—

(A) to ensure that a party to a trade agreement with the United States does not fail to effectively enforce its environmental or labor laws, through a sustained or recurring course of action or inaction, in a manner affecting trade between the United States and that party after entry into force of a trade agreement between those countries;

(B) to recognize that parties to a trade agreement retain the right to exercise discretion with respect to investigatory, prosecutorial, regulatory, and compliance matters and to make decisions regarding the allocation of resources to enforcement with respect to other labor or environmental matters determined to have higher priorities, and to recognize that a country is effectively enforcing its laws if a course of action or inaction reflects a reasonable exercise of such discretion, or results from a bona fide decision regarding the allocation of resources and no retaliation may be authorized based on the exercise of these rights or the right to establish domestic labor standards and levels of environmental protection;

(C) to strengthen the capacity of United States trading partners to promote respect for core labor standards (as defined in section 2113(2));

(D) to strengthen the capacity of United States trading partners to protect the environment through the promotion of sustainable development;

(E) to reduce or eliminate government practices or policies that unduly threaten sustainable development;

(F) to seek market access, through the elimination of tariffs and nontariff barriers, for United States environmental technologies, goods, and services; and

(G) to ensure that labor, environmental, health, or safety policies and practices of the parties to trade agreements with the United States do not arbitrarily or unjustifiably discriminate against United States exports or serve as disguised barriers to trade.

(12) DISPUTE SETTLEMENT AND ENFORCEMENT.—The principal negotiating objectives of the United States with respect to dispute settlement and enforcement of trade agreements are—

(A) to seek provisions in trade agreements providing for resolution of disputes between governments under those trade agreements in an effective, timely, transparent, equitable, and reasoned manner, requiring determinations based on facts and the principles of the agreements, with the goal of increasing compliance with the agreements;

(B) to seek to strengthen the capacity of the Trade Policy Review Mechanism of the World Trade Organization to review compliance with commitments;

(C) to seek improved adherence by panels convened under the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes and by the WTO Appellate Body to the standard of review applicable under the WTO Agreement involved in the dispute, including greater deference, where appropriate, to the fact finding and technical expertise of national investigating authorities;

(D) to seek provisions encouraging the early identification and settlement of disputes through consultation;

(E) to seek provisions to encourage the provision of trade-expanding compensation if a party to a dispute under the agreement does not come into compliance with its obligations under the agreement;

(F) to seek provisions to impose a penalty upon a party to a dispute under the agreement that—

(i) encourages compliance with the obligations of the agreement;

(ii) is appropriate to the parties, nature, subject matter, and scope of the violation; and

(iii) has the aim of not adversely affecting parties or interests not party to the dispute while maintaining the effectiveness of the enforcement mechanism; and

(G) to seek provisions that treat United States principal negotiating objectives equally with respect to—

(i) the ability to resort to dispute settlement under the applicable agreement;

(ii) the availability of equivalent dispute settlement procedures; and

(iii) the availability of equivalent remedies.

(13) BORDER TAXES.—The principal negotiating objective of the United States regarding border taxes is to obtain a revision of the WTO rules with respect to the treatment of border adjustments for internal taxes to redress the disadvantage to countries relying primarily on direct taxes for revenue rather than indirect taxes.

(14) WTO EXTENDED NEGOTIATIONS.—The principal negotiating objectives of the United States regarding trade in civil aircraft are those set forth in section 135(c) of the Uruguay Round Agreements Act (19 U.S.C. 3355(c)) and regarding rules of origin are the conclusion of an agreement described in section 132 of that Act (19 U.S.C. 3552).

(c) PROMOTION OF CERTAIN PRIORITIES.—In order to address and maintain United States competitiveness in the global economy, the President shall—

(1) seek greater cooperation between the WTO and the ILO;

(2) seek to establish consultative mechanisms among parties to trade agreements to strengthen the capacity of United States trading partners to promote respect for core labor standards (as defined in section 2113(2)), and report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the content and operation of such mechanisms;

(3) seek to establish consultative mechanisms among parties to trade agreements to strengthen the capacity of United States trading partners to develop and implement standards for the protection of the environment and human health based on sound science, and report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the content and operation of such mechanisms;

(4) conduct environmental reviews of future trade and investment agreements, consistent with Executive Order 13141 of November 16, 1999 and the relevant guidelines, and report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on such reviews;

(5) review the impact of future trade agreements on United States employment, modeled after Executive Order 13141, and report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on such review;

(6) take into account other legitimate United States domestic objectives including, but not limited to, the protection of legitimate health or safety, essential security, and consumer interests and the law;

(7) have the Secretary of Labor consult with any country seeking a trade agreement with the United States concerning that country's labor laws and provide technical assistance to that country if needed;

(8) in connection with any trade negotiations entered into under this Act, the President shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a meaningful labor rights report of the country, or countries, with respect to which the President is negotiating, on a time frame determined in accordance with section 2107(b)(2)(E);

(9)(A) preserve the ability of the United States to enforce rigorously its trade laws, including the antidumping, countervailing duty, and safeguard laws, and avoid agreements that lessen the effectiveness of domestic and international disciplines on unfair trade, especially dumping and subsidies, or that lessen the effectiveness of domestic and international safeguard provision, in order to ensure that United States workers, agricultural producers, and firms can compete fully on fair terms and enjoy the benefits of reciprocal trade concessions; and

(B) address and remedy market distortions that lead to dumping and subsidization, including over-capacity, cartelization, and market-access barriers.

(10) continue to promote consideration of multilateral environmental agreements and consult with parties to such agreements regarding the consistency of any such agreement that includes trade measures with existing environmental exceptions under Article XX of the GATT 1994;

(11) report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, not later than 12 months after the imposition of a penalty or remedy by the United State permitted by a trade agreement to which this title applies, on the effectiveness of the penalty or remedy applied under United states law in enforcing United States rights under the trade agreement; and

(12) seek to establish consultative mechanisms among parties to trade agreements to examine the trade consequences of significant and unantipated currency movements and to scrutinize whether a foreign government engaged in a pattern of manipulating its currency to promote a competitive advantage in international trade.

The report required under paragraph (11) shall address whether the penalty or remedy was effective in changing the behavior of the targeted party and whether the penalty or remedy had any adverse impact on parties or interests not party to the dispute.

(d) CONSULTATIONS.—

(1) CONSULTATIONS WITH CONGRESSIONAL ADVISERS.—In the course of negotiations conducted under this title, the United States Trade Representative shall consult closely and on a timely basis with, and keep fully apprised of the negotiations, the Congressional Oversight Group convened under section 2107 and all committees of the House of Representatives and the Senate with jurisdiction over laws that would be affected by a trade agreement resulting from the negotiations.

(2) CONSULATION BEFORE AGREEMENT INITIALED.—In the course of negotiations conducted under this title, the United States Trade Representative shall—

(A) consult closely and on a timely basis (including immediately before initialing an agreement) with, and keep fully apprised of the negotiations, the congressional advisers for trade policy and negotiations appointed under section 161 of the Trade act of 1974 (19 U.S.C. 2211), the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Congressional Oversight Group convened under section 2107; and

(B) with regard to any negotiations and agreement relating to agricultural trade, also consult closely and on a timely basis (including immediately before initialing an agreement) with, and keep fully apprised of the negotiations, the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(e) ADHERENCE TO OBLIGATIONS UNDER URUGUAY ROUND AGREEMENTS.—In determining whether to enter into negotiations with a particular country, the President shall take into account the extent to which that country has implemented, or has accelerated the implementation of, its obligations under the Uruguay Round Agreements.

SEC. 2103. TRADE AGREEMENTS AUTHORITY.

(a) AGREEMENTS REGARDING TARIFF BARRIERS.—

(1) IN GENERAL.—Whenever the President determines that one or more existing duties or other import restrictions of any foreign country or the United States are unduly burdening and restricting the foreign trade of the United States and that the purposes, policies, priorities, and objectives of this title will be promoted thereby, the President—

(A) may enter into trade agreements with foreign countries before—

(i) June 1, 2005; or

(ii) June 2, 2007, if trade authorities procedures are extended under subsection (c); and

(B) may, subject to paragraphs (2) and (3), proclaim—

(i) such modification or continuance of any existing duty,

(ii) such continuance of exiting duty-free or excise treatment, or

(iii) such additional duties, as the President determines to be required or appropriate to carry out any such trade agreement.

The President shall notify the Congress of the President's intention to enter into an agreement under this subsection.

(2) LIMITATIONS.—No proclamation may be made under paragraph (1) that—

(A) reduces any rate of duty (other than a rate of duty that does not exceed 5 percent ad valorem on the date of the enactment of this Act) to a rate of duty which is less than 50 percent of the rate of such duty that applies on such date of enactment;

(B) reduces the rate of duty below that applicable under the Uruguay Round Agreements, on any import sensitive agricultural product; or

(C) increases any rate of duty above the rate that applied on the date of the enactment of this Act.

(3) AGGREGATE REDUCTION; EXEMPTION FROM STAGING.—

(A) AGGREGATE REDUCTION.—Except as provided in subparagraph (B), the aggregate reduction in the rate of duty on any article which is in effect on any day pursuant to a trade agreement entered into under paragraph (1) shall not exceed the aggregate reduction which would have been in effect on such day if—

(i) a reduction of 3 percent ad valorem or a reduction of one-tenth of the total reduction, whichever is greater, had taken effect on the effective date of the first reduction proclaimed under paragraph (1) to carry out such agreement with respect to such article; and

(ii) a reduction equal to the amount applicable under clause (i) had taken effect at 1-year intervals after the effective date of such first reduction.

(B) EXEMPTION FROM STAGING.—No staging is required under subparagraph (A) with respect to a duty reduction that is proclaimed under paragraph (1) for an article of a kind that is not produced in the United States. The United States International Trade commission shall advise the President of the identity of articles that may be exempted from staging under this subparagraph.

(4) ROUNDING.—If the President determines that such action will simplify the computation of reductions under paragraph (3), the President may round an annual reduction by an amount equal to the lesser of—

(A) the difference between the reduction without regard to this paragraph and the next lower whole number; or

(B) one-half of 1 percent ad valorem.

(5) OTHER LIMITATIONS.—A rate of duty reduction that may not be proclaimed by reason of paragraph (2) may take effect only if a provision authorizing such reduction is included within an implementing bill provided for under section 2105 and that bill is enacted into law.

(6) OTHER TARIFF MODIFICATIONS.—Notwithstanding paragraphs (1)(B), (2)(A), (2)(C), and

(3) through (5), and subject to the consultation and layover requirements of section 115 of the Uruguay Round Agreements Act, the President may proclaim the modification of any duty or staged rate reduction of any duty set forth in Schedule XX, as defined in section 2102(5) of that Act, if the United Sates agrees to such modification or staged rate reduction in a negotiation for the reciprocal elimination or harmonization of duties under the auspices of the World Trade Organization.

(7) AUTHORITY UNDER URUGUAY ROUND AGREEMENTS ACT NOT AFFECTED.—Nothing in this subsection shall limit the authority provided to the President under section 111(b) of the Uruguay Rounds Agreements Act (19 U.S.C. 3521(b)).

(b) AGREEMENTS REGARDING TARIFF AND NON-TARIFF BARRIERS.—

(1) IN GENERAL.—

(A) DETERMINATION BY PRESIDENT.—

Whenever the President determines that—

(i) one or more existing duties or any other import restriction of any foreign country or the United States or any other barrier to, or other distortion of, international trade unduly burdens or restricts the foreign trade of the United States or adversely affects the United States economy; or

(ii) the imposition of any such barrier or distortion is likely to result in such a burden, restriction, or effect;

and that the purposes, policies, priorities, and objectives of this title will be promoted thereby, the President may enter into a trade agreement described in subparagraph (B) during the period described in subparagraph (C).

(B) AGREEMENT TO REDUCE OR ELIMINATE CERTAIN DISTORTION.—The President may enter into a trade agreement under subparagraph (A) with foreign countries providing for—

(i) the reduction or elimination of a duty, restriction, barrier, or other distortion described in subparagraph (A), or

(ii) the prohibition of, or limitation on the imposition of, such barrier or other distortion.

(C) TIME PERIOD.—The President may enter into a trade agreement under this paragraph before—

(i) June 1, 2005; or

(ii) June 1, 2007, if trade authorities procedures are extended under subsection (c).

(2) CONDITIONS.—A trade agreement may be entered into under this subsection only if such agreement makes progress in meeting the applicable objectives described in section 2102 (a) and (b) and the President satisfies the conditions set forth in section 2104.

(3) BILLS QUALIFYING FOR TRADE AUTHORITIES PROCEDURES.—

(A) APPLICATION OF EXPEDITED PROCEDURES.—The provisions of section 151 of the Trade Act of 1972 (in this title referred to as ''trade authorities procedures'') apply to a bill of either House of Congress which contains provisions described in subparagraph (B) to the same extent as such section 151 applies to implementing bills under that section. A bill to which this paragraph applies shall hereafter in this title be referred to as an ''implementing bill''.

(B) PROVISIONS DESCRIBED.—The provisions referred to in subparagraph (A) are—

(i) a provision approving a trade agreement entered into under this subsection and approving the statement of administrative action, if any, proposed to implement such trade agreement; and

(ii) if changes in existing laws or new statutory authority are required to implement such trade agreement or agreements, provisions, necessary or appropriate to implement such trade agreement or agreements, either repealing or amending existing laws or providing new statutory authority.

(c) EXTENSION DISAPPROVAL PROCESS FOR CONGRESSIONAL TRADE AUTHORITIES PROCEDURES—

(1) IN GENERAL.—Except as provided in section 2105(b)—

(A) the trade authorities procedures apply to implementing bills submitted with respect to trade agreements entered into under subsection (b) before July 1, 2005; and

(B) the trade authorities procedures shall be expanded to implementing bills submitted with respect to trade agreements entered into under subsection (b) after June 30, 2005, and before July 1, 2007, if (and only if)—

(i) the President requests such extension under paragraph (2); and

(ii) neither House of the Congress adopts an extension disapproval resolution under paragraph (5) before June 1, 2005.

(2) REPORT TO CONGRESS BY THE PRESIDENT.—If the President is of the opinion that the trade authorities procedures should be extended to implementing bills described in paragraph (1)(B), the President shall submit to Congress, not later than March 1, 2005, a written report that contains a request for such extension, together with—

(A) a description of all trade agreements that have been negotiated under subsection (b) and the anticipated schedule for submitting such agreements to the Congress for approval;

(B) a description of the progress that has been made in negotiations to achieve the purposes, policies, priorities, and objectives of this title, and a statement that such progress justifies the continuation of negotiations; and

(C) a statement of the reasons why the extension is needed to complete the negotiations.

(3) OTHER REPORTS TO CONGRESS.—

(A) REPORT BY THE ADVISORY COMMITTEE.—The President shall promptly inform the Advisory Committee for Trade Policy and Negotiations established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) of the President's decision to submit a report to the Congress under paragraph (2) The Advisory Committee shall submit to the Congress as soon as practicable, but not later than May 1, 2005, a written report that contains—

(i) its views regarding the progress that has been made in negotiations to achieve the purposes, policies, priorities, and objectives of this title; and

(ii) a statement of its views, and the reasons therefor, regarding whether the extension requested under paragraph (2) should be approved or disapproved.

(B) REPORT BY ITC.—The President shall promptly inform the International Trade Commission of the President's decision to submit a report to the Congress under paragraph (2). The International Trade Commission shall submit to the Congress as soon as practicable, but not later than May 1, 2005, a written report that contains a review and analysis of the economic impact on the United States of all trade agreements implemented between the date of enactment of this Act and the date on which the President decides to seek an extension requested under subparagraph (2).

(4) STATE OF REPORTS.—The reports submitted to the Congress under paragraphs (2) and (3), or any portion of such reports, may be classified to the extent the President determines appropriate.

(5) EXTENSION DISAPPROVAL RESOLUTIONS.—

(A) DEFINITION.—For purposes of paragraph (1), the term ''extension disapproval resolution'' means a resolution of either House of the Congress, the sole matter after the resolving clause of which is as follows: ''That the _____ disapproves the request of the President for the extension, under section 2103(c)(1)(B)(i) of the Bipartisan Trade Promotion Authority Act of 2002, of the trade authorities procedures under that Act to any implementing bill submitted with respect to any trade agreement entered into under section 2103(b) of that Act after June 30, 2005.'', with the blank space being filled with the name of the resolving House of the Congress.

(B) INTRODUCTION.—Extension disapproval resolutions.—

(i) may be introduced in either House of the Congress by any member of such House; and

(ii) shall be referred, in the House of Representatives, to the Committee on Ways and Means and, in addition, to the Committee on Rules.

(C) APPLICATION OF SECTION 152 OF THE TRADE ACT OF 1974.—The provisions of section 152 (d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192 (d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to extension disapproval resolutions.

(D) LIMITATIONS.—It is not in order for—

(i) the Senate to consider any extension disapproval resolution not reported by the Committee on Finance;

(ii) the House of Representatives to consider any extension disapproval resolution not reported by the Committee on Ways and Means and, in addition, by the Committee on Rules; or

(iii) either House of the Congress to consider an extension disapproval resolution after June 30, 2005.

(d) COMMENCEMENT OF NEGOTIATIONS.—In order to contribute to the continued economic expansion of the United States, the President shall commence negotiations covering tariff and nontariff barriers affecting any industry, product, or service sector, and expand existing sectoral agreements to countries that are not parties to those agreements, in cases where the President determines that such negotiations are feasible and timely and would benefit the United States. Such sectors include agriculture, commercial services, intellectual property rights, industrial and capital goods, government procurement, information technology products, environmental technology and services, medical equipment and services, civil aircraft, and infrastructure products. In so doing, the President shall take into account all of the principal negotiating objectives set forth in section 2102(b).

SEC. 2104. CONSULTATIONS AND ASSESSMENT.

(a) NOTICE AND CONSULTATION BEFORE NEGOTIATION.—The President, with respect to any agreement that is subject to the provisions of section 2103(b), shall—

(1) provide, at least 90 calendar days before initiating negotiations, written notice to the Congress of the President's intention to enter into the negotiations and set forth therein the date the President intends to initiate such negotiations, the specific United States objectives for the negotiations, and whether the President intends to seek an agreement, or changes to an existing agreement;

(2) before and after submission of the notice, consult regarding the negotiations with the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives, such other committees of the House and Senate as the President deems appropriate, and the Congressional Oversight group convened under section 2107; and

(3) upon the request of a majority of the members of the Congressional Oversight Group under section 2107(c), meet with the Congressional Oversight Group before initiating the negotiations or at any other time concerning the negotiations.

(b) NEGOTIATIONS REGARDING AGRICULTURE AND FISHING INDUSTRY.—

(1) IN GENERAL.—Before initiating or continuing negotiations the subject matter of which is directly related to the subject matter under section 2102(b)(10)(A)(i) with any country, the President shall assess whether United States tariffs on agricultural products that were bound under the Uruguay Round Agreements are lower than the tariffs bound by that country. In addition, the President shall consider whether the tariff levels bound and applied throughout the world with respect to imports from the United States are higher than United States tariffs and whether the negotiation provides an opportunity to address any such disparity. The President shall consult with the Committee On Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning the results of the assessment, whether it is appropriate for the United States to agree to further tariff reductions based on the conclusions reached in the assessment, and how all applicable negotiating objectives will be met.

(2) SPECIAL CONSULTANTS ON IMPORT SENSITIVE PRODUCTS.—

(A) IN GENERAL.—Before initiating negotiations with regard to agriculture, and, with respect to the Free Trade Area for the Americas and negotiations with regard to agriculture under the auspices of the World Trade Organization, as soon as practicable after the enactment of this Act, the United States Trade Representative shall—

(i) identify those agricultural products subject to tariff-rate quotas on the date of enactment of this Act, and agricultural products subject to tariff reductions by the United States as a result of the Uruguay Round Agreements, for which the rate of duty was reduced on January 1, 1995, to a rate which was not less than 97.5 percent of the rate of duty that applied to such article on December 31, 1994;

(ii) consult with the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning—

(I) whether any further tariff reductions on the products identified under clause (i) should be appropriate, taking into account the impact of any such tariff reduction on the United States industry producing the product concerned;

(II) whether the products so identified face unjustified sanitary or phytosanitary restrictions, including those not based on scientific principles in contravention of the Uruguay Round Agreements; and

(III) whether the countries participating in the negotiations maintain export subsidies or other programs, policies, or practices that distort world trade in such products and the impact of such programs, policies, and practices on United States producers of the products;

(iii) request that the International Trade Commission prepare an assessment of the probable economic effects of any such tariff reduction on the United States industry producing the product concerned and on the United States economy as a whole; and

(iv) upon complying with clauses (i), (ii), and (iii), notify the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate of those products identified under clause (i) for which the Trade Representatives intends to seek tariff liberalization in the negotiations and the reasons for seeking such tariff liberalization.

(B) IDENTIFICATION OF ADDITIONAL AGRICULTURAL PRODUCTS.—If, after negotiations described in subparagraph (A) are commenced—

(i) the United States Trade Representative identifies any additional agricultural product described in subparagraph (A)(i) for tariff reductions which were not the subject of a notification under subparagraph (a)(iv), or

(ii) any additional agricultural product described in subparagraph (A)(i) is the subject of a request for tariff reductions by a party to the negotiations,

the Trade Representative shall, as soon as practicable, notify the committees referred to in subparagraph (a)(iv) of those products and the reasons for seeking such tariff reductions.

(3) NEGOTIATIONS REGARDING THE FISHING INDUSTRY.—Before initiating, or continuing, negotiations which directly relate to fish or shellfish trade with any country, the President shall consult with the Committee on Ways and Means and the Committee on Resources of the House of Representatives, and the Committee on Finance and the Committee on Commerce, Science, and Transportation of the Senate, and shall keep the Committees apprised of negotiations on an ongoing and timely basis.

(c) NEGOTIATIONS REGARDING TEXTILES.—Before initiating or continuing negotiations the subject matter of which is directly related to textiles and apparel products with any country, the President shall assess whether United States tariffs on textile and apparel products that were bound under the Uruguay Round Agreements are lower than the tariffs bound by that country and whether the negotiation provides an opportunity to address any such disparity. The President shall consult with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate concerning the results of the assessment, whether it is appropriate for the United States to agree to further tariff reductions based on the conclusions reached in the assessment, and how all applicable negotiating objectives will be met.

(d) CONSULTATION WITH CONGRESS BEFORE AGREEMENTS ENTERED INTO.—

(1) CONSULTATION.—Before entering into any trade agreement under section 2103(b), the President shall consult with—

(A) the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate;

(B) each other committee of the House and the Senate, and each joint committee of the Congress, which has jurisdiction over legislation involving subject matters which would be affected by the trade agreement; and

(C) the Congressional Oversight Group convened under section 2107.

(2) SCOPE.—The consultation described in paragraph (1) shall include consultation with respect to—

(A) the nature of the agreement;

(B) how and to what extent the agreement will achieve the applicable purposes, policies, priorities, and objectives of this title; and

(C) the implementation of the agreement under section 2105, including the general effect of the agreement on existing laws.

(3) REPORT REGARDING UNITED STATES TRADE REMEDY LAWS.—

(A) CHANGES IN CERTAIN TRADE LAWS.—The President, at least 90 calendar days before the day on which the President enters into a trade agreement, shall notify the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate in writing of any amendments to title VII of the Tariff Act of 1930 or chapter 1 of title II of the Trade Act of 1974 that the President proposes to include a bill implementing such trade agreement.

(B) EXPLANATION.—On the date that the President transmits the notification, the President also shall transmit to the Committees a report explaining—

(i) the President's reasons for believing that amendments to title VII of the Tariff Act of 1930 or to chapter 1 of title II of the Trade Act of 1974 are necessary to implement the trade agreement; and

(ii) the President's reasons for believing that such amendments are consistent with the purposes, policies, and objectives described in section 2102(c)(9).

(C) REPORT TO HOUSE.—Not later than 60 calendar days after the date on which the President transmits the notification described in subparagraph (A), the Chairman and ranking member of the Ways and Means Committee of the House of Representatives, based on consultations with the members of that Committee, shall issue to the House of Representatives a report stating whether the proposed amendments described in the President's notification are consistent with the purposes, policies, and objectives described in section 2102(c)(9). In the event that the Chairman and ranking member disagree with respect to one or more conclusions, the report shall contain the separate views of the Chairman and ranking member.

(D) REPORT TO SENATE.—Not later than 60 calendar days after the date on which the President transmits the notification described in subparagraph (A), the Chairman and ranking member of the Finance Committee of the Senate, based on consultations with the members of that Committee, shall issue to the Senate a report stating whether the proposed amendments described in the President's report are consistent with the purposes, policies, and objectives described in section 2102(c)(9). In the event that the Chairman and ranking member disagree with respect to one or more conclusions, the report shall contain the separate views of the Chairman and ranking member.

(e) ADVISORY COMMITTEE REPORTS.—The report required under section 135(e)(1) of the Trade Act of 1974 regarding any trade agreement entered into under section 2103 (a) or (b) of this title shall be provided to the President, the Congress, and the United States Trade Representative not later than 30 days after the date on which the President notifies the Congress under section 2103(a)(1) or 2105(a)(1)(A) of the President's intention to enter into the agreement.

(f) ITC ASSESSMENT.—

(1) IN GENERAL.—The President, at least 90 calendar days before the day on which the President enters into a trade agreement under section 2103(b), shall provide the International Trade Commission (referred to in this subsection as ''the Commission'') with the details of the agreement as it exists at that time and request the Commission to prepare and submit an assessment of the agreement as described in paragraph (2). Between the time the President makes the request under this paragraph and the time the Commission submits the assessment, the President shall keep the Commission current with respect to the details of the agreement.

(2) ITC ASSESSMENT.—Not later than 90 calendar days after the President enters into the agreement, the Commission shall submit to the President and the Congress a report assessing the likely impact of the agreement of the United States economy as a whole and on specific industry sectors, including the impact the agreement will have on the gross domestic product, exports and imports, aggregate employment and employment opportunities, the production, employment, and competitive position of industries likely to be significantly affected by the agreement,

and the interests of United States consumers.

(3) REVIEW OF EMPIRICAL LITERATURE.—In preparing the assessment, the Commission shall review available economic assessments regarding the agreement, including literature regarding any substantially equivalent proposed agreement, and shall provide in its assessment a description of the analyses used and conclusions drawn in such literature, and a discussion of areas of consensus and divergence between the various analyses and conclusions, including those of the Commission regarding the agreement.

SEC. 2105. IMPLEMENTATION OF TRADE AGREEMENTS.

(a) IN GENERAL.—

(1) NOTIFICATION AND SUBMISSION.—Any agreement entered into under section 2103(b) shall enter into force with respect to the United States if (and only if)—

(A) the President, at least 90 calendar days before the day on which the President enters into an agreement—

(i) notifies the House of Representatives and the Senate of the President's intention to enter into the agreement, and promptly thereafter publishes notice of such intention in the Federal Register; and

(ii) transmits to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the notification and report described in section 2104(d)(3) (A) and (B);

(B) within 60 days after entering into the agreement, the President submits to the Congress a description of those changes to existing laws that the President considers would be required in order to bring the United States into compliance with the agreement;

(C) after entering into the agreement, the President submits to the Congress, on a day on which both Houses of Congress are in session, a copy of the final legal text of the agreement, together with—

(i) a draft of an implementing bill described in section 2103(b)(3);

(ii) a statement of any administrative action proposed to implement the trade agreement; and

(iii) the supporting information described in paragraph (2); and

(D) the implementing bill is enacted into law.

(2) SUPPORTING INFORMATION.—The supporting information required under paragraph (1)(C)(iii) consists of—

(A) an explanation as to how the implementing bill and proposed administrative action will change or affect existing law; and

(B) a statement—

(i) asserting that the agreement makes progress in achieving the applicable purposes, policies, priorities, and objectives of this title; and

(ii) setting forth the reasons of the President regarding—

(I) how and to what extent the agreement makes progress in achieving the applicable purposes, policies, and objectives referred to in clause (i);

(II) whether and how the agreement changes provisions of an agreement previously negotiated;

(III) how the agreement serves the interests of United States commerce;

(IV) how the implementing bill meets the standards set forth in section 2103(b)(3);

(V) how and to what extent the agreement makes progress in achieving the applicable purposes, policies, and objectives referred to in section 2102(c) regarding the promotion of certain priorities; and

(VI) in the event that the reports described in section 2104(b)(3) (C) and (D) contain any findings that the proposed amendments are inconsistent with the purposes, policies, and objectives described in section 2102(c)(9), an explanation as to why the President believes such findings to be incorrect.

(3) RECIPROCAL BENEFITS.—In order to ensure that a foreign country that is not a party to a trade agreement entered into under section 2103(b) does not receive benefits under the agreement unless the country is also subject to the obligations under the agreement, the implementing bill submitted with respect to the agreement shall provide that the benefits and obligations under the agreement apply only to the parties to the agreement, if such application is consistent with the terms of the agreement. The implementing bill may also provide that the benefits and obligations under the agreement do not apply uniformly to all parties to the agreement, if such application is consistent with the terms of the agreement.

(4) DISCLOSURE OF COMMITMENTS.—Any agreement or other understanding with a foreign government or governments (whether oral or in writting) that—

(A) relates to a trade agreement with respect to which Congress enacts implementing legislation under trade authorities procedures, and

(B) is not disclosed to Congress before legislation implementing that agreement is introduced in either House of Congress,

shall not be considered to be part of the agreement approved by Congress and shall have no force and effect under United States law or in any dispute settlement body.

(h) LIMITATIONS ON TRADE AUTHORITIES PROCEDURES.—

(1) FOR LACK OF NOTICE OR CONSULTATIONS.—

(A) IN GENERAL.—The trade authorities procedures shall not apply to any implementing bill submitted with respect to a trade agreement or trade agreements entered into under section 2103(h) if during the 60-day period beginning on the date that one House of Congress agrees to a procedural disapproval resolution for lack of notice or consultations with respect to such trade agreement or agreements, the other House separately agrees to a procedural disapproval resolution with respect to such trade agreement or agreements.

(B) PROCEDURAL DISAPPROVAL RESOLUTION.—(i) For purposes of this paragraph, the term ''procedural disapproval resolution'' means a resolution of either House of Congress, the sole matter after the resolving clause of which is as follows: ''That the President has failed or refused to notify or consult in accordance with the Bipartisan Trade Promotion Authority Act of 2002 on negotiations with respect to _____ and, therefore, the trade authorities procedures under that Act shall not apply to any implementing bill submitted with respect to such trade agreement or agreements.'', with the blank space being filled with a description of the trade agreement or agreements with respect to which the President is considered to have failed or refused to notify or consult.

(ii) For purposes of clause (i), the President has ''failed or refused to notify or consult in accordance with the Bipartisan Trade Promotion Authority Act of 2002'' on negotiations with respect to a trade agreement or trade agreements if—

(I) the President has failed or refused to consult (as the case may be) in accordance with section 2104 or 2105 with respect to the negotiations, agreement, or agreements;

(II) guidelines under section 2107(b) have not been developed or met with respect to the negotiations, agreement, or agreements;

(III) the President has not met with the Congressional Oversight Group pursuant to a request made under section 2107(c) with respect to the negotiations, agreement, or agreements; or

(IV) the agreement or agreements fail to make progress in achieving the purposes, policies, priorities, and objectives of this title.

(C) PROCEDURES FOR CONSIDERING RESOLUTIONS.—(i) Procedural disapproval resolutions—

(I) in the House of Representatives—

(aa) may be introduced by any Member of the House;

(bb) shall be referred to the Committee on Ways and Means and, in addition, to the Committee on Rules; and

(cc) may not be amended by either Committee; and

(II) in the Senate—

(aa) may be introduced by any Member of the Senate.

(bb) shall be referred to the Committee on Finance; and

(cc) may not be amended.

(ii) The provisions of section 152 (d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192 (d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to a procedural disapproval resolution introduced with respect to a trade agreement if no other procedural disapproval resolution with respect to that trade agreement has previously been considered under such provisions of section 152 of the Trade Act of 1974 in that House of Congress during that Congress.

(iii) It is not in order for the House of Representatives to consider any procedural disapproval resolution not reported by the Committee on Ways and Means and, in addition, by the Committee on Rules.

(iv) it is not in order for the Senate to consider any procedural disapproval resolution not reported by the Committee on Finance.

(2) FOR FAILURE TO MEET OTHER REQUIREMENTS.—Prior to December 31, 2002, the Secretary of Commerce shall transmit to Congress a report setting forth the strategy of the United States for correcting instances in which dispute settlement panels and the Appellate Body of the WTO have added to obligations or diminished rights of the United States, as described in section 2101(b)(3). Trade authorities procedures shall not apply to any implementing bill with respect to an agreement negotiated under the auspices of the WTO, unless the Secretary of Commerce has issued such report in a timely manner.

(c) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—Subsection (b) of this section and section 2103(c) are enacted by the Congress—

(1) as a exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such are deemed a part of the rules of each House, respectively, and such procedures supersede other rules only to the extent that they are inconsistent with such other rules; and

(2) with the full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as any other rule of that House.

SEC. 2106. TREATMENT OF CERTAIN TRADE AGREEMENTS FOR WHICH NEGOTIATIONS HAVE ALREADY BEGUN.

(a) CERTAIN AGREEMENTS.—Notwithstanding the prenegotiation notification and consultation requirement described in section 2104(a), if an agreement to which section 2103(b) applies—

(1) is entered into under the auspices of the World Trade Organization,

(2) is entered into with Chile,

(3) is entered into with Singapore, or

(4) establishes a Free Trade Area for the Americas,

and results from negotiations that were commenced before the date of the enactment of this Act, subsection (b) shall apply.

(b) TREATMENT OF AGREEMENTS.—In the case of any agreement to which subsection (a) applies—

(1) the applicability of the trade authorities procedures to implementing bills shall be determined without regard to the requirements of section 2201(a) (relating only to 90 days notice prior to initiating negotiations), and any procedural disapproval resolution under section 2105(b)(1)(B) shall not be in order on the basis of a failure or refusal to comply with the provisions of section 2104(a); and

(2) the President shall, as soon as feasible after the enactment of this Act—

(A) notify the Congress of the negotiations described in subsection (a), the specific United States objectives in the negotiations, and whether the President is seeking a new agreement or changes to an existing agreement; and

(B) before and after submission of the notice, consult regarding the negotiations with the committees referred to in section 2104(a)(2) and the Congressional Oversight Group.

SEC. 2107. CONGRESSIONAL OVERSIGHT GROUP.

(a) MEMBERS AND FUNCTIONS.—

(1) IN GENERAL.—By not later than 60 days after the date of the enactment of this Act, and not later than 30 days after the convening of each Congress, the chairman of the Committee on Ways and Means of the House of Representatives and the chairman of the Committee on Finance of the Senate shall convene the Congressional Oversight Group.

(2) MEMBERSHIP FROM THE HOUSE.—In each Congress, the Congressional Oversight Group shall be comprised of the following Members of the House of Representatives:

(A) The chairman and ranking member of the Committee on Ways and Means, and 3 additional members of such Committee (not more than 2 of whom are members of the same political party).

(B) The chairman and ranking member, or their designees, of the committees of the House of Representatives which would have, under the Rules of the House of Representatives, jurisdiction over provisions of law affected by a trade agreement negotiations for which are conducted at any time during that Congress and to which this title would apply.

(3) MEMBERSHIP FROM THE SENATE.—In each Congress, the Congressional Oversight Group shall also be comprised of the following members of the Senate:

(A) The chairman and ranking Member of the Committee on Finance and 3 additional members of such Committee (not more than 2 of whom are members of the same political party).

(B) The chairman and ranking member, or their designees, of the committees of the Senate which would have, under the Rules of the Senate, jurisdiction over provisions of law affected by a trade agreement negotiations for which are conducted at any time during that Congress and to which this title would apply.

(4) ACCREDITATION.—Each member of the Congressional Oversight Group described in paragraph (2)(A) and (3)(A) shall be accredited by the United States Trade Representative on behalf of the President as official advisers to the United States delegation in negotiations for any trade agreement to which this title applies. Each member of the Congressional Oversight Group described in paragraph (2)(B) and (3)(B) shall be accredited by the United States Trade Representative on behalf of the President as official advisers to the United States delegation in the negotiations by reason of which the member is in the Congressional Oversight Group. The Congressional Oversight Group shall consult with and provide advice to the Trade Representative regarding the formulation of specific objectives, negotiating strategies and positions, the development of the applicable trade agreement, and compliance and enforcement of the negotiated commitments under the trade agreement.

(5) CHAIR.—The Congressional Oversight Group shall be chaired by Chairman of the Committee on Ways and Means of the House of Representatives and the Chairman of the Committee on Finance of the Senate.

(b) GUIDELINES—

(1) PURPOSE AND REVISION.—The United States Trade Representative, in consultation with the chairmen and ranking minority members of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate—

(A) shall, within 120 days after the date of the enactment of this Act, develop written guidelines to facilitate the useful and timely exchange of information between the Trade Representative and the Congressional Oversight Group established under this section; and

(B) may make such revisions to the guidelines as may be necessary from time to time.

(2) CONTENT.—The guidelines developed under paragraph (1) shall provide for, among other things—

(A) regular, detailed briefings of the Congressional Oversight Group regarding negotiating objectives, including the promotion of certain priorities referred to in section 2102(c), and positions and the status of the applicable negotiations, beginning as soon as practicable after the Congressional Oversight Group is convened, with more frequent briefings as trade negotiations enter the final stage;

(B) access by members of the Congressional Oversight Group, and staff with proper security clearances, to pertinent documents relating to the negotiations, including classified materials;

(C) the closest practicable coordination between the Trade Representative and the Congressional Oversight Group at all critical periods during the negotiations, including at negotiation sites;

(D) after the applicable trade agreement is concluded, consultation regarding ongoing compliance and enforcement of negotiated commitments under the trade agreement; and

(E) the time frame for submitting the report required under section 2102(c)(8).

(c) REQUEST FOR MEETING.—Upon the request of a majority of the Congressional Oversight Group, the President shall meet with the Congressional Oversight Group before initiating negotiations with respect to a trade agreement, or at any other time concerning the negotiations.

SEC. 2108. ADDITIONAL IMPLEMENTATION AND ENFORCEMENT REQUIREMENTS.

(a) IN GENERAL.—At the time the President submits to the Congress the final text of an agreement pursuant to section 2105(a)(1)(C), the President shall also submit a plan for implementing and enforcing the agreement. The implementation and enforcement plan shall include the following:

(1) BORDER PERSONNEL REQUIREMENTS.—A description of additional personnel required at border entry points, including a list of additional customs and agricultural inspectors.

(2) AGENCY STAFFING REQUIREMENTS.—A description of additional personnel required by Federal agencies responsible for monitoring and implementing the trade agreement, including personnel required by the Office of the United States Trade Representative, the Department of Commerce, the Department of Agriculture (including additional personnel required to implement sanitary and phytosanitary measures in order to obtain market access for United States exports), the Department of the Treasury, and such other agencies as may be necessary.

(3) CUSTOMS INFRASTRUCTURE REQUIREMENTS.—A description of the additional equipment and facilities needed by the United States Customs Service.

(4) IMPACT ON STATE AND LOCAL GOVERNMENTS.—A description of the impact the trade agreement will have on State and local governments as a result of increases in trade.

(5) COST ANALYSIS.—An analysis of the costs associated with each of the items listed in paragraphs (1) through (4).

(b) BUDGET SUBMISSION.—The President shall include a request for the resources necessary to support the plan described in subsection (a) in the first budget that the President submits to the Congress after the submission of the plan.

SEC. 2109. COMMITTEE STAFF.

The grant of trade promotion authority under this title is likely to increase the activities of the primary committees of jurisdiction in the area of international trade. In addition, the creation of the Congressional Oversight Group under section 2107 will increase the participation of a broader number of Members of Congress in the formulation of United States trade policy and oversight of the international trade agenda for the United States. The primary committees of jurisdiction should have adequate staff to accommodate these increases in activities.

SEC. 2110. CONFORMING AMENDMENTS.

(a) IN GENERAL.—Title I of the Trade Act of 1974 (19 U.S.C. 2111 et seq.) is amended as follows:

(1) IMPLEMENTING BILL.—

(A) Section 151(b)(1) (19 U.S.C. 2191(b)(1)) is amended by striking ''section 1103(a)(1) of the Omnibus Trade and Competitiveness Act of 1988, or section 282 of the Uruguay Round Agreements Act'' and inserting ''section 282 of the Uruguay Round Agreements Act, or section 2105(a)(1) of the Bipartisan Trade Promotion Authority Act of 2002''.

(B) Section 151(c)(1) (19 U.S.C. 2191(c)(1)) is amended by striking ''or section 282 of the Uruguay Round Agreements Act'' and inserting '', section 282 of the Uruguay Round Agreements Act, or section 2105(a)(1) of the Bipartisan Trade Promotion Authority Act of 2002''.

(2) ADVICE FROM INTERNATIONAL TRADE COMMISSION.—Section 131 (19 U.S.C. 2151) is amended—

(A) in subsection (a)—

(i) in paragraph (1), by striking ''section 123 of this Act or section 1102(a) or (c) of the Omnibus Trade and Competitiveness Act of 1988,'' and inserting ''section 123 of this Act or section 2103(a) or (b) of the Bipartisan Trade Promotion Authority Act of 2002,''; and

(ii) in paragraph (2), by striking ''section 1102 (b) or (c) of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section 2103(b) of the Bipartisan Trade Promotion Authority Act of 2002'';

(B) in subsection (b), by striking ''section 1102(a)(3)(A)'' and inserting ''section 2103(a)(3)(A) of the Bipartisan Trade Promotion Authority Act of 2002,''; and

(C) in subsection (c), by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988,'' and inserting ''section 2103 of the Bipartisan Trade Promotion Authority Act of 2002,''.

(3) HEARINGS AND ADVICE.—Sections 132, 133(a), and 134(a) (19) U.S.C. 2152, 2153(a), and 2154(a)) are each amended by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988,'' each place it appears and inserting ''section 2103 of the Bipartisan Trade Promotion Authority Act of 2002,''.

(4) PREREQUISITES FOR OFFERS.—Section 134(b) (19 U.S.C. 2154(b)) is amended by striking ''section 1102 of the Omnibus Trade and

Competitiveness Act of 1988'' and inserting ''section 2103 of the Bipartisan Trade Promotion Authority Act of 2002''.

(5) ADVICE FROM PRIVATE AND PUBLIC SECTIONS.—Section 135 (19 U.S.C. 2155) is amended—

(A) in subsection (a)(1)(A), by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section 2103 of the Bipartisan Trade Promotion Authority Act of 2002'';

(B) in subsection (e)(1)—

(i) by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' each place it appears and inserting ''section 2103 of the Bipartisan Trade Promotion Authority Act of 2002''; and

(ii) by striking ''not later than the date on which the President notifies the Congress under section 1103(a)(1)(A) of such Act of 1988 of his intention to enter into that agreement'' and inserting ''not later than the date that is 30 days after the date on which the President notifies the Congress under section 5(a)(1)(A) of the Bipartisan Trade Promotion Authority Act of 2002 of the President's intention to enter into the agreement''; and

(C) in subsection (e)(2), by striking ''section 1101 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section 2102 of the Bipartisan Trade Promotion Authority Act of 2002''.

(6) TRANSMISSION OF AGREEMENTS TO CONGRESS.—Section 162(a) and (19 U.S.C. 2212(a)) is amended by striking ''or under section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''or under section 2103 of the Bipartisan Trade Promotion Authority Act of 2002''.

(b) APPLICATION OF CERTAIN PROVISIONS.—For purposes of applying sections 125, 126, and 127 of the Trade Act of 1974 (19 U.S.C. 2135, 2136(a), and 2137)—

(1) any trade agreement entered into under section 2103 shall to treated as an agreement entered into under section 101 or 102, as appropriate, of the Trade Act of 1974 (19 U.S.C. 2111 or 2112); and

(2) any proclamation or Executive order issued pursuant to a trade agreement entered into under section 2103 shall be treated as a proclamation or Executive order issued pursuant to a trade agreement entered into under section 102 of the Trade Act of 1974.

SEC. 2111. REPORT ON IMPACT OF TRADE PROMOTION AUTHORITY.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the International Trade Commission shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives regarding the economic impact on the United States of the trade agreements described in subsection (b).

(b) AGREEMENTS.—The trade agreements described in this subsection are:

(1) The United States-Israel Free Trade Agreement.

(2) The United States-Canada Free Trade Agreement.

(3) The North American Free Trade Agreement.

(4) The Uruguay Round Agreements.

(5) The Tokyo Round of Multilateral Trade Negotiations.

SEC. 2112. IDENTIFICATION OF SMALL BUSINESS ADVOCATE AT WTO.

(a) IN GENERAL.—The United States Trade Representative shall pursue the identification of a small business advocate at the World Trade Organization Secretariat to examine the impact of WTO agreements on the interests of small- and medium-sized enterprises, address the concerns of small- and medium-sized enterprises, and recommend ways to address those interests in trade negotiations involving the World Trade Organization.

(b) ASSISTANT TRADE REPRESENTATIVE.—The Assistant United States Trade Representative for Industry and Telecommunications shall be responsible for ensuring that the interests of small business are considered in all trade negotiations in accordance with the objective described in section 2102(a)(8). It is the sense of Congress that the small business functions should be reflected in the title of the Assistant United States Trade Representative assigned the responsibility for small business.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the United States Trade Representative shall prepare and submit a report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on the steps taken by the United States Trade Representative to pursue the identification of a small business advocate at the World Trade Organization.

SEC. 2113. DEFINITIONS.

In this title:

(1) AGREEMENT ON AGRICULTURE.—The term ''Agreement on Agriculture'' means the agreement referred to in section 101(d)(2) of the Uruguay Round Agreements Act (19 U.S.C. 3511 (d)(2)).

(2) CORE LABOR STANDARDS.—The term ''core labor standards'' means—

(A) the right of association;

(B) the right to organize and bargain collectively;

(C) a prohibition on the use of any form of forced or compulsory labor;

(D) a minimum age for the employment of children; and

(E) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.

(3) GATT 1994.—The term ''GATT 1994'' has the meaning given that term in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).

(4) ILO.—The term ''ILO'' means the International Labor Organization.

(5) IMPORT SENSITIVE AGRICULTURAL PRODUCT.—The term ''import sensitive agricultural product'' means an agricultural product with respect to which, as a result of the Uruguay Round Agreements—

(A) the rate of duty was the subject of tariff reductions by the United States, and pursuant to such Agreements, was reduced on January 1, 1995, to a rate which was not less than 97.5 percent of the rate of duty that applied to such article on December 31, 1994; or

(B) became subject to a tariff-rate quota on or after January 1, 1995.

(6) UNITED STATES PERSON.—The term ''United States person'' means—

(A) a United States citizen;

(B) a partnership, corporation, or other legal entity organized under the laws of the United States; and

(C) a partnership, corporation, or other legal entity that is organized under the laws of a foreign country and is controlled by entities described in subparagraph (B) or United States citizens, or both.

(7) URUGUAY ROUND AGREEMENTS.—The term ''Uruguay Round Agreements'' has the meaning given that term in section 2(7) of the Uruguay Round Agreements Act (19 U.S.C. 3501(7)).

(8) WORLD TRADE ORGANIZATION; WTO.—The terms ''World Trade Organization'' and ''WTO'' mean the organization established pursuant to the WTO Agreement.

(9) WTO AGREEMENT.—The term ''WTO Agreement'' means the Agreement Establishing the World Trade Organization entered into on April 15, 1994.

DIVISION C—ANDEAN TRADE PREFERENCE ACT

TITLE XXXI—ANDEAN TRADE PREFERENCE

SEC. 3101. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This title may be cited as the ''Andean Trade Preference Expansion Act''.

(b) FINDINGS.—Congress makes the following findings:

(1) Since the Andean Trade Preference Act was enacted in 1991, it has had a positive impact on United States trade with Bolivia, Colombia, Ecuador, and Peru. Two-way trade has doubled, with the United States serving as the leading source of imports and leading export market for each of the Andean beneficiary countries. This has resulted in increased jobs and expanded export opportunities in both the United States and the Andean region.

(2) The Andean Trade Preference Act has been a key element in the United States counternarcotics strategy in the Andean region, promoting export diversification and broad-based economic development that provides sustainable economic alternatives to drug-crop production, strengthening the legitimate economies of Andean countries and creating viable alternatives to illicit trade in coca.

(3) Notwithstanding the success of the Andean Trade Preference Act, the Andean region remains threatened by political and economic instability and fragility, vulnerable to the consequences of the drug war and fierce global competition for its legitimate trade.

(4) The continuing instability in the Andean region poses a threat to the security interests of the United States and the world. This problem has been partially addressed through foreign aid, such as Plan Colombia, enacted by Congress in 2000. However, foreign aid alone is not sufficient. Enhancement of legitimate trade with the United States provides an alternative means for reviving and stabilizing the economies in the Andean region.

(5) The Andean Trade Preference Act constitutes a tangible commitment by the United States to the promotion of prosperity, stability, and democracy in the beneficiary countries.

(6) Renewal and enhancement of the Andean Trade Preference Act will bolster the confidence of domestic private enterprise and foreign investors in the economic prospects of the region, ensuring that legitimate private enterprise can be the engine of economic development and political stability in the region.

(7) Each of the Andean beneficiary countries is committed to conclude negotiation of a Free Trade Area of the Americas by the year 2005, as a means of enhancing the economic security of the region.

(8) Temporarily enhancing trade benefits for Andean beneficiaries countries will promote the growth of free enterprise and economic opportunity in these countries and serve the security interests of the United States, the region, and the world.

SEC. 3102. TEMPORARY PROVISIONS.

(a) IN GENERAL.—Section 204(b) of the Andean Trade Preference Act (19 U.S.C. 3203(b)) is amended to read as follows:

''(b) IMPORT-SENSITIVE ARTICLES.—

''(1) IN GENERAL.—Subject to paragraphs (2) through (5), the duty-free treatment provided under this title does not apply to—

''(A) textile and apparel articles which were not eligible articles for purposes of this title on January 1, 1994, as this title was in effect on that date;

''(B) footwear not designated at the time of the effective date of this title as eligible articles for the purpose of the generalized system of preferences under title V of the Trade Act of 1974;

''(C) tuna, prepared or preserved in any manner, in airtight containers;

''(D) petroleum, or any product derived from petroleum, provided for in headings 2709 and 2710 of the HTS;

''(E) watches and watch parts (including cases, bracelets, and straps), of whatever type including, but not limited to, mechanical, quartz digital, or quartz analog, if such watches or watch parts contain any material which is the product of any country with respect to which HTS column 2 rates of duty apply;

''(F) articles to which reduced rates of duty apply under subsection (c);

''(G) sugars, syrups, and sugar containing products subject to tariff-rate quotas; or

''(H) rum and tafia classified in subheading 2208.40 of the HTS.

''(2) TRANSITION PERIOD TREATMENT OF CERTAIN TEXTILE AND APPAREL ARTICLES.—

''(A) ARTICLES COVERED.—During the transition period, the preferential treatment described in subparagraph (B) shall apply to the following articles imported directly into the customs territory of the United States from an ATPEA beneficiary country:

''(i) APPAREL ARTICLES ASSEMBLED FROM PRODUCTS OF THE UNITED STATES AND ATPEA BENEFICIARY COUNTRIES OR PRODUCTS NOT AVAILABLE IN COMMERCIAL QUANTITIES.—Apparel articles sewn or otherwise assembled in 1 or more ATPEA beneficiary countries, or the United States, or both, exclusively from any one or any combination of the following:

''(I) Fabrics or fabric components formed, or components knit-to-shape, in the United States, from yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are formed in the United States), provided that apparel articles sewn or otherwise assembled from materials described in this subclause are assembled with thread formed in the United States.

''(II) Fabric components knit-to-shape in the United States from yarns wholly formed in the United States and fabric components knit-to-shape in 1 or more ATPEA beneficiary countries from yarns wholly formed in the United States.

''(III) Fabrics or fabric components formed or components knit-to-shape, in 1 or more ATPEA beneficiary countries, from yarns wholly formed in 1 or more ATPEA beneficiary countries, if such fabrics (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are formed in 1 or more ATPEA beneficiary countries) or components are in chief weight of llama, or alpaca.

''(IV) Fabrics or yarns that are not formed in the United States or in 1 or more ATPEA beneficiary countries, to the extent such fabrics or yarns are considered not to be widely available in commercial quantities for purposes of determining the eligibility of such apparel articles for preferential treatment under Annex 401 of the NAFTA.

''(ii) KNIT-TO-SHAPE APPAREL ARTICLES.—Apparel articles knit-to-shape (other than socks provided for in heading 6115 of the HTS) in 1 or more ATPEA beneficiary countries from yarns wholly formed in the United States.

''(iii) REGIONAL FABRIC.—

''(I) GENERAL RULE.—Knit apparel articles wholly assembled in 1 or more ATPEA beneficiary countries exclusively from fabric formed, or fabric components formed, or components knit-to-shape, or any combination thereof, in 1 or more ATPEA beneficiary countries from yarns wholly formed in the United States, in an amount not exceeding the amount set forth in subclause (II).

''(II) LIMITATION.—The amount referred to in subclause (I) is 70,000,000 square meter equivalents during the 1-year period beginning on March 1, 2002, increased by 16 percent, compounded annually, in each succeeding 1-year period through February 28, 2006.

''(iv) CERTAIN OTHER APPAREL ARTICLES.—

''(I) GENERAL RULE.—Subject to subclause (II), any apparel article classifiable under subheading 6212.10 of the HTS, if the article is both cut and sewn or otherwise assembled in the United States, or one or more of the ATPEA beneficiary countries, or both.

''(II) LIMITATION.—During the 1-year period beginning on March 1, 2003, and during each of the 2 succeeding 1-year periods, apparel articles described in subclause (I) of a producer or an entity controlling production shall be eligible for preferential treatment under subparagraph (B) only if the aggregate cost of fabric components formed in the United States that are used in the production of all such articles of that producer or entity that are entered during the preceding 1-year period is at least 75 percent of the aggregate declared customs value of the fabric contained in all such articles of that producer or entity that are entered during the preceding 1-year period.

''(III) DEVELOPMENT OF PROCEDURE TO ENSURE COMPLIANCE.—The United States Customs Service shall develop and implement methods and procedures to ensure ongoing compliance with the requirement set forth in subclause (II). If the Customs Service finds that a producer or an entity controlling production has not satisfied such requirement in a 1-year period, then apparel articles described in subclause (I) of that producer or entity shall be ineligible for preferential treatment under subparagraph (B) during any succeeding 1-year period until the aggregate cost of fabric components formed in the United States used in the production of such articles of that producer or entity that are entered during the preceding 1-year period is at least 85 percent of the aggregate declared customs value of the fabric contained in all such articles of that producer or entity that are entered during the preceding 1-year period.

''(v) APPAREL ARTICLES ASSEMBLED FROM FABRICS OR YARN NOT WIDELY AVAILABLE IN COMMERCIAL QUANTITIES.—At the request of any interested party, the President is authorized to proclaim additional fabrics and yarn as eligible for preferential treatment under clause (i)(IV) if—

''(I) the President determines that such fabrics or yarn cannot be supplied by the domestic industry in commercial quantities in a timely manner;

''(II) the President has obtained advice regarding the proposed action from the appropriate advisory committee established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) and the United States International Trade Commission;

''(III) within 60 days after the request, the President has submitted a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate that sets forth the action proposed to be proclaimed and the reasons for such actions, and the advice obtained under subclause (II);

''(IV) a period of 60 calendar days, beginning with the first day on which the President has met the requirements of subclause (III), has expired; and

''(V) the President has consulted with such committees regarding the proposed action during the period referred to in subclause (III).

''(vi) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—A handloomed, handmade, or folklore article of an ATPEA beneficiary country identified under subparagraph (C) that is certified as such by the competent authority of such beneficiary country.

''(vii) SPECIAL RULES.—

''(I) EXCEPTION FOR FINDINGS AND TRIMMINGS.—(aa) An article otherwise eligible for preferential treatment under this paragraph shall not be ineligible for such treatment because the article contains findings or trimmings of foreign origin, if such findings and trimmings do not exceed 25 percent of the cost of the components of the assembled product. Examples of findings and trimmings are sewing thread, hooks and eyes, snaps, buttons, 'bow buds', decorative lace, trim, elastic strips, zippers, including zipper tapes and labels, and other similar products. Elastic strips are considered findings or trimmings only if they are each less than 1 inch in width and are used in the production of brassieres.

''(bb) In the case of an article described in clause (i)(I) of this subparagraph, sewing thread shall not be treated as findings or trimmings under this subclause.

''(II) CERTAIN INTERLININGS.—(aa) An article otherwise eligible for preferential treatment under this paragraph shall not be ineligible for such treatment because the article contains certain interlinings of foreign origin, if the value of such interlinings (and any findings and trimmings) does not exceed 25 percent of the cost of the components of the assembled article.

''(bb) Interlinings eligible for the treatment described in division (aa) include only a chest type plate, 'hymo' piece, or 'sleeve header', of woven or weft-inserted warp knit construction and of coarse animal hair or man-made filaments.

''(cc) The treatment described in this subclause shall terminate if the President makes a determination that United States manufacturers are producing such interlinings in the United States in commercial quantities.

''(III) DE MINIMIS RULE.—An article that would otherwise be ineligible for preferential treatment under this paragraph because the article contains yarns not wholly formed in the United States or in 1 or more ATPEA beneficiary countries shall not be ineligible for such treatment if the total weight of all such yarns is not more than 7 percent of the total weight of the good. Notwithstanding the preceding sentence, an apparel article containing elastomeric yarns shall be eligible for preferential treatment under this paragraph only if such yarns are wholly formed in the United States.

''(IV) SPECIAL ORIGIN RULE.—An article otherwise eligible for preferential treatment under clause (i) of this subparagraph shall not be ineligible for such treatment because the article contains nylon filament yarn (other than elastomeric yarn) that is classifiable under subheading 5402.10.30, 5402.10.60, 5402.31.30, 5402.31.60, 5402.32.30, 5402.32.60, 5402.41.10, 5402.41.90, 5402.51.00, or 5402.61.00 of the HTS duty-free from a country that is a party to an agreement with the United States establishing a free trade area, which entered into force before January 1, 1995.

''(V) CLARIFICATION OF CERTAIN KNIT APPAREL ARTICLES.—Notwithstanding any other provision of law, an article otherwise eligible for preferential treatment under clause (iii)(I) of this subparagraph, shall not be ineligible for such treatment because the article, or a component thereof, contains fabric formed in the United States from yarns wholly formed in the United States.

''(viii) TEXTILE LUGGAGE.—Textile luggage—

''(I) assembled in an ATPEA beneficiary country from fabric wholly formed and cut in the United States, from yarns wholly formed in the United States, that is entered under subheading 9802.00.80 of the HTS; or

''(II) assembled from fabric cut in an ATPEA beneficiary country from fabric wholly formed in the United States from yarns wholly formed in the United States.

''(B) PREFERENTIAL TREATMENT.—Except as provided in subparagraph (E), during the transition period, the articles to which subparagraph (A) applies shall enter the United States free of duty and free of any quantitative restrictions, limitations, or consultation levels.

''(C) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—For purposes of subparagraph (A)(vi), the President shall consult with representatives of the ATPEA beneficiary countries concerned for the purpose of identifying particular textile and apparel goods that are mutually agreed upon as being handloomed, handmade, or folklore goods of a kind described in section 2.3(a), (b), or (c) of the Annex or Appendix 3.1.B.11 of the Annex.

''(D) PENALTIES FOR TRANSSHIPMENTS.—

''(i) PENALTIES FOR EXPORTERS.—If the President determines, based on sufficient evidence, that an exporter has engaged in transshipment with respect to textile or apparel articles from an ATPEA beneficiary country, then the President shall deny all benefits under this title to such exporter, and any successor of such exporter, for a period of 2 years.

''(ii) PENALTIES FOR COUNTRIES.—Whenever the President finds, based on sufficient evidence, that transshipment has occurred, the President shall request that the ATPEA beneficiary country or countries through whose territory the transshipment has occurred take all necessary and appropriate actions to prevent such transshipment. If the President determines that a country is not taking such actions, the President shall reduce the quantities of textile and apparel articles that may be imported into the United States from such country by the quantity of the transshipped articles multiplied by 3, to the extent consistent with the obligations of the United States under the WTO.

''(iii) TRANSSHIPMENT DESCRIBED.—Transshipment within the meaning of this subparagraph has occurred when preferential treatment under subparagraph (B) has been claimed for a textile or apparel article on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components. For purposes of this clause, false information is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment under subparagraph (B).

''(E) BILATERAL EMERGENCY ACTIONS.—

''(i) IN GENERAL.—The President may take bilateral emergency tariff actions of a kind described in section 4 of the Annex with respect to any apparel article imported from an ATPEA beneficiary country if the application of tariff treatment under subparagraph (B) to such article results in conditions that would be cause for the taking of such actions under such section 4 with respect to a like article described in the same 8-digit subheading of the HTS that is imported from Mexico.

''(ii) RULES RELATING TO BILATERAL EMERGENCY ACTION.—For purposes of applying bilateral emergency action under this subparagraph—

''(I) the requirements of paragraph (5) of section 4 of the Annex (relating to providing compensation) shall not apply;

''(II) the term 'transition period' in section 4 of the Annex shall have the meaning given that term in paragraph (5)(D) of this subsection; and

''(III) the requirements to consult specified in section 4 of the Annex shall be treated as satisfied if the President requests consultations with the ATPEA beneficiary country in question and the country does not agree to consult within the time period specified under section 4.

''(3) TRANSITION PERIOD TREATMENT OF CERTAIN OTHER ARTICLES ORIGINATING IN BENEFICIARY COUNTRIES.—

''(A) EQUIVALENT TARIFF TREATMENT.—

''(i) IN GENERAL.—Subject to clauses (ii) and (iii), the tariff treatment accorded at any time during the transition period to any article referred to in any of subparagraphs (B), (D) through (F), or (H) of paragraph (1) that is an ATPEA originating good, imported directly into the customs territory of the United States from an ATPEA beneficiary country, shall be identical to the tariff treatment that is accorded at such time under Annex 302.2 of the NAFTA to an article described in the same 8-digit subheading of the HTS that is a good of Mexico and is imported into the United States.

''(ii) EXCEPTION.—Clause (i) does not apply to any article accorded duty-free treatment under U.S. Note 2(b) to subchapter II of chapter 98 of the HTS.

''(iii) CERTAIN FOOTWEAR.—

''(I) IN GENERAL.—Duties on any article described in subclause (II), that is an ATPEA originating good imported directly into the customs territory of the United States from an ATPEA beneficiary country, shall be reduced by 1/15 a year beginning on the date of enactment of the Andean Trade Preference Expansion Act.

''(II) ARTICLES DESCRIBED.—An article described in this subclause means an article described in subheading 6401.10.00, 6401.91.00, 6401.92.90, 6401.99.30, 6401.99.60, 6401.99.90, 6402.30.50, 6402.30.70, 6402.30.80, 6402.91.50, 6402.91.80, 6402.91.90, 6402.99.20, 6402.99.30, 6402.99.80, 6402.99.90, 6403.91.60, 6404.11.50, 6404.11.60, 6404.11.70, 6404.11.80, 6404.11.90, 6404.19.20, 6404.19.35, 6404.19.50, or 6404.19.70 of the HTS.

''(B) RELATIONSHIP TO SUBSECTION (C) DUTY REDUCTIONS.—If at any time during the transition period the rate of duty that would (but for action taken under subparagraph (A)(i) in regard to such period) apply with respect to any article under subsection (c) is a rate of duty that is lower than the rate of duty resulting from such action, then such lower rate of duty shall be applied for the purposes of implementing such action.

''(C) SPECIAL RULE FOR SUGARS, SYRUPS, AND SUGAR CONTAINING PRODUCTS.—Duty-free treatment under this Act shall not be extended to sugars, syrups, and sugar-containing products subject to over-quota duty rates under applicable tariff-rate quotas.

''(D) SPECIAL RULE FOR CERTAIN TUNA PRODUCTS.—

''(i) IN GENERAL.—The President may proclaim duty-free treatment under this Act for tuna that is harvested by United States vessels or ATPEA beneficiary country vessels, and is prepared or preserved in any manner, in airtight containers in an ATPEA beneficiary country. Such duty-free treatment may be proclaimed in any calendar year for a quantity of such tuna that does not exceed 20 percent of the domestic United States tuna pack in the preceding calendar year. As used in the preceding sentence, the term 'tuna pack' means tuna pack as defined by the National Marine Fisheries Service of the United States Department of Commerce for purposes of subheading 1604.14.20 of the HTS as in effect on the date of enactment of the Andean Trade Preference Expansion Act.

''(ii) UNITED STATES VESSEL.—For purposes of this subparagraph, a 'United States vessel' is a vessel having a certificate of documentation with a fishery endorsement under chapter 121 of title 46, United States Code.

''(iii) ATPEA VESSEL.—For purposes of this subparagraph, an 'ATPEA vessel' is a vessel—

''(I) which is registered or recorded in an ATPEA beneficiary country;

''(II) which sails under the flag of an ATPEA beneficiary country;

''(III) which is at least 75 percent owned by nationals of an ATPEA beneficiary country or by a company having its principal place of business in an ATPEA beneficiary country, of which the manager or managers, chairman of the board of directors or of the supervisory board, and the majority of the members of such boards are nationals of an ATPEA beneficiary country and of which, in the case of a company, at least 50 percent of the capital is owned by an ATPEA beneficiary country or by public bodies or nationals of an ATPEA beneficiary country;

''(IV) of which the master and officers are nationals of an ATPEA beneficiary country; and

''(V) of which at least 75 percent of the crew are nationals of an ATPEA beneficiary country.

''(4) CUSTOMS PROCEDURES.—

''(A) IN GENERAL.—

''(i) REGULATIONS.—Any importer that claims preferential treatment under paragraph (2) or (3) shall comply with customs procedures similar in all material respects to the requirements of Article 502(1) of the NAFTA as implemented pursuant to United States law, in accordance with regulations promulgated by the Secretary of the Treasury.

''(ii) DETERMINATION.—

''(I) IN GENERAL.—In order to qualify for the preferential treatment under paragraph (2) or (3) and for a Certificate of Origin to be valid with respect to any article for which such treatment is claimed, there shall be in effect a determination by the President that each country described in subclause (II)—

''(aa) has implemented and follows; or

''(bb) is making substantial progress toward implementing and following, procedures and requirements similar in all material respects to the relevant procedures and requirements under chapter 5 of the NAFTA.

''(II) COUNTRY DESCRIBED.—A country is described in this subclause if it is an ATPEA beneficiary country—

''(aa) from which the article is exported; or

''(bb) in which materials used in the production of the article originate or in which the article or such materials undergo production that contributes to a claim that the article is eligible for preferential treatment under paragraph (2) or (3).

''(B) CERTIFICATE OF ORIGIN.—The Certificate of Origin that otherwise would be required pursuant to the provisions of subparagraph (A) shall not be required in the case of an article imported under paragraph (2) or (3) if such Certificate of Origin would not be required under Article 503 of the NAFTA (as implemented pursuant to United States law), if the article were imported from Mexico.

''(C) REPORT BY USTR ON COOPERATION OF OTHER COUNTRIES CONCERNING CIRCUMVENTION.—The United States Commissioner of Customs shall conduct a study analyzing the extent to which each ATPEA beneficiary country—

''(i) has cooperated fully with the United States, consistent with its domestic laws and procedures, in instances of circumvention or alleged circumvention of existing quotas on imports of textile and apparel goods, to establish necessary relevant facts in the places of import, export, and, where applicable,

transshipment, including investigation of circumvention practices, exchanges of documents, correspondence, reports, and other relevant information, to the extent such information is available;

''(ii) has taken appropriate measures, consistent with its domestic laws and procedures, against exporters and importers involved in instances of false declaration concerning fiber content, quantities, description, classification, or origin of textile and apparel goods; and

''(iii) has penalized the individuals and entities involved in any such circumvention, consistent with its domestic laws and procedures, and has worked closely to seek the cooperation of any third country to prevent such circumvention from taking place in that third country.

The Trade Representative shall submit to Congress, not later than October 1, 2002, a report on the study conducted under this subparagraph.

''(5) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

''(A) ANNEX.—The term 'the Annex' means Annex 300–B of the NAFTA.

''(B) ATPEA BENEFICIARY COUNTRY.—The term 'ATPEA beneficiary country' means any 'beneficiary country', as defined in section 203(a)(1) of this title, which the President designates as an ATPEA beneficiary country, taking into account the criteria contained in subsections (c) and (d) of section 203 and other appropriate criteria, including the following:

''(i) Whether the beneficiary country has demonstrated a commitment to—

''(I) undertake its obligations under the WTO, including those agreements listed in section 101(d) of the Uruguay Round Agreements Act, on or ahead of schedule; and

''(II) participate in negotiations toward the completion of the FTAA or another free trade agreement.

''(ii) The extent to which the country provides protection of intellectual property rights consistent with or greater than the protection afforded under the Agreement on Trade-Related Aspects of Intellectual Property Rights described in section 101(d)(15) of the Uruguay Round Agreements Act.

''(iii) The extent to which the country provides internationally recognized worker rights, including—

''(I) the right of association;

''(II) the right to organize and bargain collectively;

''(III) a prohibition on the use of any form of forced or compulsory labor;

''(IV) a minimum age for the employment of children; and

''(V) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.

''(iv) Whether the country has implemented its commitments to eliminate the worst forms of child labor, as defined in section 507(6) of the Trade Act of 1974.

''(v) The extent to which the country has met the counter-narcotics certification criteria set forth in section 490 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291j) for eligibility for United States assistance.

''(vi) The extent to which the country has taken steps to become a party to and implements the Inter-American Convention Against Corruption.

''(vii) The extent to which the country—

''(I) applies transparent, nondiscriminatory, and competitive procedures in government procurement equivalent to those contained in the Agreement on Government Procurement described in section 101(d)(17) of the Uruguay Round Agreements Act; and

''(II) contributes to efforts in international fora to develop and implement international rules in transparency in government procurement.

''(C) ATPEA ORIGINATING GOOD.—

''(i) IN GENERAL.—The term 'ATPEA originating good' means a good that meets the rules of origin for a good set forth in chapter 4 of the NAFTA as implemented pursuant to United States law.

''(ii) APPLICATION OF CHAPTER 4.—In applying chapter 4 of the NAFTA with respect to an ATPEA beneficiary country for purposes of this subsection—

''(I) no country other than the United States and an ATPEA beneficiary country may be treated as being a party to the NAFTA;

''(II) any reference to trade between the United States and Mexico shall be deemed to refer to trade between the United States and an ATPEA beneficiary country;

''(III) any reference to a party shall be deemed to refer to an ATPEA beneficiary country or the United States; and

''(IV) any reference to parties shall be deemed to refer to any combination of ATPEA beneficiary countries or to the United States and one or more ATPEA beneficiary countries (or any combination thereof).

''(D) TRANSITION PERIOD.—The term 'transition period' means, with respect to an ATPEA beneficiary country, the period that begins on the date of enactment, and ends on the earlier of—

''(i) February 28, 2006; or

''(ii) the date on which the FTAA or another free trade agreement that makes substantial progress in achieving the negotiating objectives set forth in section 108(b)(5) of Public Law 103–182 (19 U.S.C. 3317(b)(5)) enters into force with respect to the United States and the ATPEA beneficiary country.

''(E) ATPEA.—The term 'ATPEA' means the Andean Trade Preference Expansion Act.

''(F) FTAA.—The term 'FTAA' means the Free Trade Area of the Americas.''.

(b) DETERMINATION REGARDING RETENTION OF DESIGNATION.—Section 203(e) of the Andean Trade Preference Act (19 U.S.C. 3202(e)) is amended—

(1) in paragraph (1)—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(B) by inserting ''(A)'' after ''(1)''; and

(C) by adding at the end the following:

''(B) The President may, after the requirements of paragraph (2) have been met—

''(i) withdraw or suspend the designation of any country as an ATPEA beneficiary country; or

''(ii) withdraw, suspend, or limit the application of preferential treatment under section 204(b) (2) and (3) to any article of any country,

if, after such designation, the President determines that, as a result of changed circumstances, the performance of such country is not satisfactory under the criteria set forth in section 204(b)(5)(B).''; and

(2) by adding after paragraph (2) the following new paragraph:

''(3) If preferential treatment under section 204(b) (2) and (3) is withdrawn, suspended, or limited with respect to an ATPEA beneficiary country, such country shall not be deemed to be a 'party' for the purposes of applying section 204(b)(5)(C) to imports of articles for which preferential treatment has been withdrawn, suspended, or limited with respect to such country.''.

(c) REPORTING REQUIREMENTS.—Section 203(f) of the Andean Trade Preference Act (19 U.S.C. 3202(f)) is amended to read as follows:

''(f) REPORTING REQUIREMENTS.—

''(1) IN GENERAL.—Not later than December 31, 2002, and every 2 years thereafter during the period this title is in effect, the United States Trade Representative shall submit to Congress a report regarding the operation of this title, including—

''(A) with respect to subsections (c) and (d), the results of a general review of beneficiary countries based on the considerations described in such subsections; and

''(B) the performance of each beneficiary country or ATPEA beneficiary country, as the case may be, under the criteria set forth in section 204(b)(5)(B).

''(2) PUBLIC COMMENT.—Before submitting the report described in paragraph (1), the United States Trade Representative shall publish a notice in the Federal Register requesting public comments on whether beneficiary countries are meeting the criteria listed in section 204(b)(5)(B).''.

(d) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—

(A) Section 202 of the Andean Trade Preference Act (19 U.S.C. 3201) is amended by inserting ''(or other preferential treatment)'' after ''treatment''.

(B) Section 204(a)(1) of the Andean Trade Preference Act (19 U.S.C. 3203(a)(1)) is amended by inserting ''(or otherwise provided for)'' after ''eligibility''.

(C) Section 204(a)(1) of the Andean Trade Preference Act (19 U.S.C. 3203(a)(1)) is amended by inserting ''(or preferential treatment)'' after ''duty-free treatment''.

(2) DEFINITIONS.—Section 203(a) of the Andean Trade Preference Act (19 U.S.C. 3202(a)) is amended by adding at the end the following new paragraphs:

''(4) The term ''NAFTA'' means the North American Free Trade Agreement entered into between the United States, Mexico, and Canada on December 17, 1992.

''(5) The terms 'WTO' and 'WTO member' have the meanings given those terms in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).''.

(e) PETITIONS FOR REVIEW.—

(1) IN GENERAL.—Not later than 120 days after the date of enactment of this Act, the President shall promulgate regulations regarding the review of eligibility of articles and countries under the Andean Trade Preference Act, consistent with section 203(e) of such Act, as amended by this title.

(2) CONTENT OF REGULATIONS.—The regulations shall be similar to the regulations regarding eligibility under the Generalized System of Preferences with respect to the timetable for reviews and content, and shall include procedures for requesting withdrawal, suspension, or limitations of preferential duty treatment under the Act, conducting reviews of such requests, and implementing the results of the reviews.

SEC. 3103. TERMINATION.

(a) IN GENERAL.—Section 208(b) of the Andean Trade Preference Act (19 U.S.C. 3206(b)) is amended to read as follows:

''(b) TERMINATION OF PREFERENTIAL TREATMENT.—No preferential duty treatment extended to beneficiary countries under this Act shall remain in effect after February 28, 2006.''.

(b) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(1) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (3), the entry—

(A) of any article to which duty-free treatment (or preferential treatment) under the Andean Trade Preference Act (19 U.S.C. 3201 et seq.) would have applied if the entry had been made on December 4, 2001,

(B) that was made after December 4, 2001, and before the date of the enactment of this Act, and

(C) to which duty-free treatment (or preferential treatment) under the Andean Trade Preference Act did not apply,

shall be liquidated or reliquidated as if such duty-free treatment (or preferential treatment) applied, and the Secretary of the Treasury shall refund any duty paid with respect to such entry.

(2) ENTRY.—As used in this subsection, the term ''entry'' includes a withdrawal from warehouse for consumption.

(3) REQUESTS.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry only if a request therefor is filed with the Customs Service, within 180 days after the date of the enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

TITLE XXXII—MISCELLANEOUS TRADE BENEFITS

SEC. 3201. WOOL PROVISIONS.

(a) SHORT TITLE.—This section may be cited as the ''Wool Manufacturer Payment Clarification and Technical Corrections Act''.

(b) CLARIFICATION OF TEMPORARY DUTY SUSPENSION.—Heading 9902.51.13 of the Harmonized Tariff Schedule of the United States is amended by inserting ''average'' before ''diameters''.

(c) PAYMENTS TO MANUFACTURERS OF CERTAIN WOOL PRODUCTS.—

(1) PAYMENTS.—Section 505 of the Trade and Development Act of 2000 (Public Law 106–200; 114 Stat. 303) is amended as follows:

(A) Subsection (a) is amended—

(i) by striking ''In each of the calendar years'' and inserting ''For each of the calendar years''; and

(ii) by striking ''for a refund of duties'' and all that follows through the end of the subsection and inserting ''for a payment equal to an amount determined pursuant to subsection (d)(1).''.

(B) Subsection (b) is amended to read as follows:

''(b) WOOL YARN.—

''(1) IMPORTING MANUFACTURERS.—For each of the calendar years 2000, 2001, and 2002, a manufacturer of worsted wool fabrics who imports wool yarn of the kind described in heading 9902.51.13 of the Harmonized Tariff Schedule of the United States shall be eligible for a payment equal to an amount determined pursuant to subsection (d)(2).

''(2) NONIMPORTING MANUFACTURERS.—For each of the calendar years 2001 and 2002, any other manufacturer of worsted wool fabrics of imported wool yarn of the kind described in heading 9902.51.13 of the Harmonized Tariff Schedule of the United States shall be eligible for a payment equal to an amount determined pursuant to subsection (d)(2).''.

(C) Subsection (c) is amended to read as follows:

''(c) WOOL FIBER AND WOOL TOP.—

''(1) IMPORTING MANUFACTURERS.—For each of the calendar years 2000, 2001, and 2002, a manufacturer of wool yarn or wool fabric who imports wool fiber or wool top of the kind described in heading 9902.51.14 of the Harmonized Tariff Schedule of the United States shall be eligible for a payment equal to an amount determined pursuant to subsection (d)(3).

''(2) NONIMPORTING MANUFACTURERS.—For each of the calendar years 2001 and 2002, any other manufacturer of wool yarn or wool fabric of imported wool fiber or wool top of the kind described in heading 9902.51.14 of the Harmonized Tariff Schedule of the United States shall be eligible for a payment equal to an amount determined pursuant to subsection (d)(3).''.

(D) Section 505 is further amended by striking subsection (d) and inserting the following new subsections:

''(d) AMOUNT OF ANNUAL PAYMENTS TO MANUFACTURERS.—

''(1) MANUFACTURERS OF MEN'S SUITS, ETC. OF IMPORTED WORSTED WOOL FABRICS.—

''(A) ELIGIBLE TO RECEIVE MORE THAN $5,000.—Each annual payment to manufacturers described in subsection (a) who, according to the records of the Customs Service as of September 11, 2001, are eligible to receive more than $5,000 for each of the calendar years 2000, 2001, and 2002, shall be in an amount equal to one-third of the amount determined by multiplying $30,124,000 by a fraction—

''(i) the numerator of which is the amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by the manufacturer making the claim, and

''(ii) the denominator of which is the total amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by all the manufacturers described in subsection (a) who, according to the records of the Customs Service as of September 11, 2001, are eligible to receive more than $5,000 for each such calendar year under this section as it was in effect on that date.

''(B) ELIGIBLE WOOL PRODUCTS.—For purposes of subparagraph (A), the term 'eligible wool products' refers to imported worsted wool fabrics described in subsection (a).

''(C) OTHERS.—All manufacturers described in subsection (a), other than the manufacturers to which subparagraph (A) applies, shall each receive an annual payment in an amount equal to one-third of the amount determined by dividing $1,665,000 by the number of all such other manufacturers.

''(2) MANUFACTURERS OF WORSTED WOOL FABRICS OF IMPORTED WOOL YARN.—

''(A) IMPORTING MANUFACTURERS.—Each annual payment to an importing manufacturer described in subsection (b)(1) shall be in an amount equal to one-third of the amount determined by multiplying $2,202,000 by a fraction—

''(i) the numerator of which is the amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by the importing manufacturer making the claim, and

''(ii) the denominator of which is the total amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by all the importing manufacturers described in subsection (b)(1).

''(B) ELIGIBLE WOOL PRODUCTS.—For purposes of subparagraph (A), the term 'eligible wool products' refers to imported wool yarn described in subsection (b)(1).

''(C) NONIMPORTING MANUFACTURERS.—Each annual payment to a nonimporting manufacturer described in subsection (b)(2) shall be in an amount equal to one-half of the amount determined by multiplying $141,000 by a fraction—

''(i) the numerator of which is the amount attributable to the purchases of imported eligible wool products in calendar year 1999 by the nonimporting manufacturer making the claim, and

''(ii) the denominator of which is the total amount attributable to the purchases of imported eligible wool products in calendar year 1999 by all the nonimporting manufacturers described in subsection (b)(2).

''(3) MANUFACTURERS OF WOOL YARN OR WOOL FABRIC OF IMPORTED WOOL FIBER OR WOOL TOP.—

''(A) IMPORTING MANUFACTURERS.—Each annual payment to an importing manufacturer described in subsection (c)(1) shall be in an amount equal to one-third of the amount determined by multiplying $1,522,000 by a fraction—

''(i) the numerator of which is the amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by the importing manufacturer making the claim, and

''(ii) the denominator of which is the total amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by all the importing manufacturers described in subsection (c)(1).

''(B) ELIGIBLE WOOL PRODUCTS.—For purposes of subparagraph (A), the term 'eligible wool products' refers to imported wool fiber or wool top described in subsection (c)(1).

''(C) NONIMPORTING MANUFACTURERS.—Each annual payment to a nonimporting manufacturer described in subsection (c)(2) shall be in an amount equal to one-half of the amount determined by multiplying $597,000 by a fraction—

''(i) the numerator of which is the amount attributable to the purchases of imported eligible wool products in calendar year 1999 by the nonimporting manufacturer making the claim, and

''(ii) the denominator of which is the amount attributable to the purchases of imported eligible wool products in calendar year 1999 by all the nonimporting manufacturers described in subsection (c)(2).

''(4) LETTERS OF INTENT.—Except for the nonimporting manufacturers described in subsections (b)(2) and (c)(2) who may make claims under this section by virtue of the enactment of the Wool Manufacturer Payment Clarification and Technical Corrections Act, only manufacturers who, according to the records of the Customs Service, filed with the Customs Service before September 11, 2001, letters of intent to establish eligibility to be claimants are eligible to make a claim for a payment under this section.

''(5) AMOUNT ATTRIBUTABLE TO PURCHASES BY NONIMPORTING MANUFACTURERS.—

''(A) AMOUNT ATTRIBUTABLE.—For purposes of paragraphs (2)(C) and (3)(C), the amount attributable to the purchases of imported eligible wool products in calendar year 1999 by a nonimporting manufacturer shall be the amount the nonimporting manufacturer paid for eligible wool products in calendar year 1999, as evidenced by invoices. The nonimporting manufacturer shall make such calculation and submit the resulting amount to the Customs Service, within 45 days after the date of enactment of the Wool Manufacturer Payment Clarification and Technical Corrections Act, in a signed affidavit that attests that the information contained therein is true and accurate to the best of the affiant's belief and knowledge. The nonimporting manufacturer shall retain the records upon which the calculation is based for a period of five years beginning on the date the affidavit is submitted to the Customs Service.

''(B) ELIGIBLE WOOL PRODUCT.—For purposes of subparagraph (A)—

''(i) the eligible wool product for nonimporting manufacturers of worsted wool fabrics is wool yarn of the kind described in heading 9902.51.13 of the Harmonized Tariff Schedule of the United States purchased in calendar year 1999; and

''(ii) the eligible wool products for nonimporting manufacturers of wool yarn or wool fabric are wool fiber or wool top of the kind described in heading 9902.51.14 of such Schedule purchased in calendar year 1999.

''(6) AMOUNT ATTRIBUTABLE TO DUTIES PAID.—For purposes of paragraphs (1), (2)(A), and (3)(A), the amount attributable to the duties paid by a manufacturer shall be the amount shown on the records of the Customs Service as of September 11, 2001, under this section as then in effect.

''(7) SCHEDULE OF PAYMENTS; REALLOCATIONS.—

''(A) SCHEDULE.—Of the payments described in paragraphs (1), (2)(A), and (3)(A), the Customs Service shall make the first and

second installments on or before the date that is 45 days after the date of enactment of the Wool Manufacturer Payment Clarification and Technical Corrections Act, and the third installment on or before April 15, 2003. Of the payments described in paragraphs (2)(C) and (3)(C), the Customs Service shall make the first installment on or before the date that is 45 days after the date of enactment of the Wool Manufacturer Payment Clarification and Technical Corrections Act, and the second installment on or before April 15, 2003.

''(B) REALLOCATIONS.—In the event that a manufacturer that would have received payment under subparagraph (A) or (C) of paragraph (1), (2), or (3) ceases to be qualified for such payment as such a manufacturer, the amounts otherwise payable to the remaining manufacturers under such subparagraph shall be increased on a pro rata basis by the amount of the payment such manufacturer would have received.

''(8) REFERENCE.—For purposes of paragraphs (1)(A) and (6), the 'records of the Customs Service as of September 11, 2001' are the records of the Wool Duty Unit of the Customs Service on September 11, 2001, as adjusted by the Customs Service to the extent necessary to carry out this section. The amounts so adjusted are not subject to administrative or judicial review.

''(e) AFFIDAVITS BY MANUFACTURERS.—

''(1) AFFIDAVIT REQUIRED.—A manufacturer may not receive a payment under this section for calendar year 2000, 2001, or 2002, as the case may be, unless that manufacturer has submitted to the Customs Service for that calendar year a signed affidavit that attests that, during that calendar year, the affiant was a manufacturer in the United States described in subsection (a), (b), or (c).

''(2) TIMING.—An affidavit under paragraph (1) shall be valid—

''(A) in the case of a manufacturer described in paragraph (1), (2)(A), or (3)(A) of subsection (d) filing a claim for a payment for calendar year 2000 or 2001, or both, only if the affidavit is postmarked no later than 15 days after the date of enactment of the Wool Manufacturer Payment Clarification and Technical Corrections Act; and

''(B) in the case of a claim for a payment for calendar year 2002, only if the affidavit is postmarked no later than March 1, 2003.

''(f) OFFSETS.—Notwithstanding any other provision of this section, any amount otherwise payable under subsection (d) to a manufacturer in calendar year 2001 and, where applicable, in calendar years 2002 and 2003, shall be reduced by the amount of any payment received by that manufacturer under this section before the enactment of the Wool Manufacturer Payment Clarification and Technical Corrections Act.

''(g) DEFINITION.—For purposes of this section, the manufacturer is the party that owns—

''(1) imported worsted wool fabric, of the kind described in heading 9902.51.11 or 9902.51.12 of the Harmonized Tariff Schedule of the United States, at the time the fabric is cut and sewn in the United States into men's or boys' suits, suit-type jackets, or trousers;

''(2) imported wool yarn, of the kind described in heading 9902.51.13 of such Schedule, at the time the yarn is processed in the United States into worsted wool fabric; or

''(3) imported wool fiber or wool top, of the kind described in heading 9902.51.14 of such Schedule, at the time the wool fiber or wool top is processed in the United States into wool yarn.''.

(2) FUNDING.—There is authorized to be appropriated and is appropriated, out of amounts in the General Fund of the Treasury not otherwise appropriated, $36,251,000 to carry out the amendments made by paragraph (1).

SEC. 3202. CEILING FANS.

(a) IN GENERAL.—Notwithstanding any other provision of law, ceiling fans classified under subheading 8414.51.00 of the Harmonized Tariff Schedule of the United States imported from Thailand shall enter duty-free and without any quantitative limitations, if duty-free treatment under title V of the Trade Act of 1974 (19 U.S.C. 2461 et seq.) would have applied to such entry had the competitive need limitation been waived under section 503(d) of such Act.

(b) APPLICABILITY.—The provisions of this section shall apply to ceiling fans described in subsection (a) that are entered, or withdrawn from warehouse for consumption—

(1) on or after the date that is 15 days after the date of enactment of this Act; and

(2) before July 30, 2002.

SEC. 3203. CERTAIN STEAM OR OTHER VAPOR GENERATING BOILERS USED IN NUCLEAR FACILITIES.

(a) IN GENERAL.—Subheading 9902.84.02 of the Harmonized Tariff Schedule of the United States is amended—

(1) by striking ''4.9%'' and inserting ''Free''; and

(2) by striking ''12/31/2003'' and inserting ''12/31/2006''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall apply to goods entered, or withdrawn from warehouse for consumption, on or after January 1, 2002.

(2) RETROACTIVE APPLICATION.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (4), the entry of any article—

(A) that was made on or after January 1, 2002, and

(B) to which duty-free treatment would have applied if the amendment made by this section had been in effect on the date of such entry,

shall be liquidated or reliquidated as if such duty-free treatment applied, and the Secretary of the Treasury shall refund any duty paid with respect to such entry.

(3) ENTRY.—As used in this subsection, the term ''entry'' includes a withdrawal from warehouse for consumption.

(4) REQUESTS.—Liquidation or reliquidation may be made under paragraph (2) with respect to an entry only if a request therefor is filed with the Customs Service, within 180 days after the date of the enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

DIVISION D—EXTENSION OF CERTAIN PREFERENTIAL TRADE TREATMENT AND OTHER PROVISIONS

TITLE XLI—EXTENSION OF GENERALIZED SYSTEM OF PREFERENCES

SEC. 4101. GENERALIZED SYSTEM OF PREFERENCES.

(a) EXTENSION OF DUTY-FREE TREATMENT UNDER SYSTEM.—Section 505 of the Trade Act of 1974 (19 U.S.C. 2465) is amended by striking ''September 30, 2001'' and inserting ''December 31, 2006''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of enactment of this Act.

(c) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(1) IN GENERAL.—

(A) ENTRY OF CERTAIN ARTICLES.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (2), the entry—

(i) of any article to which duty-free treatment under title V of the Trade Act of 1974 would have applied if the entry had been made on September 30, 2001;

(ii) that was made after September 30, 2001, and before the date of enactment of this Act; and

(iii) to which duty-free treatment under title V of that Act did not apply,

shall be liquidated or reliquidated as free of duty, and the Secretary of the Treasury shall refund any duty paid with respect to such entry.

(B) ENTRY.—In this subsection, the term ''entry'' includes a withdrawal from warehouse for consumption.

(2) REQUESTS.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry only if a request therefor is filed with the Customs Service, within 180 days after the date of enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

SEC. 4102. AMENDMENTS TO GENERALIZED SYSTEM OF PREFERENCES.

Section 507(4) of the Trade Act of 1974 (19 U.S.C. 2467(4)) is amended—

(1) by striking ''and'' at the end of subparagraph (D);

(2) by striking the period at the end of subparagraph (E) and inserting ''; and''; and

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

''(F) a prohibition on discrimination with respect to employment and occupation.''; and

(4) by amending subparagraph (D) to read as follows:

''(D) a minimum age for the employment of children, and a prohibition on the worst forms of child labor, as defined in paragraph (6);''.

TITLE XLII—OTHER PROVISIONS

SEC. 4201. TRANSPARENCY IN NAFTA TRIBUNALS.

(a) FINDINGS.—Congress makes the following findings:

(1) Chapter Eleven of the North American Free Trade Agreement (NAFTA) allows foreign investors to file claims against signatory countries that directly or indirectly nationalize or expropriate an investment, or take measures ''tantamount to nationalization or expropriation'' of such an investment.

(2) Foreign investors have filed several claims against the United States, arguing that regulatory activity has been ''tantamount to nationalization or expropriation''. Most notably, a Canadian chemical company claimed $970,000,000 in damages allegedly resulting from a California State regulation banning the use of a gasoline additive produced by that company.

(3) A claim under Chapter Eleven of the NAFTA is adjudicated by a three-member panel, whose deliberations are largely secret.

(4) While it may be necessary to protect the confidentiality of business sensitive information, the general lack of transparency of these proceedings has been excessive.

(b) PURPOSE.—The purpose of this amendment is to ensure that the proceedings of the NAFTA investor protection tribunals are as transparent as possible, consistent with the need to protect the confidentiality of business sensitive information.

(c) CHAPTER 11 OF NAFTA.—The President shall negotiate with Canada and Mexico an amendment to Chapter Eleven of the NAFTA to ensure the fullest transparency possible with respect to the dispute settlement mechanism in that Chapter, consistent with the need to protect information that is classified or confidential, by—

(1) ensuring that all requests for dispute settlement under Chapter Eleven are promptly made public;

(2) ensuring that with respect to Chapter Eleven—

(A) all proceedings, submissions, findings, and decisions are promptly made public; and

(B) all hearings are open to the public; and

(3) establishing a mechanism under that Chapter for acceptance of amicus curiae submissions from businesses, unions, and nongovernmental organizations.

(d) CERTIFICATION REQUIREMENTS.—Within one year of the date of enactment of this Act, the U.S. Trade Representative shall certify to Congress that the President has fulfilled the requirements set forth in subsection (c).

SEC. 4202. EXPRESSION OF SOLIDARTIY WITH ISRAEL IN ITS FIGHT AGAINST TERRORISM.

(a) FINDINGS.—Congress makes the following findings:

(1) The United States and Israel are now engaged in a common struggle against terrorism and are on the frontlines of a conflict thrust upon them against their will.

(2) President George W. Bush declared on November 21, 2001, ''We fight the terrorists and we fight all of those who give them aid. America has a message for the nations of the world: If you harbor terrorists, you are terrorists. If you train or arm a terrorist, you are a terrorist. If you feed a terrorist or fund a terrorist, you are a terrorist, and you will be held accountable by the United States and our friends.''.

(3) The United States has committed to provide resources to states on the frontline in the war against terrorism.

(b) SENSE OF CONGRESS.—The Congress—

(1) stands in solidarity with Israel, a frontline state in the war against terrorism, as it takes necessary steps to provide security to its people by dismantling the terrorist infrastructure in the Palestinian areas;

(2) remains committed to Israel's right to self-defense;

(3) will continue to assist Israel in strengthening its homeland defenses;

(4) condemns Palestinian suicide bombings;

(5) demands that the Palestinian Authority fulfill its commitment to dismantle the terrorist infrastructure in the Palestinian areas;

(6) urges all Arab states, particularly the United States allies, Egypt and Saudi Arabia, to declare their unqualified opposition to all forms of terrorism, particularly suicide bombing, and to act in concert with the United States to stop the violence; and

(7) urges all parties in the region to pursue vigorously efforts to establish a just, lasting, and comprehensive peace in the Middle East.

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT NO. 107–7

Mr. REID. Mr. President, as in executive session, I ask unanimous consent that the Injunction of Secrecy be removed from the following protocol transmitted following the recess of the Senate on May 9, 2002, by the President of the United States:

The Protocol to the Agreement of the International Atomic Energy Agency Regarding Safeguards in the United States (Treaty Document No. 107–7);

I further ask that the protocol be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

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

The message of the President is as follows:

To the Senate of the United States:

I submit herewith, for Senate advice and consent to ratification, the Protocol Additional to the Agreement Between the United States of America and the International Atomic Energy Agency for the Application of Safeguards in the United States of America, with annexes, signed at Vienna June 12, 1998 (the ''Additional Protocol''). Adhering to the Additional Protocol will bolster U.S. efforts to strengthen nuclear safeguards and promote the nonproliferation of nuclear weapons, which is a cornerstone of U.S. foreign and national security policy.

At the end of the Persian Gulf War, the world learned the extent of Iraq's clandestine pursuit of an advanced program to develop nuclear weapons. In order to increase the capability of the International Atomic Energy Agency (the ''Agency'') to detect such programs, the international community negotiated a Model Additional Protocol (the ''Model Protocol'') to strengthen the Agency's nuclear safeguards system. The Model Protocol is to be used to amend the existing bilateral safeguards agreements of states with the Agency.

The Model Protocol is a milestone in U.S. efforts to strengthen the safeguards system of the Agency and thereby to reduce the threat posed by clandestine efforts to develop a nuclear weapon capability. By accepting the Model Protocol, states assume new obligations that will provide far greater transparency for their nuclear activities. Specifically, the Model Protocol strengthens safeguards by requiring states to provide broader declarations to the Agency about their nuclear programs and nuclear-related activities and by expanding the access rights of the Agency.

The United States signed the Additional Protocol at Vienna on June 12, 1998. The Additional Protocol is a bilateral treaty that would supplement and amend the Agency verification arrangements under the existing Agreement Between the United States of America and the International Atomic Energy Agency for the Application of Safeguards in the United States of America of November 18, 1977 (the ''Voluntary Offer''), which entered into force on December 9, 1980. The Additional Protocol will enter into force when the United States notifies the Agency that the U.S. statutory and constitutional requirements for entry into force have been met.

The Treaty on the Non-Proliferation of Nuclear Weapons (the ''NPT'') requires non-nuclear-weapon states parties to accept Agency safeguards on their nuclear activities. The United States, as a nuclear-weapon state party to the NPT, is not obligated to accept Agency safeguards on its nuclear activities. Nonetheless, it has been the announced policy of the United States since 1967 to permit the application of Agency safeguards to its nuclear facilities—excluding only those of direct national security significance. The Additional Protocol similarly allows the United States to exclude its application in instances where the United States decides that its application would result in access by the Agency to activities with direct national security significance to the United States or access to locations or information associated with such activities. I am, therefore, confident that the Additional Protocol, given our right to invoke the national security exclusion and to manage access in accordance with established principles for implementing these provisions, can be implemented in a fashion that is fully consistent with U.S. national security.

By submitting itself to the same safeguards on all of its civil nuclear activities that non-nuclear-weapon states parties to the NPT are subject to, the United States intends to demonstrate that adherence to the Model Protocol does not place other countries at a commercial disadvantage. The U.S. signature of the Additional Protocol was an important factor in the decisions of many non-nuclear-weapon states to accept the Model Protocol and provided significant impetus toward their early acceptance. I am satisfied that the provisions of the Additional Protocol, given our right to manage access in accordance with Article 7 and established implementation principles, will allow the United States to prevent the dissemination of proliferation-sensitive information and protect proprietary or commercially sensitive information.

I also transmit, for the information of the Senate, the report of the Department of State concerning the Additional Protocol, including an article-by-article analysis, a subsidiary arrangement, and a letter the United States has sent to the Agency concerning the Additional Protocol. Additionally, the recommended legislation necessary to implement the Additional Protocol will be submitted separately to the Congress.

I believe that the Additional Protocol is in the best interests of the United States. Our acceptance of this agreement will sustain our longstanding record of voluntary acceptance of nuclear safeguards and greatly strengthen our ability to promote universal adoption of the Model Protocol, a central goal of my nuclear nonproliferation policy. Widespread acceptance of the Protocol will contribute significantly to our nonproliferation objectives as well as strengthen U.S., allied, and international security. I, therefore, urge the Senate to give early and favorable consideration to the Additional Protocol, and to give advice and consent to its ratification.

GEORGE W. BUSH.

THE WHITE HOUSE, *May 9, 2002*.

RECORD TO REMAIN OPEN

Mr. REID. Mr. President, I ask unanimous consent that the RECORD remain open until 2 p.m. today for insertion of statements and the introduction of bills and resolutions.

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

ELIGIBILITY FOR REFUGEE STATUS

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 288, H.R. 1840.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 1840) to extend eligibility for refugee status of unmarried sons and daughters of certain Vietnamese refugees.

There being no objection, the Senate proceeded to consider the bill.

Mr. REID. Mr. President, I ask unanimous consent that the bill be read a third time and passed, that the motion to reconsider be laid upon the table with no intervening action or debate, and that any statements relating thereto be printed in the RECORD.

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

The bill (H.R. 1840) was passed.

ORDERS FOR MONDAY, MAY 13, 2002

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it recess until 3 p.m. on Monday, May 13; that following the prayer and pledge, the time for the two leaders be reserved for their use later in the day; that the Senate be in a period of morning business until 4 p.m., with Senators permitted to speak for up to 10 minutes each, with the time equally divided between the majority leader and the Republican leader or their designees; further, that at 4 p.m. the Senate proceed to executive session under the previous order.

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

PROGRAM

Mr. REID. Mr. President, the next rollcall vote will occur on Monday evening at about 6 o'clock on a judge's nomination.

I say to everyone, have a good weekend, and we hope to have a productive week next week.

RECESS UNTIL MONDAY, MAY 13, 2002, AT 3 P.M.

Mr. REID. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 12:11 p.m., recessed until Monday, May 13, 2002, at 3 p.m.