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107TH CONGRESS
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S. 1803

[Report No. 107-122]

To authorize appropriations under the Arms Export Control Act and the Foreign Assistance Act of 1961 for security assistance for fiscal years 2002 and 2003, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 11, 2001

Mr. BIDEN, from the Committee on Foreign Relations, reported the following original bill; which was read twice and placed on the calendar

A BILL

To authorize appropriations under the Arms Export Control Act and the Foreign Assistance Act of 1961 for security assistance for fiscal years 2002 and 2003, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Security Assistance Act of 2001”.

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

- Sec. 1. Short title; table of contents.
 Sec. 2. Definitions.

TITLE I—VERIFICATION OF ARMS CONTROL AND
 NONPROLIFERATION AGREEMENTS

- Sec. 101. Verification and Compliance Bureau personnel.
 Sec. 102. Key Verification Assets Fund.
 Sec. 103. Revised verification and compliance reporting requirements.

TITLE II—MILITARY AND RELATED ASSISTANCE

Subtitle A—Foreign Military Sales and Financing Authorities

- Sec. 201. Authorization of appropriations.
 Sec. 202. Relationship of foreign military sales to United States nonproliferation interests.
 Sec. 203. Special Defense Acquisition Fund for nonproliferation and counter-narcotics purposes.
 Sec. 204. Representation allowances.
 Sec. 205. Arms Export Control Act prohibition on transactions with countries that have repeatedly provided support for acts of international terrorism.

Subtitle B—International Military Education and Training

- Sec. 211. Authorization of appropriations.
 Sec. 212. Annual human rights reports.

Subtitle C—Security Assistance for Select Countries

- Sec. 221. Security assistance for Israel and Egypt.
 Sec. 222. Security assistance for Greece and Turkey.
 Sec. 223. Security assistance for certain other countries.

Subtitle D—Excess Defense Article and Drawdown Authorities

- Sec. 231. Excess defense articles for certain countries.
 Sec. 232. Annual briefing on projected availability of excess defense articles.
 Sec. 233. Expanded drawdown authority.
 Sec. 234. Duration of security assistance leases.

Subtitle E—Other Political-Military Assistance

- Sec. 241. Destruction of surplus weapons stockpiles.
 Sec. 242. Identification of funds for demining programs.

Subtitle F—Antiterrorism Assistance

- Sec. 251. Authorization of appropriations.
 Sec. 252. Specific program objectives.

Subtitle G—Other Matters

- Sec. 261. Revised military assistance reporting requirements.

TITLE III—NONPROLIFERATION AND EXPORT CONTROL
ASSISTANCE

Subtitle A—General Provisions

- Sec. 301. Authorization of appropriations.
- Sec. 302. Interagency program to prevent diversion of sensitive United States technology.
- Sec. 303. Joint State Department-Defense Department programs.
- Sec. 304. Nonproliferation technology acquisition programs for friendly foreign countries.
- Sec. 305. International nonproliferation and export control training.
- Sec. 306. Relocation of scientists.
- Sec. 307. Audits of the International Science and Technology Centers Program.
- Sec. 308. International Atomic Energy Agency regular budget assessments.
- Sec. 309. Revised nonproliferation reporting requirements.

Subtitle B—Russian Federation Debt Reduction for Nonproliferation

- Sec. 311. Short title.
- Sec. 312. Findings and purposes.
- Sec. 313. Definitions.
- Sec. 314. Establishment of the Russian Nonproliferation Investment Facility.
- Sec. 315. Reduction of the Russian Federation's Soviet-era debt owed to the United States, generally.
- Sec. 316. Reduction of Soviet-era debt owed to the United States as a result of credits extended under title I of the Agricultural Trade Development and Assistance Act of 1954.
- Sec. 317. Authority to engage in debt-for-nonproliferation exchanges and debt buybacks.
- Sec. 318. Russian Nonproliferation Investment Agreement.
- Sec. 319. Structure of debt-for-nonproliferation arrangements.
- Sec. 320. Independent media and the rule of law.
- Sec. 321. Nonproliferation requirement.
- Sec. 322. Discussion of Russian Federation debt reduction for nonproliferation with other creditor states.
- Sec. 323. Implementation of United States policy.
- Sec. 324. Consultations with Congress.
- Sec. 325. Annual report to Congress.

Subtitle C—Nonproliferation Assistance Coordination

- Sec. 331. Short title.
- Sec. 332. Findings.
- Sec. 333. Independent states of the former Soviet Union defined.
- Sec. 334. Establishment of Committee on Nonproliferation Assistance to the Independent States of the Former Soviet Union.
- Sec. 335. Duties of the Committee.
- Sec. 336. Administrative support.
- Sec. 337. Confidentiality of information.
- Sec. 338. Statutory construction.

TITLE IV—EXPEDITING THE MUNITIONS LICENSING PROCESS

- Sec. 401. License officer staffing.
- Sec. 402. Funding for database automation.
- Sec. 403. Information management priorities.

- Sec. 404. Contribution to the Automated Export System.
 Sec. 405. Adjustment of threshold amounts for congressional review purposes.
 Sec. 406. Periodic notification of pending applications for export licenses.

TITLE V—NATIONAL SECURITY ASSISTANCE STRATEGY

- Sec. 501. Establishment of the Strategy.
 Sec. 502. Security assistance surveys.

TITLE VI—MISCELLANEOUS PROVISIONS

- Sec. 601. Nuclear and missile nonproliferation in South Asia.
 Sec. 602. Nonproliferation interests and negotiation of free trade agreements.
 Sec. 603. Real-time public availability of raw seismological data.
 Sec. 604. Detailing United States governmental personnel to international arms control and nonproliferation organizations.
 Sec. 605. Diplomatic presence overseas.
 Sec. 606. Protection against agricultural bioterrorism.
 Sec. 607. Compliance with the Chemical Weapons Convention.

TITLE VII—AUTHORITY TO TRANSFER NAVAL VESSELS

- Sec. 701. Authority to transfer naval vessels to certain foreign countries.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) APPROPRIATE COMMITTEES OF CON-
 4 GRESS.—The term “appropriate committees of Con-
 5 gress” means the Committee on Foreign Relations
 6 of the Senate and the Committee on International
 7 Relations of the House of Representatives.

8 (2) DEFENSE ARTICLE.—The term “defense ar-
 9 ticle” has the meaning given the term in section
 10 47(3) of the Arms Export Control Act (22 U.S.C.
 11 2794 note).

12 (3) DEFENSE SERVICE.—The term “defense
 13 service” has the meaning given the term in section
 14 47(4) of the Arms Export Control Act (22 U.S.C.
 15 2794 note).

1 (4) EXCESS DEFENSE ARTICLE.—The term
2 “excess defense article” has the meaning given the
3 term in section 644(g) of the Foreign Assistance Act
4 of 1961 (22 U.S.C. 2403(g)).

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

7 **TITLE I—VERIFICATION OF**
8 **ARMS CONTROL AND NON-**
9 **PROLIFERATION AGREEMENTS**

10 **SEC. 101. VERIFICATION AND COMPLIANCE BUREAU PER-**
11 **SONNEL.**

12 (a) IN GENERAL.—Of the total amounts made avail-
13 able to the Department of State for fiscal years 2002 and
14 2003, not less than \$14,000,000 each such fiscal year
15 shall be provided to the Bureau of Verification and Com-
16 pliance of the Department of State for Bureau-adminis-
17 tered activities, including the Key Verification Assets
18 Fund.

19 (b) ADDITIONAL PERSONNEL.—In addition to the
20 amounts made available under subsection (a), not less
21 than \$1,800,000 shall be made available from the Depart-
22 ment’s American Salaries Account, for the purpose of hir-
23 ing new personnel to carry out the Bureau’s responsibil-
24 ities, as set forth in section 112 of the Arms Export Con-
25

1 trol and Nonproliferation Act of 1999 (113 Stat. 1501A–
 2 486), as enacted into law by section 1000(a)(7) of Public
 3 Law 106–113.

4 **SEC. 102. KEY VERIFICATION ASSETS FUND.**

5 Of the total amounts made available to the Depart-
 6 ment of State for fiscal years 2002 and 2003, not less
 7 than \$7,000,000 shall be made available within the
 8 Verification and Compliance Bureau’s account for each
 9 such fiscal year to carry out section 1111 of the Arms
 10 Control and Nonproliferation Act of 1999 (113 Stat.
 11 1501A–486), as enacted into law by section 1000(a)(7)
 12 of Public Law 106–113.

13 **SEC. 103. REVISED VERIFICATION AND COMPLIANCE RE-**
 14 **PORTING REQUIREMENTS.**

15 Section 403(a) of the Arms Control and Disar-
 16 mament Act (22 U.S.C. 2593a(a)) is amended by striking
 17 “January 31” and inserting “April 15”.

18 **TITLE II—MILITARY AND**
 19 **RELATED ASSISTANCE**
 20 **Subtitle A—Foreign Military Sales**
 21 **and Financing Authorities**

22 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

23 There are authorized to be appropriated to the Presi-
 24 dent for grant assistance under section 23 of the Arms
 25 Export Control Act (22 U.S.C. 2763) and for the subsidy

1 cost, as defined in section 502(5) of the Federal Credit
2 Reform Act of 1990, of direct loans under such section
3 \$3,674,000,000 for fiscal year 2002 and \$4,267,000,000
4 for fiscal year 2003.

5 **SEC. 202. RELATIONSHIP OF FOREIGN MILITARY SALES TO**
6 **UNITED STATES NONPROLIFERATION INTER-**
7 **ESTS.**

8 (a) **AUTHORIZED PURPOSES.**—The first sentence of
9 section 4 of the Arms Export Control Act (22 U.S.C.
10 2754) is amended by inserting “for preventing or hin-
11 dering the proliferation of weapons of mass destruction
12 and of the means of delivering such weapons,” after “self-
13 defense,”.

14 (b) **DEFINITION OF “WEAPONS OF MASS DESTRUC-**
15 **TION”.**—Section 47 of the Arms Export Control Act (22
16 U.S.C. 2794) is amended—

17 (1) by striking “and” at the end of paragraph
18 (8);

19 (2) by striking the period at the end of para-
20 graph (9) and inserting “; and”; and

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

23 “(10) ‘weapons of mass destruction’ has the
24 meaning provided by section 1403(1) of the Defense
25 Against Weapons of Mass Destruction Act of 1996

1 (title XIV of Public Law 104–201; 110 Stat. 2717;
2 50 U.S.C. 2302(1)).”.

3 (c) SENSE OF CONGRESS.—It is the sense of Con-
4 gress that the Secretary should ensure, in circumstances
5 where the sale of defense articles or defense services to
6 a friendly country would serve the nonproliferation inter-
7 ests of the United States, but that country cannot afford
8 to purchase such defense articles or defense services, that
9 grant assistance is provided pursuant to section 23 of the
10 Arms Export Control Act to facilitate such acquisition.

11 **SEC. 203. SPECIAL DEFENSE ACQUISITION FUND FOR NON-**
12 **PROLIFERATION AND COUNTER-NARCOTICS**
13 **PURPOSES.**

14 (a) ESTABLISHMENT.—Notwithstanding any other
15 provision of law, the President shall direct that the Special
16 Defense Acquisition Fund be established pursuant to sec-
17 tion 51 of the Arms Export Control Act (22 U.S.C. 2795).

18 (b) USE OF THE SPECIAL DEFENSE ACQUISITION
19 FUND.—Section 51(a)(4) of the Arms Export Control Act
20 (22 U.S.C. 2795(a)(4)) is amended by striking “for use
21 for” and all that follows through “equipment” and insert-
22 ing the following: “for use for—

23 “(A) narcotics control purposes and are
24 appropriate to the needs of recipient countries,

1 such as small boats, planes (including heli-
2 copters), and communications equipment; and

3 “(B) nonproliferation and export control
4 purposes, such as nuclear, radiological, chem-
5 ical, and biological warfare materials detection
6 equipment.”.

7 (c) LIMITATION.—Section 51(c) of the Arms Export
8 Control Act (22 U.S.C. 2795(c)) is amended—

9 (1) in paragraph (1), by striking all after “ex-
10 ceed” through the period and inserting
11 “\$200,000,000.”; and

12 (2) in paragraph (2), by striking “provided”
13 and all that follows through “Acts” and inserting
14 “specifically authorized by law in advance”.

15 (d) AUTHORIZATION.—For fiscal year 2003, not
16 more than \$20,000,000 may be made available for obliga-
17 tion for the procurement of items pursuant to section 51
18 of the Arms Export Control Act.

19 **SEC. 204. REPRESENTATION ALLOWANCES.**

20 Section 43(c) of the Arms Export Control Act (22
21 U.S.C. 2792(c)) is amended by striking “\$72,500” and
22 inserting “\$86,500”.

1 **SEC. 205. ARMS EXPORT CONTROL ACT PROHIBITION ON**
2 **TRANSACTIONS WITH COUNTRIES THAT**
3 **HAVE REPEATEDLY PROVIDED SUPPORT FOR**
4 **ACTS OF INTERNATIONAL TERRORISM.**

5 The second sentence of section 40(d) of the Arms Ex-
6 port Control Act (22 U.S.C. 2780(d)) is amended—

7 (1) by inserting “or chemical, biological, or ra-
8 diological agents” after “nuclear explosive devices”;
9 and

10 (2) by inserting “or chemical, biological, or ra-
11 diological agents” after “nuclear material”.

12 **Subtitle B—International Military**
13 **Education and Training**

14 **SEC. 211. AUTHORIZATION OF APPROPRIATIONS.**

15 There are authorized to be appropriated to the Presi-
16 dent \$75,000,000 for fiscal year 2002 and \$85,290,000
17 for fiscal year 2003 to carry out chapter 5 of part II of
18 the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et
19 seq.; relating to international military education and train-
20 ing).

21 **SEC. 212. ANNUAL HUMAN RIGHTS REPORTS.**

22 (a) **WITH RESPECT TO PROHIBITIONS ON NON-**
23 **MILITARY ASSISTANCE.**—Section 116(d) of the Foreign
24 Assistance Act of 1961 (22 U.S.C. 2151n(d)) is amended
25 by redesignating paragraphs (7) and (8) as paragraphs

1 (8) and (9), respectively, and by inserting after paragraph
2 (6) the following:

3 “(7) to the extent practicable, for any violation
4 of internationally recognized human rights reported
5 under this subsection, whether any foreign military
6 or defense ministry civilian participant in education
7 and training activities under chapter 5 of part II of
8 this Act was involved;”.

9 (b) RECORDS REGARDING FOREIGN PARTICI-
10 PANTS.—Section 548 of the Foreign Assistance Act of
11 1961 (22 U.S.C. 2347e) is amended—

12 (1) by striking “In” and inserting “(a) DEVEL-
13 OPMENT AND MAINTENANCE OF DATABASE.—In”;
14 and

15 (2) by adding at the end the following new sub-
16 sections:

17 “(b) ANNUAL LIST OF FOREIGN PERSONNEL.—For
18 the purposes of preparing the report required pursuant to
19 section 116(d), the Secretary of State may annually re-
20 quest the Secretary of Defense to provide information con-
21 tained in the database with respect to a list submitted to
22 the Secretary of Defense by the Secretary of State, con-
23 taining the names of foreign personnel or military units.
24 To the extent practicable, the Secretary of Defense shall
25 provide, and the Secretary of State may take into account,

1 the information contained in the database, if any, relating
2 to the Secretary of State’s submission.

3 “(c) UPDATING OF DATABASE.—If the Secretary of
4 State determines and reports to Congress under section
5 116(d) that a foreign person identified in the database
6 maintained pursuant to this section was involved in a vio-
7 lation of internationally recognized human rights, the Sec-
8 retary of Defense shall ensure that the database is up-
9 dated to contain such fact and all relevant information.”.

10 **Subtitle C—Security Assistance for** 11 **Select Countries**

12 **SEC. 221. SECURITY ASSISTANCE FOR ISRAEL AND EGYPT.**

13 (a) AUTHORIZATION OF APPROPRIATIONS.—

14 (1) ISRAEL.—Section 513 of the Security As-
15 sistance Act of 2000 (Public Law 106–280) is
16 amended by striking “2001 and 2002” each place
17 that it appears and inserting “2002 and 2003”.

18 (2) EGYPT.—Section 514 of the Security As-
19 sistance Act of 2000 (Public Law 106–280) is
20 amended by striking “2001 and 2002” each place
21 that it appears and inserting “2002 and 2003”.

22 (b) BALLISTIC MISSILE DEFENSE.—Of the amounts
23 made available for fiscal years 2002 and 2003 under sec-
24 tion 513 of the Security Assistance Act of 2000 (Public
25 Law 106–280), as amended by subsection (a),

1 \$100,000,000 may be used each such fiscal year for the
2 establishment, in cooperation with a United States com-
3 pany, of a production line for the Arrow missile in the
4 United States.

5 (c) CONTINUED AVAILABILITY OF FUNDS.—Funds
6 returned to the United States by Israel in connection with
7 implementation of section 1403 of division A of H.R. 5666
8 (114 Stat. 2763A–214), as enacted into law by section
9 1(a)(4) of Public Law 106–554, shall be made available
10 as grant assistance under section 23 of the Arms Export
11 Control Act (22 U.S.C. 2763) and for the subsidy cost,
12 as defined in section 502(5) of the Federal Credit Reform
13 Act of 1990, of direct loans under such section, and shall
14 remain available until expended.

15 **SEC. 222. SECURITY ASSISTANCE FOR GREECE AND TUR-**

16 **KEY.**

17 (a) IN GENERAL.—Of the amounts made available
18 for the fiscal years 2002 and 2003 to carry out chapter
19 5 of part II of the Foreign Assistance Act of 1961 (22
20 U.S.C. 2347 et seq.)—

21 (1) \$1,000,000 for fiscal year 2002 and
22 \$1,170,000 for fiscal year 2003 are authorized to be
23 available for Greece; and

1 (1) THE BALTIC STATES.—For all of the Baltic
2 states of Estonia, Latvia, and Lithuania,
3 \$21,000,000 for fiscal year 2002 and \$24,400,000
4 for fiscal year 2003.

5 (2) BULGARIA.—For Bulgaria, \$10,000,000 for
6 fiscal year 2002 and \$11,620,000 for fiscal year
7 2003.

8 (3) THE CZECH REPUBLIC.—For the Czech Re-
9 public, \$12,000,000 for fiscal year 2002 and
10 \$14,000,000 for fiscal year 2003.

11 (4) GEORGIA.—For Georgia, \$5,650,000 for fis-
12 cal year 2002 and \$6,560,000 for fiscal year 2003.

13 (5) HUNGARY.—For Hungary, \$12,000,000 for
14 fiscal year 2002 and \$14,000,000 for fiscal year
15 2003.

16 (6) JORDAN.—For Jordan, \$75,000,000 for fis-
17 cal year 2002 and \$87,300,000 for fiscal year 2003.

18 (7) MALTA.—For Malta, \$1,000,000 for fiscal
19 year 2002 and \$1,170,000 for fiscal year 2003.

20 (8) THE PHILIPPINES.—For the Philippines,
21 \$19,000,000 for fiscal year 2002 and \$22,100,000
22 for fiscal year 2003.

23 (9) POLAND.—For Poland, \$15,000,000 for fis-
24 cal year 2002 and \$17,500,000 for fiscal year 2003.

1 (10) ROMANIA.—For Romania, \$11,500,000 for
2 fiscal year 2002 and \$13,400,000 for fiscal year
3 2003.

4 (11) SLOVAKIA.— For Slovakia, \$8,500,000 for
5 fiscal year 2002 and \$9,900,000 for fiscal year
6 2003.

7 (12) SLOVENIA.—For Slovenia, \$4,500,000 for
8 fiscal year 2002 and \$5,250,000 for fiscal year
9 2003.

10 (b) IMET.—Of the amounts made available for the
11 fiscal years 2002 and 2003 to carry out chapter 5 of part
12 II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347
13 et seq.), the following amounts are authorized to be avail-
14 able for the following countries for the fiscal years speci-
15 fied:

16 (1) THE BALTIC STATES.—For all of the Baltic
17 states of Estonia, Latvia, and Lithuania, \$3,000,000
18 for fiscal year 2002 and \$3,420,000 for fiscal year
19 2003.

20 (2) BULGARIA.—For Bulgaria, \$1,200,000 for
21 fiscal year 2002 and \$1,370,000 for fiscal year
22 2003.

23 (3) THE CZECH REPUBLIC.—For the Czech Re-
24 public, \$1,800,000 for fiscal year 2002 and
25 \$2,050,000 for fiscal year 2003.

1 (4) GEORGIA.—For Georgia, \$850,000 for fis-
2 cal year 2002 and \$970,000 for fiscal year 2003.

3 (5) HUNGARY.—For Hungary, \$1,800,000 for
4 fiscal year 2002 and \$2,050,000 for fiscal year
5 2003.

6 (6) JORDAN.—For Jordan, \$1,800,000 for fis-
7 cal year 2002 and \$2,050,000 for fiscal year 2003.

8 (7) MALTA.—For Malta, \$300,000 for fiscal
9 year 2002 and \$350,000 for fiscal year 2003.

10 (8) THE PHILIPPINES.—For the Philippines,
11 \$1,710,000 for fiscal year 2002 and \$2,000,000 for
12 fiscal year 2003.

13 (9) POLAND.—For Poland, \$1,900,000 for fis-
14 cal year 2002 and \$2,160,000 for fiscal year 2003.

15 (10) ROMANIA.—For Romania, \$1,400,000 for
16 fiscal year 2002 and \$1,600,000 for fiscal year
17 2003.

18 (11) SLOVAKIA.—For Slovakia, \$850,000 for
19 fiscal year 2002 and \$970,000 for fiscal year 2003.

20 (12) SLOVENIA.—For Slovenia, \$800,000 for
21 fiscal year 2002 and \$910,000 for fiscal year 2003.

22 (c) WRITTEN EXPLANATION OF PRESIDENTIAL DE-
23 TERMINATIONS.—In the event that the President deter-
24 mines not to provide, or determines to exceed, the funding
25 allocated for any country specified in this section by an

1 amount that is more than five percent of that specified
 2 in this section, the President shall submit to the appro-
 3 priate committees of Congress within 15 days of such de-
 4 termination a written explanation of the reasons therefor.

5 (d) REPEALS.—Sections 511 (a) and (b) and 515 of
 6 the Security Assistance Act of 2000 are repealed.

7 **Subtitle D—Excess Defense Article**
 8 **and Drawdown Authorities**

9 **SEC. 231. EXCESS DEFENSE ARTICLES FOR CERTAIN COUN-**
 10 **TRIES.**

11 (a) AUTHORITY.—Notwithstanding section 516(e) of
 12 the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e),
 13 during each of the fiscal years 2002 and 2003, funds
 14 available to the Department of Defense may be expended
 15 for crating, packing, handling, and transportation of ex-
 16 cess defense articles transferred under the authority of
 17 section 516 of such Act to Albania, Bulgaria, Croatia, Es-
 18 tonia, Former Yugoslavia Republic of Macedonia, Georgia,
 19 India, Kazakhstan, Kyrgyzstan, Latvia, Lithuania,
 20 Moldova, Mongolia, Pakistan, Romania, Slovakia, Slo-
 21 venia, Tajikistan, Turkmenistan, Ukraine, and
 22 Uzbekistan.

23 (b) SENSE OF CONGRESS.—The authority provided
 24 under this section should be utilized only for those coun-

1 tries demonstrating a genuine commitment to democracy
2 and human rights.

3 **SEC. 232. ANNUAL BRIEFING ON PROJECTED AVAILABILITY**
4 **OF EXCESS DEFENSE ARTICLES.**

5 Not later than 90 days prior to the commencement
6 of each fiscal year, the Department of Defense shall brief
7 the Department of State and the appropriate committees
8 of Congress regarding the expected availability of excess
9 defense articles during the next fiscal year, for the purpose
10 of enabling the Department of State to factor such avail-
11 ability into annual security assistance plans.

12 **SEC. 233. EXPANDED DRAWDOWN AUTHORITY.**

13 Section 506(c) of the Foreign Assistance Act of 1961
14 (22 U.S.C. 2318(c)) is amended to read as follows:

15 “(c) For the purposes of any provision of law that
16 authorizes the drawdown of defense or other articles or
17 commodities, or defense or other services from an agency
18 of the United States Government, such drawdown may in-
19 clude the supply of commercial transportation and related
20 services and defense or other articles or commodities, or
21 defense or other services, that are acquired by contract
22 for the purposes of the drawdown in question, if the cost
23 to acquire such items or services is less than the cost to
24 the United States Government of providing such items or
25 services from existing agency assets.”.

1 **SEC. 234. DURATION OF SECURITY ASSISTANCE LEASES.**

2 Section 61 of the Arms Export Control Act (22
3 U.S.C. 2796) is amended—

4 (1) in subsection (b), by striking “of not to ex-
5 ceed five years” and inserting “that may not exceed
6 5 years, plus a period of time specified in the lease
7 as may be necessary for major refurbishment work
8 to be performed prior to final delivery by the lessor
9 of the defense articles,”; and

10 (2) by adding at the end the following new sub-
11 section:

12 “(d) In this section, the term ‘major refurbishment
13 work’ means refurbishment work performed over a period
14 estimated to be 6 months or more.”.

15 **Subtitle E—Other Political-Military**
16 **Assistance**

17 **SEC. 241. DESTRUCTION OF SURPLUS WEAPONS STOCK-**
18 **PILES.**

19 Of the funds authorized to be appropriated to the
20 President for fiscal years 2002 and 2003 to carry out
21 chapters 1 and 10 of part I of the Foreign Assistance Act
22 of 1961 (22 U.S.C. 2151 et seq.), relating to development
23 assistance, up to \$10,000,000 is authorized to be made
24 available each such fiscal year for the destruction of sur-
25 plus stockpiles of small arms, light weapons, and other
26 munitions.

1 **SEC. 242. IDENTIFICATION OF FUNDS FOR DEMINING PRO-**
2 **GRAMS.**

3 (a) HUMANITARIAN DEMINING.—Of the funds au-
4 thorized to be appropriated under section 201 for non-
5 proliferation, antiterrorism, demining, and related pro-
6 grams, \$40,000,000 is authorized to be appropriated for
7 each of the fiscal years 2002 and 2003 for demining pro-
8 grams and program support costs.

9 (b) DEMINING TO ENABLE ECONOMIC GROWTH AND
10 AGRICULTURAL DEVELOPMENT.—Of the funds author-
11 ized to be appropriated for development assistance, the
12 Secretary is authorized to provide up to \$40,000,000 for
13 each of fiscal years 2002 and 2003 for demining programs
14 administered by the Bureau of Political Military Affairs,
15 and program support costs.

16 **Subtitle F—Antiterrorism**
17 **Assistance**

18 **SEC. 251. AUTHORIZATION OF APPROPRIATIONS.**

19 Section 574(a) of the Foreign Assistance Act of 1961
20 (22 U.S.C. 2349aa–4(a)) is amended by striking
21 “\$72,000,000 for fiscal year 2001 and \$73,000,000 for
22 fiscal year 2002” and inserting “\$73,000,000 for fiscal
23 year 2002 and \$75,000,000 for fiscal year 2003”.

24 **SEC. 252. SPECIFIC PROGRAM OBJECTIVES.**

25 Of the amounts authorized to be appropriated to the
26 President pursuant to section 574(a) of the Foreign As-

1 sistance Act of 1961 (22 U.S.C. 2349aa–4(a)),
 2 \$2,000,000 may be made available for the provision of the
 3 Pisces system to the governments of the Philippines and
 4 Pakistan.

5 **Subtitle G—Other Matters**

6 **SEC. 261. REVISED MILITARY ASSISTANCE REPORTING RE-** 7 **QUIREMENTS.**

8 (a) ANNUAL FOREIGN MILITARY TRAINING RE-
 9 PORTS.—Section 656(a) of the Foreign Assistance Act of
 10 1961 (22 U.S.C. 2416) does not apply to any NATO or
 11 major non-NATO ally unless the chairman or ranking
 12 member of one of the appropriate committees of Congress
 13 has specifically requested, in writing, inclusion of such
 14 country in the report. Such request shall be made not later
 15 than 45 calendar days prior to the date on which the re-
 16 port is required to be transmitted.

17 (b) ANNUAL MILITARY ASSISTANCE REPORTS.—Sec-
 18 tion 655 of the Foreign Assistance Act of 1961 (22 U.S.C.
 19 2415) is amended—

20 (1) by striking subsection (c); and

21 (2) by redesignating subsection (d) as sub-
 22 section (c).

23 (c) QUARTERLY REPORTS ON GOVERNMENT-TO-
 24 GOVERNMENT ARMS EXPORTS.—Section 36(a) of the

1 Arms Export Control Act (22 U.S.C. 2776(a)) is
2 amended—

3 (1) by striking paragraph (7); and

4 (2) by redesignating paragraphs (8), (9), (10),
5 (11), (12), and (13) as paragraphs (7), (8), (9),
6 (10), (11), and (12), respectively.

7 **TITLE III—NONPROLIFERATION**
8 **AND EXPORT CONTROL AS-**
9 **SISTANCE**

10 **Subtitle A—General Provisions**

11 **SEC. 301. AUTHORIZATION OF APPROPRIATIONS.**

12 (a) AUTHORIZATION.—Section 585 of the Foreign
13 Assistance Act of 1961 (22 U.S.C. 2349bb–4) is
14 amended—

15 (1) in subsection (a), by striking all after
16 “chapter” and inserting “\$142,000,000 for fiscal
17 year 2002 and \$152,000,000 for fiscal year 2003.”;
18 and

19 (2) in subsection (c), by striking “2001” each
20 place that it appears and inserting “2002”.

21 (b) SUBALLOCATIONS.—Of the amounts authorized
22 to be appropriated to the President for fiscal years 2002
23 and 2003 under chapter 9 of part II of the Foreign Assist-
24 ance Act of 1961 (22 U.S.C. 2349bb et seq.)—

1 2002 and 2003 under chapter 9 of part II of the Foreign
2 Assistance Act of 1961—

3 (1) the President is authorized to transfer to
4 the United States Customs Service not more than
5 \$1,000,000 for programs described in subsection (a);
6 and

7 (2) there is authorized to be made available for
8 the activities described in subsection (c)—

9 (A) for fiscal year 2002, \$5,000,000; and

10 (B) for fiscal year 2003, \$7,000,000.

11 (c) INSPECTOR-INVESTIGATOR PROGRAM.—Con-
12 sistent with the purposes set forth in section 581 (1) and
13 (2) of the Foreign Assistance Act of 1961 (22 U.S.C.
14 2349bb (1) and (2)), the Secretary is authorized to—

15 (1) initiate a program to recruit and hire indi-
16 viduals who are retired inspectors and investigators
17 of the United States Customs Service and the Bu-
18 reau of Export Enforcement; and

19 (2) assign such personnel to United States dip-
20 lomatic missions overseas, giving priority to the as-
21 signment of such personnel to countries that have
22 been given priority under section 583(b) of the For-
23 eign Assistance Act of 1961.

1 **SEC. 303. JOINT STATE DEPARTMENT-DEFENSE DEPART-**
2 **MENT PROGRAMS.**

3 Of the amounts authorized to be appropriated to the
4 President for fiscal years 2002 and 2003 under chapter
5 9 of part II of the Foreign Assistance Act of 1961 (22
6 U.S.C. 2349bb et seq.), the Secretary is authorized to
7 make available not more than \$1,000,000 for international
8 counterproliferation programs administered by the De-
9 partment of Defense.

10 **SEC. 304. NONPROLIFERATION TECHNOLOGY ACQUISITION**
11 **PROGRAMS FOR FRIENDLY FOREIGN COUN-**
12 **TRIES.**

13 (a) IN GENERAL.—For the purpose of enhancing the
14 nonproliferation and export control capabilities of friendly
15 countries, of the amounts authorized to be appropriated
16 for fiscal years 2002 and 2003 under chapter 9 of part
17 II of the Foreign Assistance Act of 1961 (22 U.S.C.
18 2349bb et seq.), the Secretary is authorized to expend not
19 more than—

20 (1) \$5,000,000 for the procurement and provi-
21 sion of nuclear, chemical, and biological detection
22 systems, including spectroscopic and pulse echo tech-
23 nologies; and

24 (2) \$10,000,000 for the procurement and provi-
25 sion of x-ray systems capable of imaging sea-cargo
26 containers.

1 (b) TRAINING REQUIREMENT.—The Secretary shall
2 not provide any equipment or technology pursuant to this
3 section without having first developed and budgeted for
4 a multiyear training plan to assist foreign personnel in
5 the utilization of those items.

6 (c) PROCUREMENT AUTHORITIES.—For fiscal year
7 2003, the Secretary shall utilize, to the maximum extent
8 practicable, the Special Defense Acquisition Fund for pro-
9 curements authorized under this section.

10 **SEC. 305. INTERNATIONAL NONPROLIFERATION AND EX-**
11 **PORT CONTROL TRAINING.**

12 Chapter 9 of part II of the Foreign Assistance Act
13 of 1961 (22 U.S.C. 2349bb et seq.) is amended—

14 (1) by redesignating sections 584 and 585 as
15 sections 585 and 586, respectively; and

16 (2) by inserting after section 583 the following:

17 **“SEC. 584. INTERNATIONAL NONPROLIFERATION EXPORT**
18 **CONTROL TRAINING.**

19 “(a) GENERAL AUTHORITY.—The President is au-
20 thorized to furnish, on such terms and conditions con-
21 sistent with this chapter (but whenever feasible on a reim-
22 bursable basis), education and training to foreign per-
23 sonnel for the purpose of enhancing the nonproliferation
24 and export control capabilities of such personnel through

1 their attendance in special courses of instruction con-
2 ducted by the United States.

3 “(b) ADMINISTRATION OF COURSES.—The Secretary
4 of State shall have overall responsibility for the develop-
5 ment and conduct of international nonproliferation edu-
6 cation and training programs, but may utilize other de-
7 partments and agencies, as appropriate, to recommend
8 personnel for the education and training, and to admin-
9 ister specific courses of instruction.

10 “(c) PURPOSES.—Education and training activities
11 conducted under this section shall be—

12 “(1) of a technical nature, emphasizing tech-
13 niques for detecting, deterring, monitoring, inter-
14 dicting, and countering proliferation;

15 “(2) designed to encourage effective and mutu-
16 ally beneficial relations and increased understanding
17 between the United States and friendly countries;
18 and

19 “(3) designed to improve the ability of friendly
20 countries to utilize their resources with maximum ef-
21 fectiveness, thereby contributing to greater self-reli-
22 ance by such countries.

23 “(d) PRIORITY TO CERTAIN COUNTRIES.—In select-
24 ing military and foreign governmental personnel for edu-
25 cation and training pursuant to this section, priority shall

1 be given to personnel from countries for which the Sec-
2 retary of State has given priority under section 583(b).”.

3 **SEC. 306. RELOCATION OF SCIENTISTS.**

4 (a) REINSTATEMENT OF CLASSIFICATION AUTHOR-
5 ITY.—Section 4 of the Soviet Scientists Immigration Act
6 of 1992 (Public Law 102–509; 106 Stat. 3316; 8 U.S.C.
7 1153 note) is amended by striking subsection (d) and in-
8 serting the following:

9 “(d) DURATION OF AUTHORITY.—The authority
10 under subsection (a) shall be in effect during the following
11 periods:

12 “(1) The period beginning on the date of the
13 enactment of this Act and ending 4 years after such
14 date.

15 “(2) The period beginning on the date of the
16 enactment of the Security Assistance Act of 2001
17 and ending 4 years after such date.”.

18 (b) LIMITATION ON NUMBER OF SCIENTISTS ELIGI-
19 BLE FOR VISAS UNDER AUTHORITY.—Subsection (c) of
20 such section is amended by striking “750” and inserting
21 “950”.

22 (c) LIMITATION ON ELIGIBILITY.—Subsection (a) of
23 such section is amended by adding at the end the following
24 new sentence: “A scientist is not eligible for designation
25 under this subsection if the scientist has previously been

1 granted the status of an alien lawfully admitted for perma-
 2 nent residence (as defined in section 101(a)(20) of the Im-
 3 migration and Nationality Act (8 U.S.C. 1101(a)(20))).”.

4 (d) CONSULTATION REQUIREMENT.—The Attorney
 5 General shall consult with the Secretary, the Secretary of
 6 Defense, the Secretary of Energy, and the heads of other
 7 appropriate agencies of the United States regarding—

8 (1) previous experience in implementing the So-
 9 viet Scientists Immigration Act of 1992; and

10 (2) any changes that those officials would rec-
 11 ommend in the regulations prescribed under that
 12 Act.

13 **SEC. 307. AUDITS OF THE INTERNATIONAL SCIENCE AND**
 14 **TECHNOLOGY CENTERS PROGRAM.**

15 Consistent with section 303(b) of the Security Assist-
 16 ance Act of 2000 (Public Law 106–280; 114 Stat. 853),
 17 not later than 60 days after the date of enactment of this
 18 Act, the Secretary shall submit a detailed report to the
 19 appropriate committees of Congress on United States
 20 audit practices with respect to the “International Science
 21 and Technology Centers Program”.

22 **SEC. 308. INTERNATIONAL ATOMIC ENERGY AGENCY REG-**
 23 **ULAR BUDGET ASSESSMENTS.**

24 (a) FINDINGS.—Congress makes the following find-
 25 ings:

1 (1) The Department of State has concluded
2 that the International Atomic Energy Agency (here-
3 after in this section referred to as the “IAEA”) is
4 a critical and effective instrument for verifying com-
5 pliance with international nuclear nonproliferation
6 agreements, and that it serves as an essential bar-
7 rier to the spread of nuclear weapons.

8 (2) The IAEA furthers United States national
9 security objectives by helping to prevent the pro-
10 liferation of nuclear weapons material, especially
11 through its work on effective verification and safe-
12 guards measures.

13 (3) The IAEA can also perform a critical role
14 in monitoring and verifying aspects of nuclear weap-
15 ons reduction agreements between nuclear weapons
16 states.

17 (4) As the IAEA has negotiated and developed
18 more effective verification and safeguards measures,
19 it has experienced significant real growth in its mis-
20 sion, especially in the vital area of nuclear safe-
21 guards inspections.

22 (5) Nearly two decades of zero budget growth
23 have affected the ability of the IAEA to carry out
24 its mission and to hire and retain the most qualified
25 inspectors and managers, as evidenced in the de-

1 creasing proportion of such personnel who hold doc-
2 torate degrees.

3 (6) Although voluntary contributions by the
4 United States lessen the IAEA's budgetary con-
5 straints, they cannot readily be used for the long-
6 term capital investments or permanent staff in-
7 creases necessary to an effective IAEA safeguards
8 regime.

9 (7) It was not the intent of Congress that the
10 United States contributions to all United Nations-re-
11 lated organizations and activities be reduced pursu-
12 ant to the Admiral James W. Nance and Meg Dono-
13 van Foreign Relations Authorization Act, Fiscal
14 Years 2000 and 2001 (as enacted into law by sec-
15 tion 1000(a)(7) of Public Law 106-113; 113 Stat.
16 1501A-405 et seq.), which sets 22 percent assess-
17 ment rates as benchmarks for the general United
18 Nations budget, the Food and Agricultural Organi-
19 zation, the World Health Organization, and the
20 International Labor Organization. Rather, contribu-
21 tions for important and effective agencies such as
22 the IAEA should be maintained at levels commensu-
23 rate with the criticality of its mission.

1 (b) ADDITIONAL FUNDING FOR THE INTERNATIONAL
2 ATOMIC ENERGY AGENCY.—It is the sense of Congress
3 that—

4 (1) the Secretary should negotiate a gradual
5 and sustained increase in the regular budget of the
6 International Atomic Energy Agency, which should
7 begin with the 2002 budget;

8 (2) if a regular budget increase for the IAEA
9 is achieved, the Secretary should seek to gain con-
10 sensus within the IAEA Board of Governors for allo-
11 cation of a larger proportion of that budget to nu-
12 clear nonproliferation activities; and

13 (3) if such a reallocation of the regular IAEA
14 budget cannot be obtained, the United States should
15 decrease its voluntary contribution by \$400,000 for
16 each \$1,000,000 increase in its annual assessment.

17 (c) AUTHORIZATION OF APPROPRIATIONS.—Of the
18 funds authorized to be appropriated for international or-
19 ganizations, \$60,000,000 are authorized to be appro-
20 priated in fiscal year 2002 for the payment of the United
21 States assessment to the International Atomic Energy
22 Agency, and \$75,000,000 shall be available for that pur-
23 pose in fiscal year 2003.

1 **SEC. 309. REVISED NONPROLIFERATION REPORTING RE-**
2 **QUIREMENTS.**

3 Section 308 of Public Law 102–182 (22 U.S.C.
4 5606) is hereby repealed.

5 **Subtitle B—Russian Federation**
6 **Debt Reduction for Non-**
7 **proliferation**

8 **SEC. 311. SHORT TITLE.**

9 This subtitle may be cited as the “Russian Federa-
10 tion Debt Reduction for Nonproliferation Act of 2001”.

11 **SEC. 312. FINDINGS AND PURPOSES.**

12 (a) FINDINGS.—Congress finds the following:

13 (1) It is in the vital security interests of the
14 United States to prevent the spread of weapons of
15 mass destruction to additional states or to terrorist
16 organizations, and to ensure that other nations’ obli-
17 gations to reduce their stockpiles of such arms in ac-
18 cordance with treaties, executive agreements, or po-
19 litical commitments are fulfilled.

20 (2) In particular, it is in the vital national secu-
21 rity interests of the United States to ensure that—

22 (A) all stocks of nuclear weapons and
23 weapons-usable nuclear material in the Russian
24 Federation are secure and accounted for;

25 (B) stocks of nuclear weapons and weap-
26 ons-usable nuclear material that are excess to

1 military needs in the Russian Federation are
2 monitored and reduced;

3 (C) any chemical or biological weapons, re-
4 lated materials, and facilities in the Russian
5 Federation are destroyed;

6 (D) the Russian Federation's nuclear
7 weapons complex is reduced to a size appro-
8 priate to its post-Cold War missions, and its ex-
9 perts in weapons of mass destruction tech-
10 nologies are shifted to gainful and sustainable
11 civilian employment;

12 (E) the Russian Federation's export con-
13 trol system blocks any proliferation of weapons
14 of mass destruction, the means of delivering
15 such weapons, and materials, equipment, know-
16 how, or technology that would be used to de-
17 velop, produce, or deliver such weapons; and

18 (F) these objectives are accomplished with
19 sufficient monitoring and transparency to pro-
20 vide confidence that they have in fact been ac-
21 complished and that the funds provided to ac-
22 complish these objectives have been spent effi-
23 ciently and effectively.

24 (3) United States programs should be designed
25 to accomplish these vital objectives in the Russian

1 Federation as rapidly as possible, and the President
2 should develop and present to Congress a plan for
3 doing so.

4 (4) Substantial progress has been made in
5 United States-Russian Federation cooperative pro-
6 grams to achieve these objectives, but much more re-
7 mains to be done to reduce the urgent risks to
8 United States national security posed by the current
9 state of the Russian Federation's weapons of mass
10 destruction stockpiles and complexes.

11 (5) The threats posed by inadequate manage-
12 ment of weapons of mass destruction stockpiles and
13 complexes in the Russian Federation remain urgent.
14 Incidents in years immediately preceding 2001,
15 which have been cited by the Russia Task Force of
16 the Secretary of Energy's Advisory Board, include—

17 (A) a conspiracy at one of the Russian
18 Federation's largest nuclear weapons facilities
19 to steal nearly enough highly enriched uranium
20 for a nuclear bomb;

21 (B) an attempt by an employee of the Rus-
22 sian Federation's premier nuclear weapons fa-
23 cility to sell nuclear weapons designs to agents
24 of Iraq and Afghanistan; and

1 (C) the theft of radioactive material from
2 a Russian Federation submarine base.

3 (6) Addressing these threats to United States
4 and world security will ultimately consume billions of
5 dollars, a burden that will have to be shared by the
6 Russian Federation, the United States, and other
7 governments, if this objective is to be achieved.

8 (7) The creation of new funding streams could
9 accelerate progress in reducing these threats to
10 United States security and help the government of
11 the Russian Federation to fulfill its responsibility for
12 secure management of its weapons stockpiles and
13 complexes as United States assistance phases out.

14 (8) The Russian Federation suffers from a sig-
15 nificant foreign debt burden, a substantial propor-
16 tion of which it inherited from the Soviet Union.
17 The Russian Federation is taking full responsibility
18 for this debt, but the burden of debt repayment
19 could threaten Russian Federation economic reform,
20 particularly in 2003 and beyond.

21 (9) The Russian Federation's need for debt re-
22 lief has been the subject of discussions between the
23 United States and the Russian Federation at the
24 highest levels and is cited by United States officials

1 as one reason why the Russian Federation has rec-
2 ognized that its future lies with the West.

3 (10) Past debt-for-environment exchanges, in
4 which a portion of a country's foreign debt is can-
5 celed in return for certain environmental commit-
6 ments or payments by that country, provide a model
7 for a possible debt-for-nonproliferation exchange
8 with the Russian Federation, which could be de-
9 signed to provide additional funding for non-
10 proliferation and arms reduction initiatives.

11 (11) Most of the Russian Federation's official
12 bilateral debt is held by United States allies that are
13 advanced industrial democracies. Since the issues de-
14 scribed pose threats to United States allies as well,
15 United States leadership that results in a larger con-
16 tribution from United States allies to cooperative
17 threat reduction activities will be needed.

18 (b) PURPOSES.—The purposes of this subtitle are—

19 (1) to recognize the vital interests of the United
20 States, its allies, and the Russian Federation in re-
21 ducing the threats to international security described
22 in the findings set forth in subsection (a);

23 (2) to facilitate the accomplishment of the
24 United States objectives described in the findings set
25 forth in subsection (a) by providing for the allevi-

1 ation of a portion of the Russian Federation’s for-
2 eign debt, thus allowing the use of additional re-
3 sources for these purposes; and

4 (3) to ensure that resources freed from debt in
5 the Russian Federation are targeted to the accom-
6 plishment of the United States objectives described
7 in the findings set forth in subsection (a).

8 **SEC. 313. DEFINITIONS.**

9 In this subtitle:

10 (1) **AGREEMENT.**—The term “Agreement”
11 means the Russian Nonproliferation Investment
12 Agreement provided for in section 318.

13 (2) **APPROPRIATE CONGRESSIONAL COMMIT-**
14 **TEES.**—The term “appropriate congressional com-
15 mittees” means—

16 (A) the Committee on International Rela-
17 tions and the Committee on Appropriations of
18 the House of Representatives; and

19 (B) the Committee on Foreign Relations
20 and the Committee on Appropriations of the
21 Senate.

22 (3) **COST.**—The term “cost” has the meaning
23 given that term in section 502(5) of the Federal
24 Credit Reform Act of 1990 (2 U.S.C. 661a(5)).

1 (4) FACILITY.—The term “Facility” means the
2 Russian Nonproliferation Investment Facility estab-
3 lished in the Department of the Treasury by section
4 314.

5 (5) SOVIET-ERA DEBT.—The term “Soviet-era
6 debt” means debt owed as a result of loans or cred-
7 its provided by the United States (or any agency of
8 the United States) to the Union of Soviet Socialist
9 Republics.

10 **SEC. 314. ESTABLISHMENT OF THE RUSSIAN NON-**
11 **PROLIFERATION INVESTMENT FACILITY.**

12 There is established in the Department of the Treas-
13 ury an entity to be known as the “Russian Nonprolifera-
14 tion Investment Facility” for the purpose of providing for
15 the administration of debt reduction in accordance with
16 this subtitle.

17 **SEC. 315. REDUCTION OF THE RUSSIAN FEDERATION’S SO-**
18 **VIET-ERA DEBT OWED TO THE UNITED**
19 **STATES, GENERALLY.**

20 (a) AUTHORITY TO REDUCE SOVIET-ERA DEBT.—

21 (1) AUTHORITY.—

22 (A) IN GENERAL.—Except as provided in
23 subparagraph (B), and subject to section 321,
24 the President may reduce the amount of Soviet-
25 era debt owed by the Russian Federation to the

1 United States (or any agency of the United
2 States) that is outstanding as of October 1,
3 2001.

4 (B) EXCEPTION.—The authority of sub-
5 paragraph (A) to reduce Soviet-era debt does
6 not include any debt that is described in section
7 316(a)(1).

8 (2) CONGRESSIONAL NOTIFICATION.—The
9 President shall notify the appropriate congressional
10 committees of his intention to reduce the amount of
11 the Russian Federation’s Soviet-era debt at least 15
12 days in advance of any formal determination to do
13 so.

14 (3) AUTHORIZATION OF APPROPRIATIONS.—

15 (A) IN GENERAL.—For the cost of the re-
16 duction of any Soviet-era debt pursuant to this
17 section, there are authorized to be appropriated
18 to the President—

19 (i) \$50,000,000 for fiscal year 2002;

20 and

21 (ii) \$100,000,000 for fiscal year 2003.

22 (B) LIMITATION.—The authority provided
23 by this section shall be available only to the ex-
24 tent that appropriations for the cost of the

1 modification of any Soviet-era debt pursuant to
2 this section are made in advance.

3 (4) CERTAIN PROHIBITIONS INAPPLICABLE.—

4 (A) IN GENERAL.—A reduction of Soviet-
5 era debt pursuant to this section shall not be
6 considered assistance for the purposes of any
7 provision of law limiting assistance to a coun-
8 try.

9 (B) ADDITIONAL REQUIREMENT.—The au-
10 thority of this section may be exercised notwith-
11 standing section 620(r) of the Foreign Assist-
12 ance Act of 1961 or section 321 of the Inter-
13 national Development and Food Assistance Act
14 of 1975.

15 (b) IMPLEMENTATION OF SOVIET-ERA DEBT REDUC-
16 TION.—

17 (1) IN GENERAL.—Any reduction of Soviet-era
18 debt pursuant to subsection (a) shall be—

19 (A) implemented pursuant to the terms of
20 a Russian Nonproliferation Investment Agree-
21 ment authorized under section 318; and

22 (B) accomplished at the direction of the
23 Facility by the exchange of a new obligation for
24 obligations of the type referred to in such sub-

1 section that are outstanding as of October 1,
2 2001.

3 (2) EXCHANGE OF OBLIGATIONS.—

4 (A) IN GENERAL.—The Facility shall no-
5 tify the agency primarily responsible for admin-
6 istering part I of the Foreign Assistance Act of
7 1961 of an agreement entered into under para-
8 graph (1) with the Russian Federation to ex-
9 change a new obligation for outstanding obliga-
10 tions.

11 (B) ADDITIONAL REQUIREMENT.—At the
12 direction of the Facility, the old obligations that
13 are the subject of the agreement shall be can-
14 celed and a new debt obligation for the Russian
15 Federation shall be established relating to the
16 agreement, and the agency primarily respon-
17 sible for administering part I of the Foreign
18 Assistance Act of 1961 shall make an adjust-
19 ment in its accounts to reflect the debt reduc-
20 tion.

21 (c) ADDITIONAL TERMS AND CONDITIONS.—The fol-
22 lowing additional terms and conditions shall apply to the
23 reduction of Soviet-era debt under subsection (a)(1) in the
24 same manner as such terms and conditions apply to the

1 reduction of debt under section 704(a)(1) of the Foreign
2 Assistance Act of 1961:

3 (1) The provisions relating to repayment of
4 principal under section 705 of the Foreign Assist-
5 ance Act of 1961.

6 (2) The provisions relating to interest on new
7 obligations under section 706 of the Foreign Assist-
8 ance Act of 1961.

9 **SEC. 316. REDUCTION OF SOVIET-ERA DEBT OWED TO THE**
10 **UNITED STATES AS A RESULT OF CREDITS**
11 **EXTENDED UNDER TITLE I OF THE AGRICUL-**
12 **TURAL TRADE DEVELOPMENT AND ASSIST-**
13 **ANCE ACT OF 1954.**

14 (a) **AUTHORITY TO REDUCE CERTAIN SOVIET-ERA**
15 **DEBT.—**

16 (1) **AUTHORITY.**—Notwithstanding any other
17 provision of law, and subject to section 321, the
18 President may reduce the amount of Soviet-era debt
19 owed to the United States (or any agency of the
20 United States) by the Russian Federation that is
21 outstanding as of October 1, 2001, as a result of
22 any credits extended under title I of the Agricultural
23 Trade Development and Assistance Act of 1954 (7
24 U.S.C. 1701 et seq.).

1 (2) CONGRESSIONAL NOTIFICATION.—The
2 President shall notify the appropriate congressional
3 committees of his intention to reduce the amount of
4 the Russian Federation’s Soviet-era debt described
5 in paragraph (1) at least 15 days in advance of any
6 formal determination to do so.

7 (3) AUTHORIZATION OF APPROPRIATIONS.—

8 (A) IN GENERAL.—For the cost of the re-
9 duction of any Soviet-era debt pursuant to this
10 section, there are authorized to be appropriated
11 to the President—

12 (i) \$50,000,000 for fiscal year 2002;

13 and

14 (ii) \$100,000,000 for fiscal year 2003.

15 (B) LIMITATION.—The authority provided
16 by this section shall be available only to the ex-
17 tent that appropriations for the cost of the
18 modification of any Soviet-era debt pursuant to
19 this section are made in advance.

20 (b) IMPLEMENTATION OF SOVIET-ERA DEBT REDUC-
21 TION.—

22 (1) IN GENERAL.—Any reduction of Soviet-era
23 debt pursuant to subsection (a) shall be—

1 (A) implemented pursuant to the terms of
2 a Russian Nonproliferation Investment Agree-
3 ment authorized under section 318; and

4 (B) accomplished at the direction of the
5 Facility by the exchange of a new obligation for
6 obligations of the type referred to in such sub-
7 section that are outstanding as of October 1,
8 2001.

9 (2) EXCHANGE OF OBLIGATIONS.—

10 (A) IN GENERAL.—The Facility shall no-
11 tify the Commodity Credit Corporation of an
12 agreement entered into under paragraph (1)
13 with an eligible country to exchange a new obli-
14 gation for outstanding obligations.

15 (B) ADDITIONAL REQUIREMENT.—At the
16 direction of the Facility, the old obligations that
17 are the subject of the agreement shall be can-
18 celed and a new debt obligation shall be estab-
19 lished for the Russian Federation relating to
20 the agreement, and the Commodity Credit Cor-
21 poration shall make an adjustment in its ac-
22 counts to reflect the debt reduction.

23 (c) ADDITIONAL TERMS AND CONDITIONS.—The fol-
24 lowing additional terms and conditions shall apply to the
25 reduction of Soviet-era debt under subsection (a)(1) in the

1 same manner as such terms and conditions apply to the
2 reduction of debt under section 604(a)(1) of the Agricul-
3 tural Trade Development and Assistance Act of 1954 (7
4 U.S.C. 1738c):

5 (1) The provisions relating to repayment of
6 principal under section 605 of such Act.

7 (2) The provisions relating to interest on new
8 obligations under section 606 of such Act.

9 **SEC. 317. AUTHORITY TO ENGAGE IN DEBT-FOR-NON-**
10 **PROLIFERATION EXCHANGES AND DEBT**
11 **BUYBACKS.**

12 (a) **LOANS AND CREDITS ELIGIBLE FOR SALE, RE-**
13 **DUCTION, OR CANCELLATION.—**

14 (1) **DEBT-FOR-NONPROLIFERATION EX-**
15 **CHANGES.—**

16 (A) **IN GENERAL.—**Notwithstanding any
17 other provision of law, and subject to section
18 321, the President may, in accordance with this
19 section, sell to any purchaser eligible under sub-
20 paragraph (B), any loan or credit described in
21 section 315(a)(1), or any credit described in
22 section 316(a)(1), or on receipt of payment
23 from an eligible purchaser, reduce or cancel any
24 such loan or credit or portion thereof, only for
25 the purpose of facilitating a debt-for-non-

1 proliferation exchange to support activities that
2 further United States objectives described in
3 the findings set forth in section 312(a).

4 (B) ELIGIBLE PURCHASER.—A loan or
5 credit may be sold, reduced, or canceled under
6 subparagraph (A) with respect to a purchaser
7 who presents plans satisfactory to the President
8 for using the loan or credit for the purpose of
9 engaging in debt-for-nonproliferation exchange
10 to support activities that further United States
11 objectives described in the findings set forth in
12 section 312(a).

13 (C) CONSULTATION REQUIREMENT.—Be-
14 fore the sale under subparagraph (A) to any
15 purchaser eligible under subparagraph (B), or
16 any reduction or cancellation under subpara-
17 graph (A), of any loan or credit made to the
18 Russian Federation, the President shall consult
19 with that country concerning the amount of
20 loans or credits to be sold, reduced, or canceled
21 and their uses for debt-for-nonproliferation ex-
22 changes to support activities that further
23 United States objectives described in the find-
24 ings set forth in section 312(a).

1 (D) AUTHORIZATION OF APPROPRIA-
2 TIONS.—For the cost of the reduction of any
3 debt pursuant to subparagraph (A), amounts
4 authorized to be appropriated under sections
5 315(a)(3) and 316(a)(3) shall be made available
6 for such reduction of debt pursuant to subpara-
7 graph (A).

8 (2) DEBT BUYBACKS.—Notwithstanding any
9 other provision of law, the President may, in accord-
10 ance with this section, sell to the Russian Federation
11 any loan or credit described in section 315(a)(1) or
12 any credit described in section 316(a)(1), or on re-
13 ceipt of payment from the Russian Federation, re-
14 duce or cancel such loan or credit or portion thereof,
15 if the purpose of doing so is to facilitate a debt
16 buyback by the Russian Federation of its own quali-
17 fied debt and the Russian Federation uses a sub-
18 stantial additional amount of its local currency to
19 support activities that further United States objec-
20 tives described in the findings set forth in section
21 312(a).

22 (3) LIMITATION.—The authority provided by
23 paragraphs (1) and (2) shall be available only to the
24 extent that appropriations for the cost of the modi-

1 fication of any debt pursuant to such paragraphs are
2 made in advance.

3 (4) TERMS AND CONDITIONS.—Notwithstanding
4 any other provision of law, the President shall, in ac-
5 cordance with this section, establish the terms and
6 conditions under which loans and credits may be
7 sold, reduced, or canceled pursuant to this section.

8 (5) ADMINISTRATION.—

9 (A) IN GENERAL.—The Facility shall no-
10 tify the Administrator of the agency primarily
11 responsible for administering part I of the For-
12 eign Assistance Act of 1961 or the Commodity
13 Credit Corporation, as the case may be, of pur-
14 chasers that the President has determined to be
15 eligible under paragraph (1)(B), and shall di-
16 rect such agency or Corporation, as the case
17 may be, to carry out the sale, reduction, or can-
18 cellation of a loan pursuant to such paragraph.

19 (B) ADDITIONAL REQUIREMENT.—Such
20 agency or Corporation, as the case may be,
21 shall make an adjustment in its accounts to re-
22 flect the sale, reduction, or cancellation.

23 (b) DEPOSIT OF PROCEEDS.—The proceeds from a
24 sale, reduction, or cancellation of a loan sold, reduced, or
25 canceled pursuant to this section shall be deposited in the

1 United States Government account or accounts estab-
2 lished for the repayment of such loan.

3 **SEC. 318. RUSSIAN NONPROLIFERATION INVESTMENT**
4 **AGREEMENT.**

5 (a) **AUTHORITY.**—Subject to section 321, the Sec-
6 retary is authorized, in consultation with other appro-
7 priate officials of the Federal Government, to enter into
8 an agreement with the Russian Federation concerning the
9 use of the funds saved by that country as a result of any
10 debt relief provided pursuant to this subtitle. An agree-
11 ment entered into under this section may be referred to
12 as the “Russian Nonproliferation Investment Agreement”.

13 (b) **CONTENT OF AGREEMENT.**—The Russian Non-
14 proliferation Investment Agreement shall ensure that—

15 (1) a significant proportion of the funds saved
16 by the Russian Federation as a result of any debt
17 relief provided pursuant to this subtitle is devoted to
18 nonproliferation programs and projects;

19 (2) funding of each such program or project is
20 approved by the United States Government, either
21 directly or through its representation on any gov-
22 erning board that may be directed or established to
23 manage these funds;

24 (3) administration and oversight of non-
25 proliferation programs and projects incorporate best

1 practices from established threat reduction and non-
2 proliferation assistance programs;

3 (4) each program or project funded pursuant to
4 the Agreement is subject to audits conducted by or
5 for the United States Government;

6 (5) unobligated funds for investments pursuant
7 to the Agreement are segregated from other Russian
8 Federation funds and invested in financial instru-
9 ments guaranteed or insured by the United States
10 Government;

11 (6) the funds that are devoted to programs and
12 projects pursuant to the Agreement are not subject
13 to any taxation by the Russian Federation;

14 (7) all matters relating to the intellectual prop-
15 erty rights and legal liabilities of United States
16 firms in a given project are agreed upon before the
17 expenditure of funds is authorized for that project;
18 and

19 (8) not less than 75 percent of the funds made
20 available for each nonproliferation program or
21 project under the Agreement is spent in the Russian
22 Federation.

23 (c) USE OF EXISTING MECHANISMS.—It is the sense
24 of Congress that, to the extent practicable, the boards and
25 administrative mechanisms of existing threat reduction

1 and nonproliferation programs should be used in the ad-
2 ministration and oversight of programs and projects under
3 the Agreement.

4 **SEC. 319. STRUCTURE OF DEBT-FOR-NONPROLIFERATION**
5 **ARRANGEMENTS.**

6 It is the sense of Congress that any debt-for-non-
7 proliferation arrangements with the Russian Federation
8 should provide for gradual debt relief over a period of
9 years, with debt relief to be suspended if more than two
10 years' worth of funds remain unobligated for approved
11 nonproliferation programs or projects.

12 **SEC. 320. INDEPENDENT MEDIA AND THE RULE OF LAW.**

13 Subject to section 321, of the agreed funds saved by
14 the Russian Federation as a result of any debt relief pro-
15 vided pursuant to this subtitle, up to 10 percent may be
16 used to promote a vibrant, independent media sector and
17 the rule of law in the Russian Federation through an en-
18 dowment to support the establishment of a "Center for
19 an Independent Press and the Rule of Law" in the Rus-
20 sian Federation, which shall be directed by a joint United
21 States-Russian Board of Directors in which the majority
22 of members, including the chairman, shall be United
23 States personnel, and which shall be responsible for man-
24 agement of the endowment, its funds, and the Center's
25 programs.

1 **SEC. 321. NONPROLIFERATION REQUIREMENT.**

2 (a) PROLIFERATION TO STATE SPONSORS OF TER-
3 RORISM.—The authorities granted under sections 315,
4 316, 317, 318, and 320 may not be exercised, and funds
5 may not be expended, unless and until—

6 (1) the Russian Federation makes material
7 progress in stemming the flow of sensitive goods,
8 technologies, material, and know-how related to the
9 design, development, and production of weapons of
10 mass destruction and the means to deliver them to
11 countries that have been determined by the Sec-
12 retary, for the purposes of section 40 of the Arms
13 Export Control Act, section 620A of the Foreign As-
14 sistance Act, or section 6(j) of the Export Adminis-
15 tration Act of 1979, to have repeatedly provided
16 support for acts of international terrorism; and

17 (2) the President certifies to the appropriate
18 congressional committees that the condition required
19 in paragraph (1) has been met.

20 (b) ANNUAL DETERMINATION.—If, in any annual re-
21 port to Congress submitted pursuant to section 325, the
22 President cannot certify that the Russian Federation con-
23 tinues to meet the condition required in subsection (a)(1),
24 then, subject to the provisions of subsection (c), the au-
25 thorities granted under under sections 315, 316, 317, 318,
26 and 320 may not be exercised, and funds may not be ex-

1 pended, unless and until such certification is made to the
2 appropriate congressional committees.

3 (c) **PRESIDENTIAL WAIVER.**—The President may
4 waive the requirements of subsection (b) for a fiscal year
5 if the President determines that imposition of those re-
6 quirements in that fiscal year would be counter to the na-
7 tional interest of the United States and so reports to the
8 appropriate congressional committees.

9 **SEC. 322. DISCUSSION OF RUSSIAN FEDERATION DEBT RE-**
10 **DUCTION FOR NONPROLIFERATION WITH**
11 **OTHER CREDITOR STATES.**

12 The President and such other appropriate officials as
13 the President may designate shall institute discussions in
14 the Paris Club of creditor states with the objectives of—

15 (1) reaching agreement that each member of
16 the Paris Club is authorized to negotiate debt ex-
17 changes with the Russian Federation covering a por-
18 tion of its bilateral debt, to finance the accomplish-
19 ment of nonproliferation and arms reduction activi-
20 ties;

21 (2) convincing other member states of the Paris
22 Club, especially the largest holders of Soviet-era
23 Russian debt, to dedicate significant proportions of
24 their bilateral debt with the Russian Federation to
25 these purposes; and

1 (3) reaching agreement, as appropriate, to es-
2 tablish a unified debt exchange fund to manage and
3 provide financial transparency for the resources pro-
4 vided through the debt exchanges.

5 **SEC. 323. IMPLEMENTATION OF UNITED STATES POLICY.**

6 It is the sense of Congress that implementation of
7 debt-for-nonproliferation programs with the Russian Fed-
8 eration should be overseen by the Committee on Non-
9 proliferation Assistance to the Independent States of the
10 Former Soviet Union (established pursuant to section 334
11 of this Act).

12 **SEC. 324. CONSULTATIONS WITH CONGRESS.**

13 The President shall consult with the appropriate con-
14 gressional committees on a periodic basis to review the op-
15 erations of the Facility and the Russian Federation's eligi-
16 bility for benefits from the Facility.

17 **SEC. 325. ANNUAL REPORT TO CONGRESS.**

18 Not later than December 31, 2002, and not later
19 than December 31 of each year thereafter, the President
20 shall prepare and transmit to Congress a report con-
21 cerning the operation of the Facility during the fiscal year
22 preceding the fiscal year in which the report is trans-
23 mitted. The report on a fiscal year shall include—

24 (1) a description of the activities undertaken by
25 the Facility during the fiscal year;

1 (2) a description of any agreement entered into
2 under this subtitle;

3 (3) a description of any grants that have been
4 provided pursuant to the agreement; and

5 (4) a summary of the results of audits per-
6 formed in the fiscal year pursuant to the agreement.

7 **Subtitle C—Nonproliferation**
8 **Assistance Coordination**

9 **SEC. 331. SHORT TITLE.**

10 This subtitle may be cited as the “Nonproliferation
11 Assistance Coordination Act of 2001”.

12 **SEC. 332. FINDINGS.**

13 Congress finds that—

14 (1) United States nonproliferation efforts in the
15 independent states of the former Soviet Union have
16 achieved important results in ensuring that weapons
17 of mass destruction, weapons-usable material and
18 technology, and weapons-related knowledge remain
19 beyond the reach of terrorists and weapons-prolifer-
20 ating states;

21 (2) although these efforts are in the United
22 States national security interest, the effectiveness of
23 these efforts suffers from a lack of coordination
24 within and among United States Government agen-
25 cies;

1 (3) increased spending and investment by the
2 United States private sector on nonproliferation ef-
3 forts in the independent states of the former Soviet
4 Union, specifically, spending and investment by the
5 United States private sector in job creation initia-
6 tives and proposals for unemployed Russian Federa-
7 tion weapons scientists and technicians, are making
8 an important contribution in ensuring that knowl-
9 edge related to weapons of mass destruction remains
10 beyond the reach of terrorists and weapons-prolifer-
11 ating states; and

12 (4) increased spending and investment by the
13 United States private sector on nonproliferation ef-
14 forts in the independent states of the former Soviet
15 Union require the establishment of a coordinating
16 body to ensure that United States public and private
17 efforts are not in conflict, and to ensure that public
18 spending on efforts by the independent states of the
19 former Soviet Union is maximized to ensure effi-
20 ciency and further United States national security
21 interests.

22 **SEC. 333. INDEPENDENT STATES OF THE FORMER SOVIET**
23 **UNION DEFINED.**

24 In this subtitle, the term “independent states of the
25 former Soviet Union” has the meaning given the term in

1 section 3 of the FREEDOM Support Act (22 U.S.C.
2 5801).

3 **SEC. 334. ESTABLISHMENT OF COMMITTEE ON NON-**
4 **PROLIFERATION ASSISTANCE TO THE INDE-**
5 **PENDENT STATES OF THE FORMER SOVIET**
6 **UNION.**

7 (a) ESTABLISHMENT.—There is established within
8 the executive branch of the Government an interagency
9 committee known as the “Committee on Nonproliferation
10 Assistance to the Independent States of the Former Soviet
11 Union” (in this subtitle referred to as the “Committee”).

12 (b) MEMBERSHIP.—

13 (1) IN GENERAL.—The Committee shall be
14 composed of five members, as follows:

15 (A) A representative of the Department of
16 State designated by the Secretary of State.

17 (B) A representative of the Department of
18 Energy designated by the Secretary of Energy.

19 (C) A representative of the Department of
20 Defense designated by the Secretary of De-
21 fense.

22 (D) A representative of the Department of
23 Commerce designated by the Secretary of Com-
24 merce.

1 (E) A representative of the Assistant to
2 the President for National Security Affairs des-
3 ignated by the Assistant to the President.

4 (2) LEVEL OF REPRESENTATION.—The Sec-
5 retary of a department named in subparagraph (A),
6 (B), (C), or (D) of paragraph (1) shall designate as
7 the department’s representative an official of that
8 department who is not below the level of an Assist-
9 ant Secretary of the department.

10 (c) CHAIR.—The representative of the Assistant to
11 the President for National Security Affairs shall serve as
12 Chair of the Committee. The Chair may invite the head
13 of any other department or agency of the United States
14 to designate a representative of that department or agency
15 to participate from time to time in the activities of the
16 Committee.

17 **SEC. 335. DUTIES OF THE COMMITTEE.**

18 (a) IN GENERAL.—The Committee shall have pri-
19 mary continuing responsibility within the executive branch
20 of the Government for—

21 (1) monitoring United States nonproliferation
22 efforts in the independent states of the former So-
23 viet Union; and

24 (2) coordinating the implementation of United
25 States policy with respect to such efforts.

1 (b) DUTIES SPECIFIED.—In carrying out the respon-
2 sibilities described in subsection (a), the Committee
3 shall—

4 (1) arrange for the preparation of analyses on
5 the issues and problems relating to coordination
6 within and among United States departments and
7 agencies on nonproliferation efforts of the inde-
8 pendent states of the former Soviet Union;

9 (2) arrange for the preparation of analyses on
10 the issues and problems relating to coordination be-
11 tween the United States public and private sectors
12 on nonproliferation efforts in the independent states
13 of the former Soviet Union, including coordination
14 between public and private spending on nonprolifera-
15 tion programs of the independent states of the
16 former Soviet Union and coordination between pub-
17 lic spending and private investment in defense con-
18 version activities of the independent states of the
19 former Soviet Union;

20 (3) provide guidance on arrangements that will
21 coordinate, de-conflict, and maximize the utility of
22 United States public spending on nonproliferation
23 programs of the independent states of the former
24 Soviet Union to ensure efficiency and further United
25 States national security interests;

1 (4) encourage companies and nongovernmental
2 organizations involved in nonproliferation efforts of
3 the independent states of the former Soviet Union to
4 voluntarily report these efforts to the Committee;

5 (5) arrange for the preparation of analyses on
6 the issues and problems relating to the coordination
7 between the United States and other countries with
8 respect to nonproliferation efforts in the independent
9 states of the former Soviet Union; and

10 (6) consider, and make recommendations to the
11 President and Congress with respect to, proposals
12 for new legislation or regulations relating to United
13 States nonproliferation efforts in the independent
14 states of the former Soviet Union as may be nec-
15 essary.

16 **SEC. 336. ADMINISTRATIVE SUPPORT.**

17 All United States departments and agencies shall
18 provide, to the extent permitted by law, such information
19 and assistance as may be requested by the Committee in
20 carrying out its functions and activities under this sub-
21 title.

22 **SEC. 337. CONFIDENTIALITY OF INFORMATION.**

23 Information which has been submitted or received in
24 confidence shall not be publicly disclosed, except to the
25 extent required by law, and such information shall be used

1 by the Committee only for the purpose of carrying out the
2 functions and activities set forth in this subtitle.

3 **SEC. 338. STATUTORY CONSTRUCTION.**

4 Nothing in this subtitle—

5 (1) applies to the data-gathering, regulatory, or
6 enforcement authority of any existing United States
7 department or agency over nonproliferation efforts
8 in the independent states of the former Soviet
9 Union, and the review of those efforts undertaken by
10 the Committee shall not in any way supersede or
11 prejudice any other process provided by law; or

12 (2) applies to any activity that is reportable
13 pursuant to title V of the National Security Act of
14 1947 (50 U.S.C. 413 et seq.).

15 **TITLE IV—EXPEDITING THE MU-**
16 **NITIONS LICENSING PROCESS**

17 **SEC. 401. LICENSE OFFICER STAFFING.**

18 (a) FUNDING.—Of the amounts authorized to be ap-
19 propriated under the appropriations account entitled
20 “DIPLOMATIC AND CONSULAR PROGRAMS” for fiscal years
21 2002 and 2003, not less than \$10,000,000 shall be made
22 available each such fiscal year for the Office of Defense
23 Trade Controls of the Department of State for salaries
24 and expenses.

1 (b) ASSIGNMENT OF LICENSE REVIEW OFFICERS.—
2 Effective January 1, 2002, the Secretary shall assign to
3 the Office of Defense Trade Controls of the Department
4 of State a sufficient number of license review officers to
5 ensure that the average weekly caseload for each officer
6 does not exceed 40.

7 (c) DETAILEES.—For the purpose of expediting li-
8 cense reviews, the Secretary of Defense should ensure that
9 10 military officers are continuously detailed to the Office
10 of Defense Trade Controls of the Department of State on
11 a nonreimbursable basis.

12 **SEC. 402. FUNDING FOR DATABASE AUTOMATION.**

13 Of the amounts authorized to be appropriated under
14 the appropriations account entitled “CAPITAL INVEST-
15 MENT FUND” for fiscal years 2002 and 2003, not less
16 than \$4,000,000 shall be made available each such fiscal
17 year for the Office of Defense Trade Controls of the De-
18 partment of State for the modernization of information
19 management systems.

20 **SEC. 403. INFORMATION MANAGEMENT PRIORITIES.**

21 (a) OBJECTIVE.—The Secretary shall establish a se-
22 cure, Internet-based system for the filing and review of
23 applications for export of Munitions List items.

24 (b) ESTABLISHMENT OF AN ELECTRONIC SYSTEM.—
25 Of the amounts made available pursuant to section 402,

1 not less than \$3,000,000 each such fiscal year shall be
2 made available to fully automate the Defense Trade Appli-
3 cation System, and to ensure that the system—

4 (1) is a secure, electronic system for the filing
5 and review of Munitions List license applications;

6 (2) is accessible by United States companies
7 through the Internet for the purpose of filing and
8 tracking their Munitions List license applications;
9 and

10 (3) is capable of exchanging data with—

11 (A) the Export Control Automated Sup-
12 port System of the Department of Commerce;

13 (B) the Foreign Disclosure and Technology
14 Information System and the USXPORTS sys-
15 tems of the Department of Defense;

16 (C) the Export Control System of the Cen-
17 tral Intelligence Agency; and

18 (D) the Proliferation Information Network
19 System of the Department of Energy.

20 (e) MUNITIONS LIST DEFINED.—In this section, the
21 term “Munitions List” means the United States Muni-
22 tions List of defense articles and defense services con-
23 trolled under section 38 of the Arms Export Control Act
24 (22 U.S.C. 2778).

1 **SEC. 404. CONTRIBUTION TO THE AUTOMATED EXPORT**
2 **SYSTEM.**

3 Of the amounts made available under section 402 for
4 the fiscal years 2002 and 2003, not less than \$250,000
5 for each fiscal year shall be available for—

6 (1) providing the Department of State with full
7 access to the Automated Export System;

8 (2) ensuring that the system is modified to
9 meet the needs of the Department of State that are
10 consistent with the needs of other United States
11 Government agencies; and

12 (3) providing operational support.

13 **SEC. 405. ADJUSTMENT OF THRESHOLD AMOUNTS FOR**
14 **CONGRESSIONAL REVIEW PURPOSES.**

15 The Arms Export Control Act is amended—

16 (1) in section 3(d) (22 U.S.C. 2753(d))—

17 (A) in paragraphs (1) and (3)(A), by strik-
18 ing “The President may not” and inserting
19 “Subject to paragraph (5), the President may
20 not”; and

21 (B) by adding at the end of the following
22 new paragraph:

23 “(5) In the case of a transfer to a member country
24 of the North Atlantic Treaty Organization (NATO) or
25 Australia, Japan, or New Zealand that does not authorize
26 a new sales territory that includes any country other than

1 such countries, the limitations on consent of the President
2 set forth in paragraphs (1) and (3)(A) shall apply only
3 if the transfer is—

4 “(A) a transfer of major defense equipment val-
5 ued (in terms of its original acquisition cost) at
6 \$25,000,000 or more; or

7 “(B) a transfer of defense articles or defense
8 services valued (in terms of its original acquisition
9 cost) at \$100,000,000 or more.”;

10 (2) in section 36 (22 U.S.C. 2776)—

11 (A) in subsection (b)—

12 (i) in paragraph (1), by striking “(1)
13 In the case of” and inserting “(1) Subject
14 to paragraph (6), in the case of”;

15 (ii) in paragraph (5)(C), by striking
16 “(C) If” and inserting “(C) Subject to
17 paragraph (6), if”;

18 (iii) by adding at the end of the fol-
19 lowing new paragraph:

20 “(6) The limitation in paragraph (1) and the require-
21 ment in paragraph (5)(C) shall apply in the case of a letter
22 of offer to sell to a member country of the North Atlantic
23 Treaty Organization (NATO) or Australia, Japan, or New
24 Zealand that does not authorize a new sales territory that

1 includes any country other than such countries only if the
2 letter of offer involves—

3 “(A) sale of major defense equipment under
4 this Act for, or enhancement or upgrade of major
5 defense equipment at a cost of, \$25,000,000 or
6 more, as the case may be; and

7 “(B) sale of defense articles or services for, or
8 enhancement or upgrade of defense articles or serv-
9 ices at a cost of, \$100,000,000 or more, as the case
10 may be; or

11 “(C) sale of design and construction services
12 for, or enhancement or upgrade of design and con-
13 struction services at a cost of, \$300,000,000 or
14 more, as the case may be.”; and

15 (B) in subsection (c)—

16 (i) in paragraph (1), by striking “(1)
17 In the case of” and inserting “(1) Subject
18 to paragraph (5), in the case of”; and

19 (ii) by adding at the end the following
20 new paragraph:

21 “(5) In the case of an application by a person (other
22 than with regard to a sale under section 21 or 22 of this
23 Act) for a license for the export to a member country of
24 the North Atlantic Treaty Organization (NATO) or Aus-
25 tralia, Japan, or New Zealand that does not authorize a

1 new sales territory that includes any country other than
2 such countries, the limitation on the issuance of the license
3 set forth in paragraph (1) shall apply only if the license
4 is for export of—

5 “(A) major defense equipment sold under a
6 contract in the amount of \$25,000,000 or more; or

7 “(B) defense articles or defense services sold
8 under a contract in the amount of \$100,000,000 or
9 more.”; and

10 (3) in section 63(a) (22 U.S.C. 2796b(a))—

11 (A) by striking “In the case of” and in-
12 serting “(1) Subject to paragraph (2), in the
13 case of”; and

14 (B) by adding at the end the following new
15 paragraph:

16 “(2) In the case of an agreement described in para-
17 graph (1) that is entered into with a member country of
18 the North Atlantic Treaty Organization (NATO) or Aus-
19 tralia, Japan, or New Zealand, the limitation in paragraph
20 (1) shall apply only if the agreement involves a lease or
21 loan of—

22 “(A) major defense equipment valued (in terms
23 of its replacement cost less any depreciation in its
24 value) at \$25,000,000 or more; or

1 “(B) defense articles valued (in terms of their
2 replacement cost less any depreciation in their value)
3 at \$100,000,000 or more.”.

4 **SEC. 406. PERIODIC NOTIFICATION OF PENDING APPLICA-**
5 **TIONS FOR EXPORT LICENSES.**

6 The Secretary shall submit, on a biannual basis, to
7 the appropriate committees of Congress a report
8 identifying—

9 (1) each outstanding application for a license to
10 export under section 38 of the Arms Export Control
11 Act for which final administrative action has been
12 withheld for longer than 180 days; and

13 (2) the referral status of each such application
14 and any other relevant information.

15 **TITLE V—NATIONAL SECURITY**
16 **ASSISTANCE STRATEGY**

17 **SEC. 501. ESTABLISHMENT OF THE STRATEGY.**

18 (a) REQUIREMENT.—Not later than 180 days after
19 the date of enactment of this Act, and annually thereafter
20 in connection with submission of congressional presen-
21 tation materials for the foreign operations appropriations
22 budget request, the Secretary shall submit to the appro-
23 priate committees of Congress a report setting forth a Na-
24 tional Security Assistance Strategy for the United States.

1 (b) ELEMENTS OF THE STRATEGY.—The National
2 Security Assistance Strategy shall—

3 (1) set forth a 5-year plan for security assist-
4 ance programs;

5 (2) be consistent with the National Security
6 Strategy of the United States;

7 (3) be coordinated with the Secretary of De-
8 fense and the Chairman of the Joint Chiefs of Staff;

9 (4) identify overarching security assistance ob-
10 jectives, including identification of the role that spe-
11 cific security assistance programs will play in achiev-
12 ing such objectives;

13 (5) identify a primary security assistance objec-
14 tive, as well as specific secondary objectives, for indi-
15 vidual countries;

16 (6) identify, on a country-by-country basis, how
17 specific resources will be allocated to accomplish
18 both primary and secondary objectives;

19 (7) discuss how specific types of assistance,
20 such as foreign military financing and international
21 military education and training, will be combined at
22 the country level to achieve United States objectives;
23 and

24 (8) detail, with respect to each of the para-
25 graphs (1) through (7), how specific types of assist-

1 ance provided pursuant to the Arms Export Control
2 Act and Foreign Assistance Act of 1961 are coordi-
3 nated with United States assistance programs ad-
4 ministered by the Department of Defense and other
5 agencies.

6 (c) COVERED ASSISTANCE.—The National Security
7 Assistance Strategy shall cover assistance provided
8 under—

9 (1) section 23 of the Arms Export Control Act
10 (22 U.S.C. 2763);

11 (2) chapter 5 of part II of the Foreign Assist-
12 ance Act of 1961 (22 U.S.C. 2347 et seq.); and

13 (3) section 516 of the Foreign Assistance Act
14 of 1961 (22 U.S.C. 2321i).

15 **SEC. 502. SECURITY ASSISTANCE SURVEYS.**

16 (a) UTILIZATION.—The Secretary shall utilize secu-
17 rity assistance surveys in preparation of the National Se-
18 curity Assistance Strategy required pursuant to section
19 501 of this Act.

20 (b) FUNDING.—Of the amounts made available for
21 fiscal year 2002 under section 23 of the Arms Export Con-
22 trol Act (22 U.S.C. 2763), \$2,000,000 is authorized to
23 be available to the Secretary to conduct security assistance
24 surveys, or to request such a survey, on a reimbursable
25 basis, by the Department of Defense or other United

1 States Government agencies. Such surveys shall be con-
2 ducted consistent with the requirements of section 26 of
3 the Arms Export Control Act.

4 **TITLE VI—MISCELLANEOUS**
5 **PROVISIONS**

6 **SEC. 601. NUCLEAR AND MISSILE NONPROLIFERATION IN**
7 **SOUTH ASIA.**

8 (a) UNITED STATES POLICY.—It shall be the policy
9 of the United States, consistent with its obligations under
10 the Treaty on the Non-Proliferation of Nuclear Weapons,
11 to encourage and work with the governments of India and
12 Pakistan to achieve the following objectives by September
13 30, 2003:

14 (1) Continuation of a nuclear testing morato-
15 rium.

16 (2) Commitment not to deploy nuclear weapons.

17 (3) Agreement by both governments to bring
18 their export controls in line with the guidelines and
19 requirements of the Nuclear Suppliers Group.

20 (4) Agreement by both governments to bring
21 their export controls in line with the guidelines and
22 requirements of the Zangger Committee.

23 (5) Agreement by both governments to bring
24 their export controls in line with the guidelines, re-

1 requirements, and annexes of the Missile Technology
2 Control Regime.

3 (6) Establishment of a modern, effective system
4 to protect and secure nuclear devices and materiel
5 from unauthorized use, accidental employment,
6 theft, espionage, misuse, or abuse.

7 (7) Establishment of a modern, effective system
8 to control the export of sensitive dual-use items,
9 technology, technical information, and materiel that
10 can be used in the design, development, or produc-
11 tion of weapons of mass destruction and ballistic
12 missiles.

13 (8) Conduct of bilateral meetings between In-
14 dian and Pakistani senior officials to discuss secu-
15 rity issues, establish confidence building measures,
16 and increase transparency with regard to nuclear
17 policies, programs, stockpiles, capabilities, and deliv-
18 ery systems.

19 (b) REPORT.—Not later than March 1, 2003, the
20 President shall submit to the appropriate committees of
21 Congress a report describing United States efforts in pur-
22 suit of the objectives listed in subsection (a), the progress
23 made toward the achievement of those objectives, and the
24 likelihood that each objective will be achieved by Sep-
25 tember 30, 2003.

1 **SEC. 602. NONPROLIFERATION INTERESTS AND NEGOTIA-**
2 **TION OF FREE TRADE AGREEMENTS.**

3 (a) SENSE OF CONGRESS.—It is the sense of Con-
4 gress that the United States Trade Representative, in ne-
5 gotiating free trade agreements with foreign countries,
6 should consult with the Secretaries of State, Defense, and
7 Commerce, to ensure that each such agreement contains
8 or is accompanied by specific commitments relating to
9 nonproliferation and export controls.

10 (b) AGREEMENT WITH SINGAPORE.—The United
11 States Trade Representative shall ensure that any free
12 trade agreement with Singapore contains or is accom-
13 panied by—

14 (1) a specific commitment by Singapore to
15 enact legislation to provide for—

16 (A) export, transit, and transshipment con-
17 trols for defense and defense-related items and
18 dual-use technologies; and

19 (B) control over the brokering of trans-
20 actions relating to those items and technologies;
21 and

22 (2) a timetable of specific commitments to co-
23 operate with the United States in the field of non-
24 proliferation and export controls.

1 **SEC. 603. REAL-TIME PUBLIC AVAILABILITY OF RAW SEIS-**
2 **MOLOGICAL DATA.**

3 The head of the Air Force Technical Applications
4 Center shall make available to the public, immediately
5 upon receipt or as soon after receipt as is possible, all raw
6 seismological data provided to the United States Govern-
7 ment by any international monitoring organization that is
8 directly responsible for seismological monitoring.

9 **SEC. 604. DETAILING UNITED STATES GOVERNMENTAL**
10 **PERSONNEL TO INTERNATIONAL ARMS CON-**
11 **TROL AND NONPROLIFERATION ORGANIZA-**
12 **TIONS.**

13 (a) IN GENERAL.—The Secretary, in consultation
14 with the Secretaries of Defense and Energy and the heads
15 of other relevant United States departments and agencies,
16 as appropriate, shall develop measures to improve the
17 process by which United States Government personnel
18 may be detailed to international arms control and non-
19 proliferation organizations without adversely affecting the
20 pay or career advancement of such personnel.

21 (b) REPORT REQUIRED.—Not later than May 1,
22 2002, the Secretary shall submit a report to the Com-
23 mittee on Foreign Relations of the Senate and the Com-
24 mittee on International Relations of the House of Rep-
25 resentatives setting forth the measures taken under sub-
26 section (a).

1 **SEC. 605. DIPLOMATIC PRESENCE OVERSEAS.**

2 (a) PURPOSE.—The purpose of this section is to—

3 (1) elevate the stature given United States dip-
4 lomatic initiatives relating to nonproliferation and
5 political-military issues; and

6 (2) develop a group of highly specialized, tech-
7 nical experts with country expertise capable of ad-
8 ministering the nonproliferation and political-mili-
9 tary affairs functions of the Department of State.

10 (b) AUTHORITY.—To carry out the purposes of sub-
11 section (a), the Secretary is authorized to establish the
12 position of Counselor for Nonproliferation and Political
13 Military Affairs in United States diplomatic missions over-
14 seas to be filled by individuals who are career Civil Service
15 officers or Foreign Service officers committed to follow-
16 on assignments in the Nonproliferation or Political Mili-
17 tary Affairs Bureaus of the Department of State.

18 (c) TRAINING.—After being selected to serve as
19 Counselor, any person so selected shall spend not less than
20 10 months in language training courses at the Foreign
21 Service Institute, or in technical courses administered by
22 the Department of Defense, the Department of Energy,
23 or other appropriate departments and agencies of the
24 United States, except that such requirement for training
25 may be waived by the Secretary.

1 **SEC. 606. PROTECTION AGAINST AGRICULTURAL BIOTER-**
2 **RORISM.**

3 Of funds made available to carry out programs under
4 the Foreign Assistance Act of 1961, not less than
5 \$1,500,000 shall be made available to North Carolina
6 State University for the purpose of fingerprinting crop
7 and livestock pathogens in order to enhance the ability of
8 the United States Government to detect new strains, de-
9 termine their origin, and to facilitate research in pathogen
10 epidemiology.

11 **SEC. 607. COMPLIANCE WITH THE CHEMICAL WEAPONS**
12 **CONVENTION.**

13 (a) FINDINGS.—Congress makes the following find-
14 ings:

15 (1) On April 24, 1997, the Senate provided its
16 advice and consent to ratification of the Chemical
17 Weapons Convention subject to the condition that no
18 sample collected in the United States pursuant to
19 the Convention would be transferred for analysis to
20 any laboratory outside the territory of the United
21 States.

22 (2) Congress enacted the same condition into
23 law as section 304(f)(1) of the Chemical Weapons
24 Convention Implementation Act of 1998 (22 U.S.C.
25 6724(f)(1)).

1 (3) Part II, paragraph 57, of the Verification
2 Annex of the Convention requires that all samples
3 taken during a challenge inspection under the Con-
4 vention shall be analyzed by at least two laboratories
5 that have been designated as capable of conducting
6 such testing by the OPCW.

7 (4) The only United States laboratory currently
8 designated by the OPCW is the United States Army
9 Edgewood Forensic Science Laboratory.

10 (5) In order to meet the requirements of condi-
11 tion (18) of the resolution of ratification of the
12 Chemical Weapons Convention, and section 304 of
13 the Chemical Weapons Convention Implementation
14 Act of 1998 (22 U.S.C. 6724), the United States
15 must possess, at a minimum, a second OPCW-des-
16 igned laboratory.

17 (6) The possession of a second laboratory is
18 necessary in view of the potential for a challenge in-
19 spection to be initiated against the United States by
20 a foreign nation.

21 (7) To qualify as a designated laboratory, a lab-
22 oratory must be certified under ISO Guide 25 or a
23 higher standard, and complete three proficiency
24 tests. The laboratory must have the full capability to
25 handle substances listed on Schedule 1 of the Annex

1 on Schedules of Chemicals of the Chemical Weapons
2 Convention. In order to handle such substances in
3 the United States, a laboratory also must operate
4 under a bailment agreement with the United States
5 Army.

6 (8) Several existing United States commercial
7 laboratories have approved quality control systems,
8 already possess bailment agreements with the United
9 States Army, and have the capabilities necessary to
10 obtain OPCW designation.

11 (9) In order to bolster the legitimacy of United
12 States analysis of samples taken on its national ter-
13 ritory, it is preferable that the second designated
14 laboratory is not a United States Government facil-
15 ity. Further, it is not cost-effective to build and
16 equip another Government laboratory to meet
17 OPCW designation standards when such capability
18 already exists in the private sector.

19 (b) ESTABLISHMENT OF SECOND DESIGNATED LAB-
20 ORATORY.—

21 (1) DIRECTIVE.—Not later than February 1,
22 2002, the United States National Authority, as des-
23 ignated under section 101 of the Chemical Weapons
24 Convention Implementation Act of 1998 (22 U.S.C.
25 6711), shall select, through competitive procedures,

1 a commercial laboratory within the United States to
2 pursue designation by the OPCW.

3 (2) DELEGATION.—The National Authority
4 may delegate the authority and administrative re-
5 sponsibility for carrying out paragraph (1) to one or
6 more of the heads of the agencies described in sec-
7 tion 101(b)(2) of the Chemical Weapons Convention
8 Implementation Act of 1998 (22 U.S.C. 6711(b)(2)).

9 (3) REPORT.—Not later than March 1, 2002,
10 the National Authority shall submit to the appro-
11 priate committees of Congress a report detailing a
12 plan for securing OPCW designation of a third
13 United States laboratory by December 1, 2003.

14 (c) DEFINITIONS.—In this section:

15 (1) CHEMICAL WEAPONS CONVENTION.—The
16 term “Chemical Weapons Convention” means the
17 Convention on the Prohibition of Development, Pro-
18 duction, Stockpiling and Use of Chemical Weapons
19 and on Their Destruction, Opened for Signature and
20 Signed by the United States at Paris on January
21 13, 1993, including the following protocols and
22 memorandum of understanding:

23 (A) The Annex on Chemicals.

24 (B) The Annex on Implementation and
25 Verification.

1 (C) The Annex on the Protection of Con-
2 fidential Information.

3 (D) The Resolution Establishing the Pre-
4 paratory Commission for the Organization for
5 the Prohibition of Chemical Weapons.

6 (E) The Text on the Establishment of a
7 Preparatory Commission.

8 (2) OPCW.—The term “OPCW” means the
9 Organization for the Prohibition of Chemical Weap-
10 ons established under the Convention.

11 **TITLE VII—AUTHORITY TO**
12 **TRANSFER NAVAL VESSELS**

13 **SEC. 701. AUTHORITY TO TRANSFER NAVAL VESSELS TO**
14 **CERTAIN FOREIGN COUNTRIES.**

15 (a) AUTHORITY TO TRANSFER.—

16 (1) BRAZIL.—The President is authorized to
17 transfer to the Government of Brazil the “Newport”
18 class tank landing ship Peoria (LST1183). Such
19 transfer shall be on a sale basis under section 21 of
20 the Arms Export Control Act (22 U.S.C. 2761).

21 (2) POLAND.—The President is authorized to
22 transfer to the Government of Poland the “Oliver
23 Hazard Perry” class guided missile frigate Wads-
24 worth (FFG 9). Such transfer shall be on a grant

1 basis under section 516 of the Foreign Assistance
2 Act of 1961 (22 U.S.C. 2321j).

3 (3) TURKEY.—The President is authorized to
4 transfer to the Government of Turkey the “Oliver
5 Hazard Perry” class guided missile frigates Estocin
6 (FFG 15) and Samuel Eliot Morrison (FFG 13).
7 Each such transfer shall be on a sale basis under
8 section 21 of the Arms Export Control Act (22
9 U.S.C. 2761). The President is further authorized to
10 transfer to the Government of Turkey the “Knox”
11 class frigates Capadanno (FF 1093), Thomas C.
12 Hart (FF 1092), Donald B. Beary (FF 1085),
13 McCandless (FF 1084), Reasoner (FF 1063), and
14 Bowen (FF 1079). The transfer of these 6 “Knox”
15 class frigates shall be on a grant basis under section
16 516 of the Foreign Assistance Act of 1961 (22
17 U.S.C. 2321j).

18 (b) GRANTS NOT COUNTED IN ANNUAL TOTAL OF
19 TRANSFERRED EXCESS DEFENSE ARTICLES.—The value
20 of a vessel transferred to another country on a grant basis
21 under section 516 of the Foreign Assistance Act of 1961
22 (22 U.S.C. 2321j) pursuant to authority provided by sub-
23 section (a) shall not be counted for the purposes of sub-
24 section (g) of that section in the aggregate value of excess

1 defense articles transferred to countries under that section
2 in any fiscal year.

3 (c) COSTS OF TRANSFERS.—Notwithstanding section
4 516(e)(1) of the Foreign Assistance Act of 1961 (22
5 U.S.C. 2321j(e)(1)), any expense incurred by the United
6 States in connection with a transfer authorized to be made
7 on a grant basis under subsection (a) or (b) shall be
8 charged to the recipient.

9 (d) REPAIR AND REFURBISHMENT IN UNITED
10 STATES SHIPYARDS.—To the maximum extent prac-
11 ticable, the President shall require, as a condition of the
12 transfer of a vessel under this section, that the country
13 to which the vessel is transferred have such repair or re-
14 furbishment of the vessel as is needed, before the vessel
15 joins the naval forces of that country, performed at a
16 United States Navy shipyard or other shipyard located in
17 the United States.

18 (e) EXPIRATION OF AUTHORITY.—The authority pro-
19 vided under subsection (a) shall expire at the end of the
20 2-year period beginning on the date of the enactment of
21 this Act.

Calendar No. 276

107TH CONGRESS
1ST SESSION

S. 1803

[Report No. 107-122]

A BILL

To authorize appropriations under the Arms Export Control Act and the Foreign Assistance Act of 1961 for security assistance for fiscal years 2002 and 2003, and for other purposes.

DECEMBER 11, 2001

Read twice and placed on the calendar