

care reach out to 650,000 homeless persons and 700,000 farm workers;

Whereas health centers make health care responsive and cost-effective by integrating the delivery of primary care with aggressive outreach, patient education, translation, and enabling support services;

Whereas health centers increase the use of preventive health services such as immunizations, Pap smears, mammograms, and glaucoma screenings;

Whereas in communities served by health centers, infant mortality rates have been reduced by between 10 and 40 percent;

Whereas health centers are built by community initiative;

Whereas Federal grants provide seed money to empower communities to find partners and resources and to recruit doctors and needed health professionals;

Whereas Federal grants, on average, contribute 22 percent of a health center's budget, with the remainder provided by State and local governments, medicare, medicaid, private contributions, private insurance, and patient fees;

Whereas health centers are community-oriented and patient-focused;

Whereas health centers tailor their services to fit the special needs and priorities of communities by working together with schools, businesses, churches, community organizations, foundations, and State and local governments;

Whereas health centers contribute to the health and well-being of their communities by keeping children healthy and in school and helping adults remain productive and on the job;

Whereas health centers engage citizen participation and provide jobs for 50,000 community residents; and

Whereas the establishment of a National Community Health Center Week for the week beginning on August 18, 2002, would raise awareness of the health services provided by health centers: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) there should be established a National Community Health Center Week for the week beginning on August 18, 2002, to raise awareness of health services provided by health centers; and

(2) the President should issue a proclamation calling on the people of the United States and interested organizations to observe such a week with appropriate programs and activities.

Mr. HUTCHINSON. Madam President, I rise today to submit a concurrent resolution, along with my colleagues, Senators DURBIN, BOND, and HOLLINGS, that would establish the week of August 18, 2002, as National Community Health Center Week.

Community, migrant, public housing, and homeless health centers are non-profit providers of health care for our Nation's medically underserved. An essential element of our Nation's safety net, health centers provide care to 1 of every 9 uninsured Americans, 1 of every 8 low-income Americans and 1 of every 10 rural Americans. In rural and small communities, health centers are often the only health care providers, and in many cases can be the difference between life and death. Communities served by these health care centers have experienced reduced infant mortality rates by as much as 10 and 40 percent. Not only are health centers

contributing to the physical well-being of communities, they are also contributing to the economic well-being of the communities where they are located, by employing over 50,000 community residents nationwide.

I commend President Bush for recognizing the valuable role of community health centers. The President has wisely called for the establishment of 1,200 new and expanded health center sites by 2006 that will enable health centers to serve more than 16 million patients annually.

Congress should also pay tribute to the role of these centers in improving the health and well-being of our Nation's poor and medically underserved by establishing the week of August 18, 2002, as National Community Health Center Week.

AMENDMENTS SUBMITTED AND PROPOSED

SA 3835. Mr. LEAHY (for himself and Mr. JEFFORDS) submitted an amendment intended to be proposed by him to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table.

SA 3836. Mr. MCCONNELL (for himself, Mr. GRAMM, Mr. LOTT, and Mr. SANTORUM) proposed an amendment to the bill S. 2600, supra.

SA 3837. Mr. NELSON, of Nebraska (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill S. 2600, supra; which was ordered to lie on the table.

SA 3838. Mr. ALLEN (for himself, Mr. BURNS, Mr. WARNER, Mr. SMITH, of New Hampshire, Mrs. HUTCHISON, and Mr. HARKIN) submitted an amendment intended to be proposed by him to the bill S. 2600, supra.

SA 3839. Mr. HATCH proposed an amendment to the bill S. 2600, supra.

SA 3840. Mr. NELSON, of Florida submitted an amendment intended to be proposed by him to the bill S. 2600, supra; which was ordered to lie on the table.

SA 3841. Mr. HOLLINGS submitted an amendment intended to be proposed by him to the bill S. 2600, supra; which was ordered to lie on the table.

SA 3842. Mr. SANTORUM proposed an amendment to the bill S. 2600, supra.

SA 3843. Mr. BROWNBACK proposed an amendment to the bill S. 2600, supra.

SA 3844. Mr. ENSIGN proposed an amendment to amendment SA 3843 proposed by Mr. BROWNBACK to the bill (S. 2600) supra.

SA 3845. Mr. REID (for Mrs. FEINSTEIN) proposed an amendment to the bill S. 672, to amend the Immigration and Nationality Act to provide for the continued classification of certain aliens as children for purposes of that Act in cases where the aliens "age-out" while awaiting immigration processing, and for other purposes.

SA 3846. Mr. REID (for Mrs. FEINSTEIN) proposed an amendment to the bill H.R. 1209, to amend the Immigration and Nationality Act to determine whether an alien is a child, for purposes of classification as an immediate relative, based on the age of the alien on the date the classification petition with respect to the alien is filed, and for other purposes.

TEXT OF AMENDMENTS

SA 3835. Mr. LEAHY (for himself and Mr. JEFFORDS) submitted an amend-

ment intended to be proposed by him to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table; as follows:

On page 14, line 9, insert before "but" the following: "or that could have operated through such self insurance arrangements under applicable State law in effect on September 11, 2001,".

SA 3836. Mr. MCCONNELL (for himself, Mr. GRAMM, Mr. LOTT, and Mr. SANTORUM) proposed an amendment to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; as follows:

On page 29, strike line 1 and all that follows through page 30, line 17, and insert the following:

SEC. 10. PROCEDURES FOR CIVIL ACTIONS.

(a) FEDERAL CAUSE OF ACTION.—

(1) IN GENERAL.—There shall exist a Federal cause of action for claims arising out of or resulting from an act of terrorism, which shall be the exclusive cause of action and remedy for such claims, except as provided in subsection (f).

(2) PREEMPTION OF STATE ACTIONS.—All State causes of action of any kind for claims arising out of or resulting from an act of terrorism that are otherwise available under State law, are hereby preempted, except as provided in subsection (f).

(b) GOVERNING LAW.—The substantive law for decision in an action described in subsection (a)(1) shall be derived from the law, including applicable choice of law principles, of the State in which the act of terrorism giving rise to the action occurred, except to the extent that—

(1) the law, including choice of law principles, of another State is determined to be applicable to the action by the district court hearing the action; or

(2) otherwise applicable State law (including that determined under paragraph (1)), is inconsistent with or otherwise preempted by Federal law.

(c) FEDERAL JURISDICTION.—

(1) IN GENERAL.—Notwithstanding any other provision of law, not later than 90 days after the date of the occurrence of an act of terrorism, the Judicial Panel on Multidistrict Litigation shall assign a single Federal district court to conduct pretrial and trial proceedings in all pending and future civil actions for claims arising out of or resulting from that act of terrorism.

(2) SELECTION CRITERIA.—The Judicial Panel on Multidistrict Litigation shall select and assign the district court under paragraph (1) based on the convenience of the parties and the just and efficient conduct of the proceedings.

(3) JURISDICTION.—The district court assigned by the Judicial Panel on Multidistrict Litigation shall have original and exclusive jurisdiction over all actions under paragraph (1). For purposes of personal jurisdiction, the district court assigned by the Judicial Panel on Multidistrict Litigation shall be deemed to sit in all judicial districts in the United States.

(4) TRANSFER OF CASES FILED IN OTHER FEDERAL COURTS.—Any civil action for claims arising out of or resulting from an act of terrorism that is filed in a Federal district court other than the Federal district court assigned by the Judicial Panel on Multidistrict Litigation under paragraph (1) shall be transferred to the Federal district court so assigned.

(5) REMOVAL OF CASES FILED IN STATE COURTS.—Any civil action for claims arising out of or resulting from an act of terrorism that is filed in a State court shall be removable to the Federal district court assigned by the Judicial Panel on Multidistrict Litigation under paragraph (1).

(d) APPROVAL OF SETTLEMENTS.—Any settlement between the parties of a civil action described in this section for claims arising out of or resulting from an act of terrorism shall be subject to prior approval by the Secretary after consultation by the Secretary with the Attorney General.

(e) LIMITATION ON DAMAGES.—

(1) IN GENERAL.—Punitive or exemplary damages shall not be available for any losses in any action described in subsection (a)(1), including any settlement described in subsection (d), except where—

(A) punitive or exemplary damages are permitted by applicable State law; and

(B) the harm to the plaintiff was caused by a criminal act or course of conduct for which the defendant was convicted under Federal or State criminal law, including a conviction based on a guilty plea or plea of *nolo contendere*.

(2) PROTECTION OF TAXPAYER FUNDS.—Any amounts awarded in, or granted in settlement of, an action described in subsection (a)(1) that are attributable to punitive or exemplary damages allowable under paragraph (1) of this subsection shall not count as insured losses for purposes of this Act.

(f) CLAIMS AGAINST TERRORISTS.—Nothing in this section shall in any way be construed to limit the ability of any plaintiff to seek any form of recovery from any person, government, or other entity that was a participant in, or aider and abettor of, any act of terrorism.

(g) EFFECTIVE PERIOD.—This section shall apply only to actions described in subsection (a)(1) arising out of or resulting from acts of terrorism that occur during the effective period of the Program, including any applicable extension period.

SA 3837. Mr. NELSON of Nebraska (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Terrorism Risk Insurance Act of 2002”.

SEC. 2. CONGRESSIONAL FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) insurance firms that provide property and casualty insurance are important financial institutions, the products of which allow mutualization of risk and the efficient use of financial resources and enhance the ability of the economy to maintain stability, while responding to a variety of economic, political, environmental, and other risks with a minimum of disruption;

(2) insurance firms that provide group term life and accidental death insurance are important financial institutions, the products of which allow employers, labor unions, and other groups to protect their employees and members against the financial impact of untimely death and allow their employees and members to make financial provisions for their families and other beneficiaries at reasonable cost;

(3) the ability of businesses and individuals to obtain property and casualty insurance at

reasonable and predictable prices, in order to spread the risk of both routine and catastrophic loss, is critical to economic growth, urban development, and the construction and maintenance of public and private housing, as well as to the promotion of United States exports and foreign trade in an increasingly interconnected world;

(4) the ability of employers, labor unions, and other groups to obtain group life and accidental death insurance is critical to the ability of such groups to attract employees and members, which is vital to sustained high levels of employment and economic growth;

(5) insurance firms that provide property and casualty insurance and insurance firms that provide group life and accidental death insurance face similar concentrations of financial risk;

(6) the ability of the insurance industry to cover the unprecedented financial risks presented by potential acts of terrorism in the United States can be a major factor in the recovery from terrorist attacks, while maintaining the stability of the economy;

(7) widespread financial market uncertainties have arisen following the terrorist attacks of September 11, 2001, including the absence of information from which financial institutions can make statistically valid estimates of the probability and cost of future terrorist events, and therefore the size, funding, and allocation of the risk of loss caused by such acts of terrorism;

(8) a decision by insurers to deal with such uncertainties, either by terminating or excluding coverage for losses arising from terrorist events, or by radically escalating premium coverage to compensate for risks of loss that are not readily predictable, could seriously hamper ongoing and planned construction, property acquisition, and other business projects, generate a dramatic increase in rents, otherwise suppress economic activity and deprive the beneficiaries of group life insureds the financial security and benefits of such coverage; and

(9) the United States Government should provide temporary financial compensation to insured parties, contributing to the stabilization of the United States economy in a time of national crisis, while the financial services industry develops the systems, mechanisms, products, and programs necessary to create a viable financial services market for private terrorism risk insurance.

(b) PURPOSE.—The purpose of this Act is to establish a temporary Federal program that provides for a transparent system of shared public and private compensation for insured losses resulting from acts of terrorism, in order to—

(1) protect consumers by addressing market disruptions and ensure the continued widespread availability and affordability of property and casualty insurance and group life and accidental death insurance for terrorism risk; and

(2) allow for a transitional period for the private markets to stabilize, resume pricing of such insurance, and build capacity to absorb any future losses, while preserving State insurance regulation and consumer protections.

SEC. 3. DEFINITIONS.

In this Act, the following definitions shall apply:

(1) ACT OF TERRORISM.—

(A) CERTIFICATION.—The term “act of terrorism” means any act that is certified by the Secretary, in concurrence with the Secretary of State, and the Attorney General of the United States—

(i) to be a violent act or an act that is dangerous to—

(I) human life;

(II) property; or

(III) infrastructure;

(ii) to have resulted in damage or loss of life within the United States, or outside the United States in the case of an air carrier described in paragraph (3)(A)(ii); and

(iii) to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

(B) LIMITATION.—No act or event shall be certified by the Secretary as an act of terrorism if—

(i) the act or event is committed in the course of a war declared by the Congress; or

(ii) losses resulting from the act or event, in the aggregate, do not exceed \$5,000,000.

(C) DETERMINATIONS FINAL.—Any certification of, or determination not to certify, an act or event as an act of terrorism under this paragraph shall be final, and shall not be subject to judicial review.

(2) BUSINESS INTERRUPTION COVERAGE.—The term “business interruption coverage” means—

(A) coverage of losses for temporary relocation expenses and ongoing expenses, including ordinary wages, where—

(i) there is physical damage to the business premises of such magnitude that the business cannot open for business;

(ii) there is physical damage to other property that totally prevents customers or employees from gaining access to the business premises; or

(iii) the Federal, State, or local government shuts down an area due to physical or environmental damage, thereby preventing customers or employees from gaining access to the business premises; and

(B) does not include lost profits, other than in the case of a small business concern (as defined in section 3 of the Small Business Act (15 U.S.C. 632) and applicable regulations thereunder) in any case described in clause (i), (ii), or (iii) of subparagraph (A).

(3) INSURED LOSS.—The term “insured loss”—

(A) means any loss resulting from an act of terrorism that is covered by primary property and casualty insurance, including business interruption coverage, or group life insurance, including accidental death insurance, issued by a participating insurance company, if such loss—

(i) occurs within the United States; or

(ii) occurs to or aboard an air carrier (as defined in section 40102 of title 49, United States Code) or to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; and

(B) excludes coverage under any health insurance or individual life insurance policy.

(4) MARKET SHARE.—

(A) IN GENERAL.—The “market share” of a participating insurance company shall be calculated using the total amount of direct written property and casualty insurance premiums or group life insurance premiums, including premiums for accidental death insurance for the participating insurance company during the 2-year period preceding the year in which the subject act of terrorism occurred (or during such other period for which adequate data are available, as determined by the Secretary), as a percentage of the aggregate of all such property and casualty insurance or group life insurance, including accidental death insurance premiums industry-wide during that period.

(B) ADJUSTMENTS.—The Secretary may adjust the market share of a participating insurance company under subparagraph (A), as necessary to reflect current market participation of that participating insurance company.

(5) NAIC.—The term “NAIC” means the National Association of Insurance Commissioners.

(6) PARTICIPATING INSURANCE COMPANY.—The term “participating insurance company” means any insurance company, including any subsidiary or affiliate thereof—

(A) that—

(i) is licensed or admitted to engage in the business of providing primary insurance in any State, and was so licensed or admitted on September 11, 2001; or

(ii) is not licensed or admitted as described in clause (i), if it is an eligible surplus line carrier listed on the Quarterly Listing of Alien Insurers of the NAIC, or any successor thereto;

(B) receives direct premiums for any type of commercial property and casualty insurance coverage or that, not later than 21 days after the date of enactment of this Act, submits written notification to the Secretary of its intent to participate in the Program with regard to personal lines of property and casualty insurance;

(C) that receives direct premiums for group life insurance coverage, including accidental death insurance coverage and, not later than 21 days after the date of enactment of this Act, submits written notification to the Secretary of its intent to participate in the Program; and

(D) that meets any other criteria that the Secretary may reasonably prescribe.

(7) PARTICIPATING PROPERTY AND CASUALTY INSURANCE COMPANY DEDUCTIBLE.—The term “participating property and casualty insurance company deductible” means—

(A) a participating property and casualty insurance company’s market share, multiplied by \$10,000,000,000, with respect to insured losses resulting from an act of terrorism occurring during the period beginning on the date of enactment of this Act and ending at midnight on December 31, 2002; and

(B) a participating property and casualty insurance company’s market share, multiplied by \$15,000,000,000, with respect to insured losses resulting from an act of terrorism occurring during the period beginning on January 1, 2003, and ending at midnight on December 31, 2003, if the Program is extended in accordance with section 6.

(8) PARTICIPATING GROUP LIFE INSURANCE COMPANY DEDUCTIBLE.—The term “participating group life insurance company deductible” means—

(A) a participating group life insurance company’s market share, multiplied by \$2,000,000,000, with respect to insured losses resulting from an act of terrorism occurring during the period beginning on the date of enactment of this Act and ending at midnight on December 31, 2002; and

(B) a participating group life insurance company’s market share, multiplied by \$3,000,000,000, with respect to insured losses resulting from an act of terrorism occurring during the period beginning on January 1, 2003, and ending at midnight on December 31, 2003, if the program is extended in accordance with section 6.

(9) PERSON.—The term “person” means any individual, business, or nonprofit entity (including those organized in the form of a partnership, limited liability company, corporation, or association), trust or estate, or a State or political subdivision of a State or other governmental unit.

(10) PROGRAM.—The term “Program” means the Terrorism Insured Loss Shared

Compensation Program established by this Act.

(11) PROPERTY AND CASUALTY INSURANCE.—The term “property and casualty insurance”—

(A) means commercial lines of property and casualty insurance;

(B) includes personal lines of property and casualty insurance, if a notification is made in accordance with paragraph (6)(B); and

(C) does not include—

(i) Federal crop insurance issued or reinsured under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.); or

(ii) private mortgage insurance, as that term is defined in section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901).

(12) GROUP LIFE INSURANCE.—The term “group life insurance” means an insurance contract that provides life insurance coverage for a number of persons under a single contract and that provides such coverage on the basis of a group selection of risks.

(13) SECRETARY.—The term “Secretary” means the Secretary of the Treasury.

(14) STATE.—The term “State” means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, and each of the United States Virgin Islands.

(15) UNITED STATES.—The term “United States” means all States of the United States.

SEC. 4. TERRORISM INSURED LOSS SHARED COMPENSATION PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—

(1) IN GENERAL.—There is established in the Department of the Treasury the Terrorism Insured Loss Shared Compensation Program.

(2) AUTHORITY OF THE SECRETARY.—Notwithstanding any other provision of Federal or State law, the Secretary shall administer the Program, and shall pay the Federal share of compensation for insured losses in accordance with subsection (e).

(b) CONDITIONS FOR FEDERAL PAYMENTS.—No payment may be made by the Secretary under subsection (e), unless—

(1) a person that suffers an insured loss, or a person acting on behalf of that person, files a claim with a participating insurance company;

(2) the participating insurance company provides clear and conspicuous disclosure to the policyholder of the premium charged for insured losses covered by the Program and the Federal share of compensation for insured losses under the Program—

(A) in the case of any policy covering an insured loss that is issued on or after the date of enactment of this Act, in the policy, at the time of offer, purchase, and renewal of the policy; and

(B) in the case of any policy that is issued before the date of enactment of this Act, not later than 90 days after that date of enactment;

(3) the participating insurance company processes the claim for the insured loss in accordance with its standard business practices, and any reasonable procedures that the Secretary may prescribe; and

(4) the participating insurance company submits to the Secretary, in accordance with such reasonable procedures as the Secretary may establish—

(A) a claim for payment of the Federal share of compensation for insured losses under the Program;

(B) written verification and certification—

(i) of the underlying claim; and

(ii) of all payments made for insured losses; and

(C) certification of its compliance with the provisions of this subsection.

(c) MANDATORY PARTICIPATION; MANDATORY AVAILABILITY.—Each insurance company

that meets the definition of a participating insurance company under section 3—

(1) shall participate in the Program;

(2) shall make available in all of its property and casualty insurance policies (in all of its participating lines) and all of its group life and accidental death policies, coverage for insured losses; and

(3) shall make available property and casualty insurance and group life and accidental death coverage for insured losses that does not differ materially from the terms, amounts, and other coverage limitations applicable to losses arising from events other than acts of terrorism.—

(d) PARTICIPATION BY SELF INSURED ENTITIES.—

(1) DETERMINATION BY THE SECRETARY.—The Secretary may, in consultation with the NAIC, establish procedures to allow participation in the Program by municipalities and other governmental or quasi-governmental entities (and by any other entity, as the Secretary deems appropriate) operating through self insurance arrangements that were in existence on September 11, 2001, but only if the Secretary makes a determination with regard to participation by any such entity before the occurrence of an act of terrorism in which the entity incurs an insured loss.

(2) PARTICIPATION.—If the Secretary makes a determination to allow an entity described in paragraph (1) to participate in the Program, all reports, conditions, requirements, and standards established by this Act for participating insurance companies shall apply to any such entity, as determined to be appropriate by the Secretary.

(e) SHARED INSURANCE LOSS COVERAGE.—

(1) FEDERAL SHARE.—

(A) IN GENERAL.—Subject to the cap on liability under paragraph (2) and the limitation under paragraph (6), the Federal share of compensation under the Program to be paid by the Secretary for insured losses resulting from an act of terrorism occurring during the period beginning on the date of enactment of this Act and ending at midnight on December 31, 2002—

(i) shall be equal to 80 percent of that portion of the amount of aggregate insured losses that—

(I) exceeds the participating insurance company deductibles required to be paid for those insured losses; and

(II) does not exceed \$10,000,000,000; and

(ii) shall be equal to 90 percent of that portion of the amount of aggregate insured losses that—

(I) exceeds the participating insurance company deductibles required to be paid for those insured losses; and

(II) exceeds \$10,000,000,000.

(B) EXTENSION PERIOD.—If the Program is extended in accordance with section 6, the Federal share of compensation under the Program to be paid by the Secretary for insured losses resulting from an act of terrorism occurring during the period beginning on January 1, 2003, and ending at midnight on December 31, 2003, shall be calculated in accordance with clauses (i) and (ii) of subparagraph (A), subject to the cap on liability in paragraph (2) and the limitation under paragraph (6).

(C) PRO RATA SHARE.—If, during the period described in subparagraph (A) (or during the period described in subparagraph (B), if the Program is extended in accordance with section 6), the aggregate insured losses for that period exceed \$10,000,000,000, the Secretary shall determine the pro rata share for each participating insurance company of the Federal share of compensation for insured losses calculated under subparagraph (A).—

(2) CAP ON ANNUAL LIABILITY.—Notwithstanding paragraph (1), or any other provision of Federal or State law, if the aggregate

insured losses exceed \$100,000,000,000 during any period referred to in subparagraph (A) or (B) of paragraph (1)—

(A) the Secretary shall not make any payment under this Act for any portion of the amount of such losses that exceeds \$100,000,000,000; and

(B) participating insurance companies shall not be liable for the payment of any portion of the amount that exceeds \$100,000,000,000.

(3) NOTICE TO CONGRESS.—The Secretary shall notify the Congress if estimated or actual aggregate insured losses exceed \$100,000,000,000 in any period described in paragraph (1), and the Congress shall determine the procedures for and the source of any such excess payments.

(4) FINAL NETTING.—The Secretary shall have sole discretion to determine the time at which claims relating to any insured loss or act of terrorism shall become final.

(5) DETERMINATIONS FINAL.—Any determination of the Secretary under this subsection shall be final, and shall not be subject to judicial review.

(6) IN-FORCE REINSURANCE AGREEMENTS.—For policies covered by reinsurance contracts in force on the date of enactment of this Act, until the in-force reinsurance contract is renewed, amended, or has reached its 1-year anniversary date, any Federal share of compensation due to a participating insurance company for insured losses during the effective period of the Program shall be shared—

(A) with all reinsurance companies to which the participating insurance company has ceded some share of the insured loss pursuant to an in-force reinsurance contract; and

(B) in a manner that distributes the Federal share of compensation for insured losses between the participating insurance company and the reinsurance company or companies in the same proportion as the insured losses would have been distributed if the Program did not exist.

SEC. 5. GENERAL AUTHORITY AND ADMINISTRATION OF CLAIMS.

(a) GENERAL AUTHORITY.—The Secretary shall have the powers and authorities necessary to carry out the Program, including authority—

(1) to investigate and audit all claims under the Program; and

(2) to prescribe regulations and procedures to implement the Program.

(b) INTERIM RULES AND PROCEDURES.—The Secretary shall issue interim final rules or procedures specifying the manner in which—

(1) participating insurance companies may file, verify, and certify claims under the Program;

(2) the Secretary shall publish or otherwise publicly announce the applicable percentage of insured losses that is the responsibility of participating insurance companies and the percentage that is the responsibility of the Federal Government under the Program;

(3) the Federal share of compensation for insured losses will be paid under the Program, including payments based on estimates of or actual aggregate insured losses;

(4) the Secretary may, at any time, seek repayment from or reimburse any participating insurance company, based on estimates of insured losses under the Program, to effectuate the insured loss sharing provisions contained in section 4;

(5) each participating insurance company that incurs insured losses shall pay its pro rata share of insured losses, in accordance with section 4; and

(6) the Secretary will determine any final netting of payments for actual insured losses under the Program, including payments owed to the Federal Government from any

participating insurance company and any Federal share of compensation for insured losses owed to any participating insurance company, to effectuate the insured loss sharing provisions contained in section 4.

(c) SUBROGATION RIGHTS.—The United States shall have the right of subrogation with respect to any payment made by the United States under the Program.

(d) CONTRACTS FOR SERVICES.—The Secretary may employ persons or contract for services as may be necessary to implement the Program.

(e) CIVIL PENALTIES.—The Secretary may assess civil money penalties for violations of this Act or any rule, regulation, or order issued by the Secretary under this Act relating to the submission of false or misleading information for purposes of the Program, or any failure to repay any amount required to be reimbursed under regulations or procedures described in section 5(b). The authority granted under this subsection shall continue during any period in which the Secretary's authority under section 6(d) is in effect.

SEC. 6. TERMINATION OF PROGRAM; DISCRETIONARY EXTENSION.

(a) TERMINATION OF PROGRAM.—

(1) IN GENERAL.—The Program shall terminate at midnight on December 31, 2002, unless the Secretary—

(A) determines, after considering the report and finding required by this section, that the Program should be extended for 1 additional year, until midnight on December 31, 2003; and

(B) promptly notifies the Congress of such determination and the reasons therefor.

(2) DETERMINATION FINAL.—The determination of the Secretary under paragraph (1) shall be final, and shall not be subject to judicial review.

(3) TERMINATION AFTER EXTENSION.—If the Program is extended under paragraph (1), the Program shall terminate at midnight on December 31, 2003.

(b) REPORT TO CONGRESS.—Not later than 9 months after the date of enactment of this Act, the Secretary shall submit a report to Congress—

(1) regarding—

(A) the availability of insurance coverage for acts of terrorism;

(B) the affordability of such coverage, including the effect of such coverage on premiums; and

(C) the capacity of the insurance industry to absorb future losses resulting from acts of terrorism, taking into account the profitability of the insurance industry; and

(2) that considers—

(A) the impact of the Program on each of the factors described in paragraph (1); and

(B) the probable impact on such factors and on the United States economy if the Program terminates at midnight on December 31, 2002.

(c) FINDING REQUIRED.—A determination under subsection (a) to extend the Program shall be based on a finding by the Secretary that—

(1) widespread market uncertainties continue to disrupt the ability of insurance companies to price insurance coverage for losses resulting from acts of terrorism, thereby resulting in the continuing unavailability of affordable insurance for consumers; and

(2) extending the Program for an additional year would likely encourage economic stabilization and facilitate a transition to a viable market for private terrorism risk insurance.

(d) CONTINUING AUTHORITY TO PAY OR ADJUST COMPENSATION.—Following the termination of the Program under subsection (a), the Secretary may take such actions as may be necessary to ensure payment, reimburse-

ment, or adjustment of compensation for insured losses arising out of any act of terrorism occurring during the period in which the Program was in effect under this Act, in accordance with the provisions of section 4 and regulations promulgated thereunder.

(e) REPEAL; SAVINGS CLAUSE.—This Act is repealed at midnight on the final termination date of the Program under subsection (a), except that such repeal shall not be construed—

(1) to prevent the Secretary from taking, or causing to be taken, such actions under subsection (d) of this section and sections 4(e)(4), 4(e)(5), 5(a)(1), 5(c), 5(d), and 5(e) (as in effect on the day before the date of such repeal), and applicable regulations promulgated thereunder, during any period in which the authority of the Secretary under subsection (d) of this section is in effect; or

(2) to prevent the availability of funding under section 10(b) during any period in which the authority of the Secretary under subsection (d) of this section is in effect.

(f) SENSE OF THE CONGRESS.—It is the sense of the Congress that the Secretary should make any determination under subsection (a) in sufficient time to enable participating insurance companies to include coverage for acts of terrorism in their policies for 2003.

(g) STUDY AND REPORT ON SCOPE OF THE PROGRAM.—

(1) STUDY.—The Secretary, after consultation with the NAIC, representatives of the insurance industry, and other experts in the insurance field, shall conduct a study of the potential effects of acts of terrorism on the availability of individual life insurance and other lines of insurance coverage.

(2) REPORT.—Not later than 9 months after the date of enactment of this Act, the Secretary shall submit a report to the Congress on the results of the study conducted under paragraph (1).

(h) REPORTS REGARDING TERRORISM RISK INSURANCE PREMIUMS.—

(1) REPORT TO THE NAIC.—Beginning 6 months after the date of enactment of this Act, and every 6 months thereafter, each participating insurance company shall submit a report to the NAIC that states the premium rates charged by that participating insurance company during the preceding 6-month period for insured losses covered by the Program, and includes an explanation of and justification for those rates.

(2) REPORTS FORWARDED.—The NAIC shall promptly forward copies of each report submitted under paragraph (1) to the Secretary, the Secretary of Commerce, the Chairman of the Federal Trade Commission, and the Comptroller General of the United States.

(3) AGENCY REPORTS TO CONGRESS.—

(A) IN GENERAL.—The Secretary, the Secretary of Commerce, and the Chairman of the Federal Trade Commission shall submit joint reports to Congress and the Comptroller General of the United States summarizing and evaluating the reports forwarded under paragraph (2).

(B) TIMING.—The reports required under subparagraph (A) shall be submitted—

(i) 9 months after the date of enactment of this Act; and

(ii) 12 months after the date of submission of the first report under clause (i).

(4) GAO EVALUATION AND REPORT.—

(A) EVALUATION.—The Comptroller General of the United States shall evaluate each report submitted under paragraph (3), and upon request, the Secretary, the Secretary of Commerce, the Chairman of the Federal Trade Commission, and the NAIC shall provide to the Comptroller all documents, records, and any other information that the Comptroller deems necessary to carry out such evaluation.

(B) REPORT TO CONGRESS.—Not later than 90 days after receipt of each report submitted under paragraph (3), the Comptroller General of the United States shall submit to Congress a report of the evaluation required by subparagraph (A).

SEC. 7. PRESERVATION OF STATE LAW.

Nothing in this Act shall affect the jurisdiction or regulatory authority of the insurance commissioner (or any agency or office performing like functions) of any State over any participating insurance company or other person—

(1) except as specifically provided in this Act; and

(2) except that—

(A) the definition of the term “act of terrorism” in section 3 shall be the exclusive definition of that term for purposes of compensation for insured losses under this Act, and shall preempt any provision of State law that is inconsistent with that definition, to the extent that such provision of law would otherwise apply to any type of insurance covered by this Act;

(B) during the period beginning on the date of enactment of this Act and ending at midnight on December 31, 2002, rates for terrorism risk insurance covered by this Act and filed with any State shall not be subject to prior approval or a waiting period, under any law of a State that would otherwise be applicable, except that nothing in this Act affects the ability of any State to invalidate a rate as excessive, inadequate, or unfairly discriminatory; and

(C) during the period beginning on the date of enactment of this Act and for so long as the Program is in effect, as provided in section 6 (including any period during which the authority of the Secretary under section 6(d) is in effect), books and records of any participating insurance company that are relevant to the Program shall be provided, or caused to be provided, to the Secretary or the designee of the Secretary, upon request by the Secretary or such designee, notwithstanding any provision of the laws of any State prohibiting or limiting such access.

SEC. 8. SENSE OF THE CONGRESS REGARDING CAPACITY BUILDING.

It is the sense of the Congress that the insurance industry should build capacity and aggregate risk to provide affordable property and casualty insurance coverage and group life insurance coverage, including accidental death coverage, for terrorism risk.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS; PAYMENT AUTHORITY.

(a) ADMINISTRATIVE EXPENSES.—There are authorized to be appropriated to the Secretary, out of funds in the Treasury not otherwise appropriated, such sums as may be necessary for administrative expenses of the Program, to remain available until expended.

(b) PAYMENT AUTHORITY.—This Act constitutes payment authority in advance of appropriation Acts, and represents the obligation of the Federal Government to provide for the Federal share of compensation for insured losses under the Program.

SEC. 10. PROCEDURES FOR CIVIL ACTIONS.

(a) FEDERAL CAUSE OF ACTION.—

(1) IN GENERAL.—There shall exist a Federal cause of action for property damage, personal injury, or death arising out of or resulting from an act of terrorism, which shall be the exclusive cause of action and remedy for claims for such property damage, personal injury, or death, except as provided in subsection (d).

(2) PREEMPTION OF STATE ACTIONS.—All State causes of action of any kind for property damage, personal injury, or death arising out of or resulting from an act of terrorism that are otherwise available under

State law, are hereby preempted, except as provided in subsection (d).

(b) GOVERNING LAW.—The substantive law for decision in an action described in subsection (a)(1) shall be derived from the law, including applicable choice of law principles, of the State in which the act of terrorism giving rise to the action occurred, except to the extent that—

(1) the law, including choice of law principles, of another State is determined to be applicable to the action by the district court hearing the action; or

(2) otherwise applicable State law (including that determined pursuant to paragraph (1)), is in consistent with or otherwise preempted by Federal law.

(c) PUNITIVE DAMAGES.—Any amounts awarded in a civil action described in subsection (a)(1) that are attributable to punitive damages shall not count as insured losses for purposes of this Act.

(d) CLAIMS AGAINST TERRORISTS.—Nothing in this section shall in any way be construed to limit the ability of any plaintiff to seek any form of recovery from any person, government, or other entity that was a participant in, or aider and abettor of, any act of terrorism.

(e) EFFECTIVE PERIOD.—This section shall apply only to actions described in subsection (a)(1) arising out of or resulting from acts of terrorism that occur during the effective period of the Program, including, if applicable, any extension period provided for under section 6.

SA 3838. Mr. ALLEN (for himself, Mr. BURNS, Mr. WARNER, Mr. SMITH of New Hampshire, Mrs. HUTCHISON, and Mr. HARKIN) submitted an amendment intended to be proposed by him to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; as follows:

At the appropriate place, insert the following:

SEC. ____ SATISFACTION OF JUDGMENTS FROM FROZEN ASSETS OF TERRORISTS, TERRORIST ORGANIZATIONS, AND STATE SPONSORS OF TERRORISM.

(a) IN GENERAL.—Notwithstanding any other provision of law, and except as provided in subsection (b), in every case in which a person has obtained a judgment against a terrorist party on a claim based upon an act of terrorism or for which a terrorist party is not immune under section 1605(a)(7) of title 28, United States Code, the blocked assets of that terrorist party (including the blocked assets of any agency or instrumentality of that terrorist party) shall be subject to execution or attachment in aid of execution in order to satisfy such judgment to the extent of any compensatory damages for which such terrorist party has been adjudged liable.

(b) PRESIDENTIAL WAIVER.—

(1) IN GENERAL.—Subject to paragraph (2), upon determining on an asset-by-asset basis that a waiver is necessary in the national security interest, the President may waive the requirements of subsection (a) in connection with (and prior to the enforcement of) any judicial order directing attachment in aid of execution or execution against any property subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations.

(2) EXCEPTION.—A waiver under this subsection shall not apply to—

(A) property subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations that has been used by the United States for any non-diplomatic purpose (including use as rental property), or the proceeds of such use; or

(B) the proceeds of any sale or transfer for value to a third party of any asset subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations.

(c) SPECIAL RULE FOR CASES AGAINST IRAN.—Section 2002 of the Victims of Trafficking and Violence Protection Act of 2000 (Public Law 106-386; 114 Stat. 1542) is amended—

(1) in subsection (a)(2)(A)(ii), by inserting after “July 27, 2000” the following: “or before October 28, 2000.”;

(2) in subsection (b)(2)(B), by inserting after “the date of enactment of this Act” the following: “(less amounts therein as to which the United States has an interest in subrogation pursuant to subsection (c) arising prior to the date of entry of the judgment or judgments to be satisfied in whole or in part hereunder).”;

(3) by redesignating subsections (d), (e), and (f) as subsections (e), (f), and (g), respectively; and

(4) by inserting after subsection (c) the following new subsection (d):

“(d) DISTRIBUTION OF FOREIGN MILITARY SALES FUNDS INADEQUATE TO SATISFY FULL AMOUNT OF COMPENSATORY AWARDS AGAINST IRAN.—

“(1)(A) In the event that the Secretary determines that the amounts available to be paid under subsection (b)(2) are inadequate to pay the entire amount of compensatory damages awarded in judgments issued as of the date of the enactment of this subsection in cases identified in subsection (a)(2)(A), the Secretary shall, not later than 60 days after such date, make payment from the account specified in subsection (b)(2) to each party to which such judgment has been issued a share of the amounts in that account which are not subject to subrogation to the United States under this Act.

“(B) The amount so paid to each such person shall be calculated by the proportion that the amount of compensatory damages awarded in a judgment issued to that particular person bears to the total amount of all compensatory damages awarded to all persons to whom judgments have been issued in cases identified in subsection (a)(2)(A) as of the date referred to in subparagraph (A).

“(2) Nothing herein shall bar, or require delay in, enforcement of any judgment to which this subsection applies under any procedure or against assets otherwise available under this section or under any other provision of law.

“(3) Any person receiving less than the full amount of compensatory damages awarded to that party in judgments to which this subsection applies shall not be required to make the election set forth in subsection (a)(2)(C) in order to qualify for payment hereunder.”.

(d) DEFINITIONS.—In this section:

(1) The term “terrorist party” means a terrorist, a terrorist organization, or a foreign state designated as a state sponsor of terrorism under section 6(j) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)) or section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371).

(2) The term “blocked asset” means any asset seized or frozen by the United States in accordance with law, or otherwise held by the United States without claim of ownership by the United States.

(3) The term “property subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations” and the term “asset subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations” mean any property or asset, respectively, the attachment in aid of execution or execution of which would result in a violation of an obligation of the United States

under the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations, as the case may be.

SA 3839. Mr. HATCH proposed an amendment to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; as follows:

At the end, add the following:

TITLE II—ANTITERRORISM PROVISIONS
Subtitle A—Suppression of Terrorist Bombings

SEC. 201. SHORT TITLE.

This subtitle may be cited as the “Terrorist Bombings Convention Implementation Act of 2002”.

SEC. 202. BOMBING STATUTE.

(a) OFFENSE.—Chapter 113B of title 18, United States Code, relating to terrorism, is amended by inserting after section 2332e the following:

“§ 2332f. Bombings of places of public use, government facilities, public transportation systems and infrastructure facilities

“(a) OFFENSES.—

“(1) IN GENERAL.—Whoever unlawfully delivers, places, discharges, or detonates an explosive or other lethal device in, into, or against a place of public use, a state or government facility, a public transportation system, or an infrastructure facility—

“(A) with the intent to cause death or serious bodily injury, or

“(B) with the intent to cause extensive destruction of such a place, facility, or system, where such destruction results in or is likely to result in major economic loss, shall be punished as prescribed in subsection (c).

“(2) ATTEMPTS AND CONSPIRACIES.—Whoever attempts or conspires to commit an offense under paragraph (1) shall be punished as prescribed in subsection (c).

“(b) JURISDICTION.—There is jurisdiction over the offenses in subsection (a) if—

“(1) the offense takes place in the United States and—

“(A) the offense is committed against another state or a government facility of such state, including its embassy or other diplomatic or consular premises of that state;

“(B) the offense is committed in an attempt to compel another state or the United States to do or abstain from doing any act;

“(C) at the time the offense is committed, it is committed—

“(i) on board a vessel flying the flag of another state;

“(ii) on board an aircraft which is registered under the laws of another state; or

“(iii) on board an aircraft which is operated by the government of another state;

“(D) a perpetrator is found outside the United States;

“(E) a perpetrator is a national of another state or a stateless person; or

“(F) a victim is a national of another state or a stateless person;

“(2) the offense takes place outside the United States and—

“(A) a perpetrator is a national of the United States or is a stateless person whose habitual residence is in the United States;

“(B) a victim is a national of the United States;

“(C) a perpetrator is found in the United States;

“(D) the offense is committed in an attempt to compel the United States to do or abstain from doing any act;

“(E) the offense is committed against a state or government facility of the United States, including an embassy or other diplomatic or consular premises of the United States;

“(F) the offense is committed on board a vessel flying the flag of the United States or an aircraft which is registered under the laws of the United States at the time the offense is committed; or

“(G) the offense is committed on board an aircraft which is operated by the United States.

“(c) PENALTIES.—Whoever violates this section shall be imprisoned for any term of years or for life, and if death results from the violation, shall be punished by death or imprisoned for any term of years or for life.

“(d) EXEMPTIONS TO JURISDICTION.—This section does not apply to—

“(1) the activities of armed forces during an armed conflict, as those terms are understood under the law of war, which are governed by that law,

“(2) activities undertaken by military forces of a state in the exercise of their official duties; or

“(3) offenses committed within the United States, where the alleged offender and the victims are United States citizens and the alleged offender is found in the United States, or where jurisdiction is predicated solely on the nationality of the victims or the alleged offender and the offense has no substantial effect on interstate or foreign commerce.

“(e) DEFINITIONS.—As used in this section, the term—

“(1) ‘serious bodily injury’ has the meaning given that term in section 1365(g)(3) of this title;

“(2) ‘national of the United States’ has the meaning given that term in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22));

“(3) ‘state or government facility’ includes any permanent or temporary facility or conveyance that is used or occupied by representatives of a state, members of Government, the legislature or the judiciary or by officials or employees of a state or any other public authority or entity or by employees or officials of an intergovernmental organization in connection with their official duties;

“(4) ‘intergovernmental organization’ includes international organization (as defined in section 1116(b)(5) of this title);

“(5) ‘infrastructure facility’ means any publicly or privately owned facility providing or distributing services for the benefit of the public, such as water, sewage, energy, fuel, or communications;

“(6) ‘place of public use’ means those parts of any building, land, street, waterway, or other location that are accessible or open to members of the public, whether continuously, periodically, or occasionally, and encompasses any commercial, business, cultural, historical, educational, religious, governmental, entertainment, recreational, or similar place that is so accessible or open to the public;

“(7) ‘public transportation system’ means all facilities, conveyances, and instrumentalities, whether publicly or privately owned, that are used in or for publicly available services for the transportation of persons or cargo;

“(8) ‘explosive’ has the meaning given in section 844(j) of this title insofar that it is designed, or has the capability, to cause death, serious bodily injury, or substantial material damage;

“(9) ‘other lethal device’ means any weapon or device that is designed or has the capability to cause death, serious bodily injury, or substantial damage to property through the release, dissemination, or impact of toxic chemicals, biological agents or toxins (as those terms are defined in section 178 of this title), or radiation or radioactive material;

“(10) ‘military forces of a state’ means the armed forces of a state which are organized, trained, and equipped under its internal law for the primary purpose of national defense or security, and persons acting in support of those armed forces who are under their formal command, control, and responsibility;

“(11) ‘armed conflict’ does not include internal disturbances and tensions, such as riots, isolated and sporadic acts of violence, and other acts of a similar nature; and

“(12) ‘state’ has the same meaning as that term has under international law, and includes all political subdivisions thereof.”

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 113B of title 18, United States Code, is amended by adding after the item relating to section 2332e the following:

“2332f. Bombings of places of public use, government facilities, public transportation systems and infrastructure facilities.”

(c) DISCLAIMER.—Nothing contained in this section is intended to affect the applicability of any other Federal or State law which might pertain to the underlying conduct.

SEC. 203. EFFECTIVE DATE.

Section 202 shall become effective on the date that the International Convention for the Suppression of Terrorist Bombings enters into force for the United States.

Subtitle B—Suppression of the Financing of Terrorism

SEC. 211. SHORT TITLE.

This subtitle may be cited as the “Suppression of the Financing of Terrorism Convention Implementation Act of 2002”.

SEC. 212. TERRORISM FINANCING STATUTE.

(a) IN GENERAL.—Chapter 113B of title 18, United States Code, is amended by adding at the end the following:

“§ 2339c. Prohibitions against the financing of terrorism

“(a) OFFENSES.—

“(1) IN GENERAL.—Whoever, in a circumstance described in subsection (c), by any means, directly or indirectly, unlawfully and willfully provides or collects funds with the intention that such funds be used, or with the knowledge that such funds are to be used, in full or in part, in order to carry out—

“(A) an act which constitutes an offense within the scope of a treaty specified in subsection (e)(7), as implemented by the United States, or

“(B) any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act, shall be punished as prescribed in subsection (d)(1).

“(2) ATTEMPTS AND CONSPIRACIES.—Whoever attempts or conspires to commit an offense under paragraph (1) shall be punished as prescribed in subsection (d)(1).

“(3) RELATIONSHIP TO PREDICATE ACT.—For an act to constitute an offense set forth in this subsection, it shall not be necessary that the funds were actually used to carry out a predicate act.

“(b) CONCEALMENT.—

“(1) IN GENERAL.—Whoever, in the United States, or outside the United States and a national of the United States or a legal entity organized under the laws of the United States (including any of its States, districts, commonwealths, territories, or possessions), knowingly conceals or disguises the nature, the location, the source, or the ownership or

control of any material support or resources provided in violation of section 2339B of this chapter, or of any funds provided or collected in violation of subsection (a) or any proceeds of such funds, shall be punished as prescribed in subsection (d)(2).

“(2) ATTEMPTS AND CONSPIRACIES.—Whoever attempts or conspires to commit an offense under paragraph (1) shall be punished as prescribed in subsection (d)(2).

“(c) JURISDICTION.—There is jurisdiction over the offenses in subsection (a) in the following circumstances—

“(1) the offense takes place in the United States and—

“(A) a perpetrator was a national of another state or a stateless person;

“(B) on board a vessel flying the flag of another state or an aircraft which is registered under the laws of another state at the time the offense is committed;

“(C) on board an aircraft which is operated by the government of another state;

“(D) a perpetrator is found outside the United States;

“(E) was directed toward or resulted in the carrying out of a predicate act against—

“(i) a national of another state; or

“(ii) another state or a government facility of such state, including its embassy or other diplomatic or consular premises of that state;

“(F) was directed toward or resulted in the carrying out of a predicate act committed in an attempt to compel another state or international organization to do or abstain from doing any act; or

“(G) was directed toward or resulted in the carrying out of a predicate act—

“(i) outside the United States; or

“(ii) within the United States, and either the offense or the predicate act was conducted in, or the results thereof affected, interstate or foreign commerce;

“(2) the offense takes place outside the United States and—

“(A) a perpetrator is a national of the United States or is a stateless person whose habitual residence is in the United States;

“(B) a perpetrator is found in the United States; or

“(C) was directed toward or resulted in the carrying out of a predicate act against—

“(i) any property that is owned, leased, or used by the United States or by any department or agency of the United States, including an embassy or other diplomatic or consular premises of the United States;

“(ii) any person or property within the United States;

“(iii) any national of the United States or the property of such national; or

“(iv) any property of any legal entity organized under the laws of the United States, including any of its States, districts, commonwealths, territories, or possessions;

“(3) the offense is committed on board a vessel flying the flag of the United States or an aircraft which is registered under the laws of the United States at the time the offense is committed;

“(4) the offense is committed on board an aircraft which is operated by the United States; or

“(5) the offense was directed toward or resulted in the carrying out of a predicate act committed in an attempt to compel the United States to do or abstain from doing any act.

“(d) PENALTIES.—

“(1) Whoever violates subsection (a) shall be fined under this title, imprisoned for not more than 20 years, or both.

“(2) Whoever violates subsection (b) shall be fined under this title, imprisoned for not more than 10 years, or both.

“(e) DEFINITIONS.—As used in this section—

“(1) the term ‘funds’ means assets of every kind, whether tangible or intangible, movable or immovable, however acquired, and legal documents or instruments in any form, including electronic or digital, evidencing title to, or interest in, such assets, including coin, currency, bank credits, travelers checks, bank checks, money orders, shares, securities, bonds, drafts, and letters of credit;

“(2) the term ‘government facility’ means any permanent or temporary facility or conveyance that is used or occupied by representatives of a state, members of a government, the legislature, or the judiciary, or by officials or employees of a state or any other public authority or entity or by employees or officials of an intergovernmental organization in connection with their official duties;

“(3) the term ‘proceeds’ means any funds derived from or obtained, directly or indirectly, through the commission of an offense set forth in subsection (a);

“(4) the term ‘provides’ includes giving, donating, and transmitting;

“(5) the term ‘collects’ includes raising and receiving;

“(6) the term ‘predicate act’ means any act referred to in subparagraph (A) or (B) of subsection (a)(1);

“(7) the term ‘treaty’ means—

“(A) the Convention for the Suppression of Unlawful Seizure of Aircraft, done at The Hague on December 16, 1970;

“(B) the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, done at Montreal on September 23, 1971;

“(C) the Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents, adopted by the General Assembly of the United Nations on December 14, 1973;

“(D) the International Convention against the Taking of Hostages, adopted by the General Assembly of the United Nations on December 17, 1979;

“(E) the Convention on the Physical Protection of Nuclear Material, adopted at Vienna on March 3, 1980;

“(F) the Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, done at Montreal on February 24, 1988;

“(G) the Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation, done at Rome on March 10, 1988;

“(H) the Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms located on the Continental Shelf, done at Rome on March 10, 1988; or

“(I) the International Convention for the Suppression of Terrorist Bombings, adopted by the General Assembly of the United Nations on December 15, 1997;

“(8) the term ‘intergovernmental organization’ includes international organizations;

“(9) the term ‘international organization’ has the same meaning as in section 1116(b)(5) of this title;

“(10) the term ‘armed conflict’ does not include internal disturbances and tensions, such as riots, isolated and sporadic acts of violence, and other acts of a similar nature;

“(11) the term ‘serious bodily injury’ has the same meaning as in section 1365(g)(3) of this title;

“(12) the term ‘national of the United States’ has the meaning given that term in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)); and

“(13) the term ‘state’ has the same meaning as that term has under international

law, and includes all political subdivisions thereof.

“(f) CIVIL PENALTY.—In addition to any other criminal, civil, or administrative liability or penalty, any legal entity located within the United States or organized under the laws of the United States, including any of the laws of its States, districts, commonwealths, territories, or possessions, shall be liable to the United States for the sum of at least \$10,000, if a person responsible for the management or control of that legal entity has, in that capacity, committed an offense set forth in subsection (a).”

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 113B of title 18, United States Code, is amended by adding at the end the following:

“2339C. Prohibitions against the financing of terrorism.”

(c) DISCLAIMER.—Nothing contained in this section is intended to affect the scope or applicability of any other Federal or State law.

SEC. 213. EFFECTIVE DATE.

Except for sections 2339C(c)(1)(D) and (2)(B) of title 18, United States Code, which shall become effective on the date that the International Convention for the Suppression of the Financing of Terrorism enters into force for the United States, and for the provisions of section 2339C(e)(7)(I) of title 18, United States Code, which shall become effective on the date that the International Convention for the Suppression of Terrorist Bombing enters into force for the United States, section 212 of this subtitle shall take effect upon the date of enactment of this Act.

Subtitle C—Ancillary Measures

SEC. 221. ANCILLARY MEASURES.

(a) WIRETAP PREDICATES.—Section 2516(1)(q) of title 18, United States Code, is amended by—

(1) inserting “2332f,” after “2332d.”; and

(2) striking “or 2339B” and inserting “2339B, or 2339C”.

(b) FEDERAL CRIME OF TERRORISM.—Section 2332b(g)(5)(B) of title 18, United States Code, is amended by—

(1) inserting “2332f (relating to bombing of public places and facilities),” after “2332b (relating to acts of terrorism transcending national boundaries).”; and

(2) inserting “2339C (relating to financing of terrorism),” before “or 2340A (relating to torture)”.

(c) PROVIDING MATERIAL SUPPORT TO TERRORISTS PREDICATE.—Section 2339A of title 18, United States Code, is amended by inserting “2332f,” before “or 2340A”.

(d) FORFEITURE OF FUNDS, PROCEEDS, AND INSTRUMENTALITIES.—Section 981(a)(1) of title 18, United States Code, is amended by adding at the end the following:

“(H) Any property, real or personal, involved in a violation or attempted violation, or which constitutes or is derived from proceeds traceable to a violation, of section 2339C of this title.”.

SA 3840 Mr. NELSON of Florida submitted an amendment intended to be proposed by him to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . SEPARATE ACCOUNT REQUIRED.

If a participating insurance company increases annual premium rates on covered risks, the company—

(1) shall deposit the amount of the increase in premium in a separate, segregated account;

(2) shall identify the portion of the premium insuring against terrorism risk on a separate line item on the policy; and

(3) may not disburse any funds from amounts in that separate, segregated account for any purpose other than the payment of losses from acts of terrorism.

SA 3841. Mr. HOLLINGS submitted an amendment intended to be proposed by him to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table; as follows:

Strike out all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS

(a) **SHORT TITLE.**—This Act may be cited as the “National Terrorism Reinsurance Fund Act”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Purpose.
- Sec. 4. National terrorism reinsurance program.
- Sec. 5. Fund operations.
- Sec. 6. Coverage provided.
- Sec. 7. Secretary to determine if loss is attributable to terrorism.
- Sec. 8. Mandatory coverage by property and casualty insurers for acts of terrorism.
- Sec. 9. Pass-throughs and other rate increases.
- Sec. 10. Credit for reinsurance.
- Sec. 11. Administrative provisions.
- Sec. 12. Inapplicability of certain laws.
- Sec. 13. Sunset provision.
- Sec. 14. Definitions.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) The terrorist attacks on the World Trade Center and Pentagon on September 11, 2001, have inflicted possibly the largest loss ever incurred by insurers and reinsurers.

(2) The magnitude of the loss, and its impact on the current capacity of the reinsurance market, threaten the ability of the property and casualty insurance market to provide coverage to building owners, businesses, and American citizens.

(3) It is necessary to create a temporary reinsurance mechanism to augment the capacity of private insurers to provide insurance for terrorism related risks.

SEC. 3. PURPOSE.

The purpose of this Act is to facilitate the coverage by property and casualty insurers of the peril for losses due to acts of terrorism by providing additional reinsurance capacity for loss or damage due to acts of terrorism occurring within the United States, its territories, and possessions.

SEC. 4. NATIONAL TERRORISM REINSURANCE PROGRAM.

(a) **IN GENERAL.**—The Secretary of Commerce shall establish and administer a program to provide reinsurance to participating insurers for losses due to acts of terrorism.

(b) **ADVISORY COMMITTEE; MEMBERSHIP.**—There is established an advisory committee to provide advice and counsel to the Secretary in carrying out the program of reinsurance established by the Secretary. The advisory committee shall consist of 10 members, as follows:

(1) 3 representatives of the property and casualty insurance industry, appointed by the Secretary.

(2) A representative of property and casualty insurance agents, appointed by the Secretary.

(3) A representative of consumers of property casualty insurance, appointed by the Secretary.

(4) A representative of a recognized national credit rating agency, appointed by the Secretary.

(5) A representative of the banking or real estate industry, appointed by the Secretary.

(6) 2 representatives of the National Association of Insurance Commissioners, designated by that organization.

(7) A representative of the Department of the Treasury, designated by the Secretary of the Treasury.

(c) **NATIONAL TERRORISM REINSURANCE FUND.**—

(1) **ESTABLISHMENT.**—To carry out the reinsurance program, the Secretary shall establish a National Terrorism Reinsurance Fund which shall be available, without fiscal year limitations—

(A) to make such payments as may, from time to time, be required under reinsurance contracts under this Act;

(B) to pay such administrative expenses as may be necessary or appropriate to carry out the purposes of this Act, but such expenses may not exceed \$5,000,000 for each of fiscal years 2002, 2003, and 2004; and

(C) to repay to the Secretary of the Treasury such sums, including interest thereon, as may be borrowed from the Treasury for purposes of this Act.

(2) **CREDITS TO FUND.**—The Fund shall be credited with—

(A) reinsurance premiums, fees, and other charges which may be paid or collected in connection with reinsurance provided under this Act;

(B) interest which may be earned on investments of the Fund;

(C) receipts from any other source which may, from time to time, be credited to the Fund; and

(D) Funds borrowed by the Secretary from the Treasury.

(3) **INVESTMENT IN OBLIGATIONS ISSUED OR GUARANTEED BY UNITED STATES.**—If the Secretary determines that the moneys of the Fund are in excess of current needs, he may request the investment of such amounts as he deems advisable by the Secretary of the Treasury in obligations issued or guaranteed by the United States.

(4) **LOANS TO FUND.**—The Secretary of the Treasury shall grant loans to the Fund in the manner and to the extent provided in this Act.

(d) **UNDERWRITING STANDARDS.**—In order to carry out the responsibilities of the Secretary under this Act and protect the Fund, the Secretary shall establish minimum underwriting standards for participating insurers.

(e) **MONITORING OF TERRORISM INSURANCE RATES.**—

(1) **SECRETARY TO ESTABLISH SPECIAL COMMITTEE ON RATES.**—The Secretary shall establish a special committee on rates, the size and membership of which shall be determined by the Secretary, except that the committee shall, at a minimum, include—

(A) representatives of providers of insurance for losses due to acts of terrorism;

(B) representatives of purchases of such insurance;

(C) at least 2 representatives of NAIC; and

(D) at least 2 independent insurance actuaries.

(2) **DUTIES.**—The special committee on rates shall meet at the call of the Secretary and shall—

(A) review reports filed with the Secretary by State insurance regulatory authorities;

(B) collect data on rate disclosure practices of participating insurers for insurance for covered lines and for losses due to acts of terrorism; and

(C) provide such advice and counsel to the Secretary as the Secretary may require.

SEC. 5. FUND OPERATIONS.

(a) **FUNDING BY PREMIUM.**—

(1) **IN GENERAL.**—For the year beginning January 1, 2002, and each subsequent year of operation, participating insurers shall pay into the Fund an annual reinsurance contract premium of not less than 3 percent of their respective gross direct written premiums for covered lines for the calendar year. The annual premium shall be paid in installments at the end of each calendar quarter. The reinsurance contract premium and any annual assessment may be recovered by a participating insurer from its covered lines policyholders as a direct surcharge calculated as a uniform percentage of premium.

(2) **ADDITIONAL CREDIT RISK PREMIUM.**—If the Secretary determines that a participating insurer has a credit rating that is lower than the second from highest credit rating awarded by nationally recognized credit rating agencies, the Secretary may charge an additional credit risk premium, of up to 0.5 percent of gross direct written premiums for covered lines received by that insurer, to compensate the Fund for credit risk associated with providing reinsurance to that insurer.

(b) **INITIAL CAPITAL.**—

(1) **LOAN.**—The Fund shall have an initial capital of \$2,000,000,000, which the Secretary shall borrow from the Treasury of the United States. Upon application by the Secretary, the Secretary of the Treasury shall transfer that amount to the Fund, out of amounts in the Treasury not otherwise appropriated, at standard market rates.

(2) **REPAYMENT OF START-UP LOAN.**—The Secretary shall use premiums received from assessments in calendar year 2002 to repay the loan provided to the Fund under paragraph (1).

(c) **SHORTFALL LOANS.**—

(1) **IN GENERAL.**—If the Secretary determines that the balance in the accounts of the Fund is insufficient to cover anticipated claims, administrative expenses, and maintain adequate reserves for any other reason, after taking into account premiums assessed under subsection (a) and any other amounts receivable, the Secretary shall borrow from the Treasury an amount sufficient to satisfy the obligations of the Fund and to maintain a positive balance of \$2,000,000,000 in the accounts of the Fund. Upon application by the Secretary, the Secretary of the Treasury shall transfer to the Fund, out of amounts in the Treasury not otherwise appropriated, the requested amount as an interest-bearing loan.

(2) **INTEREST RATE.**—The rate of interest on any loan made to the Fund under paragraph (1) shall be established by the Secretary of the Treasury and based on the weighted average credit rating of the Fund before the loss that made the loan necessary.

(3) **\$50 BILLION LOAN LIMIT.**—Notwithstanding any other provision of this Act, the total amount of loans outstanding at any time from the Treasury to the Fund may not exceed the amount by which \$50,000,000,000 exceeds the Fund’s assets.

(4) **REPAYMENT OF LOANS BY ASSESSMENT.**—Any loan under paragraph (1) shall be repaid from reserves of the Fund, assessments of participating insurers, or a combination thereof. If an assessment is necessary, the maximum annual assessment under this subsection shall be not more than 3 percent of the direct written premium for covered lines. The reinsurance contract premium and any annual assessment may be recovered by a participating insurer from its covered lines policyholders as a direct surcharge calculated as a uniform percentage of premium.

SEC. 6. COVERAGE PROVIDED.

(a) **IN GENERAL.**—The Fund shall provide reinsurance for losses resulting from acts of terrorism covered by reinsurance contracts

entered into between the Fund and participating insurers that write covered lines of insurance within the meaning of section 14(5)(A) or that have elected, under section 14(5)(C), to voluntarily include another line of insurance.

(b) **RETENTION.**—The Fund shall reimburse participating insurers for losses resulting from acts of terrorism on direct losses in any calendar year in excess of 10 percent of a participating insurer's average gross direct written premiums and policyholders' surplus for covered lines for the most recently ended calendar year for which data are available, based on each participating insurer's annual statement for that calendar year as reported to NAIC.

(c) **REIMBURSEMENT AMOUNT.**—If a participating insurer demonstrates to the satisfaction of the Secretary that it is has paid claims for losses resulting from acts of terrorism equal to or in excess of the amount of retention required by subsection (b), then the Fund shall reimburse the participating insurer for—

(1) 90 percent of its covered losses in calendar year 2002; and

(2) a percentage of its covered losses in calendar years beginning after calendar year 2002 equal to—

(A) 90 percent if the insurer pays an assessment equal to 4 percent of the insurer's average gross direct written premiums and policyholders' surplus for the most recently ended calendar year;

(B) 80 percent if the insurer pays an assessment equal to 3 percent of the insurer's average gross direct written premiums and policyholders' surplus for the most recently ended calendar year; and

(C) 70 percent if the insurer pays an assessment equal to 2 percent of the insurer's average gross direct written premiums and policyholders' surplus for the most recently ended calendar year.

(d) **\$50,000,000,000 LIMIT.**—Except as provided in subsection (e), the Fund may not reimburse participating insurers for covered losses in excess of a total Fund reimbursement amount for all participating insurers of \$50,000,000,000.

(e) **LOSSES EXCEEDING \$50,000,000,000 LIMIT.**—If the Secretary determines that reimbursable losses in a calendar year from an event exceed \$50,000,000,000, the Secretary—

(1) shall pay, out of amounts in the Treasury not otherwise appropriated.

(A) 90 percent of the covered losses occurring in calendar year 2002 in excess, in the aggregate, of \$50,000,000,000 but not in excess of \$100,000,000; and

(B) 80 percent of the covered losses occurring in calendar year 2003 or 2004 in excess, in the aggregate, of \$50,000,000,000 but not in excess of \$100,000,000; and

(2) shall notify the Congress of that determination and transmit to the Congress recommendations for responding to the insufficiency of available amounts to cover reimbursable losses.

(f) **REPORTS TO STATE REGULATOR; CERTIFICATION.**—

(1) **REPORTING TERRORISM COVERAGE.**—A participating insurer shall—

(A) report the amount of its terrorism insurance coverage to the insurance regulatory authority for each State in which it does business; and

(B) obtain a certification from the State that it is not providing terrorism insurance coverage in excess of its capacity under State solvency requirements.

(2) **REPORTS TO SECRETARY.**—The State regulator shall furnish a copy of the certification received under paragraph (1) to the Secretary.

SEC. 7. SECRETARY TO DETERMINE IF LOSS IS ATTRIBUTABLE TO TERRORISM.

(a) **INITIAL DETERMINATION.**—If a participating insurer files a claim for reimburse-

ment from the Fund, the Secretary shall make an initial determination as to whether the losses or expected losses were caused by an act of terrorism.

(b) **NOTICE AND HEARING.**—The Secretary shall give public notice of the initial determination and afford all interested parties an opportunity to be heard on the question of whether the losses or expected losses were caused by an act of terrorism.

(c) **FINAL DETERMINATION.**—Within 30 days after the Secretary's initial determination, the Secretary shall make a final determination as to whether the losses or expected losses were caused by an act of terrorism.

(d) **STANDARD OF REVIEW.**—The Secretary's determination shall be upheld upon judicial review if based upon substantial evidence.

SEC. 8. MANDATORY COVERAGE BY PROPERTY AND CASUALTY INSURERS FOR ACTS OF TERRORISM.

(a) **IN GENERAL.**—An insurer that provides lines of coverage described in section 14(5)(A) or 14(5)(B) may not—

(1) exclude or limit coverage in those lines for losses from acts of terrorism in the United States, its territories, and possessions in property and casualty insurance policy forms; or

(2) deny or cancel coverage solely due to the risk of losses from acts of terrorism in the United States.

(b) **TERMS AND CONDITIONS.**—Insurance against losses from acts of terrorism in the United States shall be covered with the same deductibles, limits, terms, and conditions as the standard provisions of the policy for non-catastrophic perils.

SEC. 9. PASS-THROUGHS AND OTHER RATE INCREASES.

(a) **LIMITATION ON RATE INCREASES FOR COVERED RISKS.**—Except as provided in subsection (b), a participating insurer that provides lines of coverage described in section 14(5)(A) or 14(5)(B) may not increase annual rates on covered risks during any period in which the insurer participates in the Fund by a percent in excess of the sum of—

(1) the percent used to determine the insurer's assessment under section 5(a)(1); and

(2) if there is an assessment against the insurer under section 5(c)(4), a percent equivalent to the percent assessment of the insurer's gross direct written premium for covered lines.

(b) **TERRORISM-RELATED INCREASES IN EXCESS OF PASS-THROUGHS.**—

(1) **REPORTS BY INSURERS.**—Not less than 30 days before the date on which a participating insurer increases the premium rate for insurance on any covered line of insurance described in section 14(5) based, in whole or in part, on risk associated with insurance against losses due to acts of terrorism, the insurer shall file a report with the State insurance regulatory authority for the State in which the premium increase is effective that—

(A) explains the need for the increased premium;

(B) identifies the portion of the increase properly attributable to risk associated with insurance offered by that insurer against losses due to acts of terrorism; and

(C) demonstrates, by substantial evidence, why that portion of the increase is warranted.

(2) **REPORTS BY STATE REGULATORS.**—Within 15 days after a State insurance regulatory authority receives a report from an insurer required by paragraph (1), the authority—

(A) shall transmit a copy of the report to the Secretary;

(B) may include a determination with respect to whether an insurer has met the requirement of paragraph (1)(C); and

(C) may include with the report any commentary or analysis it deems appropriate.

SEC. 10. CREDIT FOR REINSURANCE.

Each State shall afford an insurer obtaining reinsurance from the Fund credit for such reinsurance on the same basis and to the same extent that credit for reinsurance would be available to that insurer under applicable State law when reinsurance is obtained from an assuming insurer licensed or accredited in that State.

SEC. 11. ADMINISTRATIVE PROVISIONS; REPORTS AND ANALYSIS.

(a) **IN GENERAL.**—In carrying out this Act, the Secretary may—

(1) issue such rules and regulations as may be necessary to administer this Act;

(2) enter into reinsurance contracts, adjust and pay claims as provided in this Act, and carry out the activities necessary to implement this Act;

(3) set forth the coverage provided by the Fund to accomplish the purposes of this Act;

(4) provide for an audit of the books and records of the Fund by the General Accounting Office;

(5) take appropriate action to collect premiums or assessments under this Act; and

(6) audit the reports, claims, books, and records of participating insurers.

(b) **REPORTS FROM INSURERS.**—

Participating insurers shall submit reports on a quarterly or other basis (as required by the Secretary) to the Secretary, the Federal Trade Commission, and the General Accounting Office setting forth rates, premiums, risk analysis, coverage, reserves, claims made for reimbursement from the Fund, and such additional financial and actuarial information as the Secretary may require regarding lines of coverage described in section 14(5)(A) or 14(5)(B).

(c) **FTC ANALYSIS AND ENFORCEMENT.**—The Federal Trade Commission shall review the reports submitted under subsection (b), treating the information contained in the reports as privileged and confidential, for the purpose of determining whether any insurer is engaged in unfair methods of competition or unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5 of the Federal Trade Commission Act (15 U.S.C. 45)).

(d) **GAO REVIEW.**—The Comptroller General shall provide for review and analysis of the reports submitted under subsection (b), and, if necessary, provide of audit of reimbursement claims filed by insurers with the Fund.

(e) **REPORTS BY SECRETARY.**—No later than march 31st of each calendar year, the Secretary shall transmit to the Senate Committee on Commerce, Science, and Technology and the House of Representatives Committee on Commerce an annual report on insurance rate increases for the preceding calendar year in the United States based upon the reports received by the Secretary under this Act. The Secretary may include in the report a recommendation for legislation to impose Federal regulation of insurance rates on covered lines of insurance if the Secretary determines that premium rates for insurance on covered lines of insurance are—

(1) unreasonable; and

(2) attributable to insurance for losses from acts of terrorism.

SEC. 12. INAPPLICABILITY OF CERTAIN LAWS.

(a) **IN GENERAL.**—State laws relating to insurance rates, insurance policy forms, insurance rates on any covered lines of insurance described in section 14(5)(A) or 14(5)(B), insurer financial requirements, and insurer licensing do not apply to contracts entered into by the Fund. The Fund is not subject to State tax and is exempt from Federal income tax. The reinsurance contract premium paid and assessments collected by insurers shall not be subject to local, State, or Federal tax.

The reinsurance contract premium and assessments recovered from policyholders shall not be subject to local, State, or Federal tax.

(b) **EXCEPTION FOR UNFAIR TRADE PRACTICE LAWS.**—Notwithstanding subsection (a), nothing in this Act supersedes or preempts a State law that prohibits unfair methods of competition in commerce, unfair or deceptive acts or practices in commerce, or unfair insurance claims practices.

SEC. 13. SUNSET PROVISION.

(a) **ASSESSMENT AND COLLECTION OF PREMIUMS.**—The Secretary shall continue the premium assessment and collection operations of the Fund under this Act as long as loans due from the Fund to the United States Treasury are outstanding.

(b) **PROVISION OF REINSURANCE.**—The Secretary shall suspend other operations of the Fund for new contract years on the close of business on December 31, 2004, and may suspend the offering of reinsurance contracts for new contract years at any time before that date if the Secretary determines that the reinsurance provided by the Fund is no longer needed for covered lines due to market conditions.

(c) **REVIEW OF PRIVATE REINSURANCE AVAILABILITY.**—The Secretary shall review the cost and availability of private reinsurance for acts of terrorism at least annually and shall report the findings and any recommendations to Congress by June 1 of each year the Fund is in operation.

(d) **DISSOLUTION OF FUND.**—

(1) **DISTRIBUTION FOR RESERVES.**—When the Secretary determines that all Fund operations have been terminated, the Secretary shall dissolve the Fund. Any unencumbered Fund assets remaining after the satisfaction of all outstanding claims, loans from the Treasury, and other liabilities of the fund shall be distributed, on a pro rata basis based on premiums paid, to any insurer that—

(A) participated in the Fund during its operation; and

(B) demonstrates, to the satisfaction of the Secretary, that any amount received as a distribution from the Fund will be permanently credited to a reserve account maintained by that insurer against claims for industrywide aggregate losses of \$2,000,000,000 from—

(i) acts of terrorism in the United States; or

(ii) the effects of earthquakes, volcanic eruptions, tsunamis, or hurricanes.

(2) **RETENTION REQUIREMENT FOR TAPPING RESERVE.**—Amounts credited to a reserve under paragraph (a) may not be used by an insurer to pay claims until the insurer has paid claims for losses resulting from acts or events described in paragraph (1)(B) in excess of 10 percent of that insurer's average gross direct written premiums and policyholders' surplus for covered lines for the most recently ended calendar year for which data are available.

(3) **OFFICER AND DIRECTOR PENALTIES FOR MISUSE OF RESERVES.**—Any officer or director of an insurer who knowingly authorizes or directs the use of any amount received from the Fund under paragraph (1) for any purpose other than an appropriate use of amounts in the reserve to which the amount is credited shall be guilty of a Class E felony and sentenced in accordance with the provisions of section 3551 of title 18, United States Code.

(4) **RESIDUAL DISTRIBUTION TO TREASURY.**—Any unencumbered Fund assets remaining after the distribution under paragraph (1) shall be covered into the Treasury of the United States as miscellaneous receipts.

SEC. 14. DEFINITIONS.

In this Act:

(1) **SECRETARY.**—Except where otherwise specifically provided, the term "Secretary" means the Secretary of Commerce.

(2) **NAIC.**—The term "NAIC" means the National Association of Insurance Commissioners.

(3) **FUND.**—The term "Fund" means the National Terrorism Reinsurance Fund established under section 4.

(4) **PARTICIPATING INSURER.**—The term "participating insurer" means every property and casualty insurer writing on a direct basis a covered line or lines of insurance in any jurisdiction of the United States, its territories, or possessions, including residual market insurers.

(5) **COVERED LINE.**—

(A) **IN GENERAL.**—The term "covered line" means any one or a combination of the following, written on a direct basis, as reported by property and casualty insurers in required financial reports on Statutory Page 14 of the NAIC Annual Statement Blank:

- (i) Fire.
- (ii) Allied lines.
- (iii) Commercial multiple peril.
- (iv) Ocean marine.
- (v) Inland marine.
- (vi) Workers compensation.
- (vii) Products liability.
- (viii) Commercial auto no-fault (personal injury protection), other commercial auto liability, or commercial auto physical damage.

- (ix) Aircraft (all peril).
- (x) Fidelity and surety.
- (xi) Burglary and theft.
- (xii) Boiler and machinery.

(xiii) Any other line of insurance that is reported by property and casualty insurers in required financial reports on Statutory Page 14 of the NAIC Annual Statement Blank which is voluntarily elected by a participating insurer to be included in its reinsurance contract with the Fund.

(B) **OTHER LINES.**—For purposes of clause (xiii), the lines of business that may be voluntarily selected are the following:

- (i) Farmowners multiple peril.
- (ii) Homeowners multiple peril.
- (iii) Mortgage guaranty.
- (iv) Financial guaranty.
- (v) Private passenger automobile insurance.

(C) **ELECTION.**—The election to voluntarily include another line of insurance, if made, must apply to all affiliated insurers that are members of an insurer group. Any voluntary election is on a one-time basis and is irrevocable.

(6) **LOSSES.**—The term "losses" means direct incurred losses from an act of terrorism for covered lines, plus defense and cost containment expenses. Notwithstanding the preceding sentence, a loss shall not be recognized as a loss for the purpose of determining the amount of an insurer's retention or reimbursement under this Act unless the claim for the loss has been paid within 12 months after the terrorism event occurs and other loss adjustments.

(7) **COVERED LOSSES.**—The term "covered losses" means direct losses in excess of the participating insurer's retention.

(8) **TERRORISM; ACT OF TERRORISM.**—

(A) **IN GENERAL.**—The terms "terrorism" and "act of terrorism" means any act, certified by the Secretary in concurrence with the Secretary of State and the Attorney General, as a violent act or act dangerous to human life, property or infrastructure, within the United States, its territories and possessions, that is committed by an individual or individuals acting on behalf of foreign agents or foreign interests (other than a foreign government) as part of an effort to coerce or intimidate the civilian population of the United States or to influence the policy or affect the conduct of the United States government.

(B) **ACTS OF WAR.**—No act shall be certified as an act of terrorism if the act is committed

in the course of a war declared by the Congress of the United States or by a foreign government.

(C) **FINALITY OF CERTIFICATION.**—Any certification, or determination not to certify, by the Secretary under subparagraph (A) is final and not subject to judicial review.

(9) **INSURER.**—

(A) **IN GENERAL.**—The term "insurer" means an entity writing covered lines on a direct basis and licensed as a property and casualty insurer, risk retention group, or other entity authorized by law as a residual market mechanism providing property or casualty coverage in at least one jurisdiction of the United States, its territories, or possessions.

(B) **VOLUNTARY PARTICIPATION.**—A State workers' compensation, auto, or property insurance Fund may voluntarily participate as an insurer.

(10) **CONTRACT YEAR.**—The term "contract year" means the period of time that obligations exist between a participating insurer and the Fund for a given annual reinsurance contract.

(11) **RETENTION.**—The term "retention" means the level of direct losses retained by a participating insurer for which the insurer is not entitled to reimbursement by the Fund.

SA 3842. Mr. SANTORUM proposed an amendment to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; as follows:

At the end, add the following:

TITLE II—ANTITERRORISM PROVISIONS

Subtitle A—Suppression of Terrorist Bombings

SEC. 201. SHORT TITLE.

This subtitle may be cited as the "Terrorist Bombings Convention Implementation Act of 2002".

SEC. 202. BOMBING STATUTE.

(a) **OFFENSE.**—Chapter 113B of title 18, United States Code, relating to terrorism, is amended by inserting after section 2332e the following:

"§ 2332f. Bombings of places of public use, government facilities, public transportation systems and infrastructure facilities

"(a) OFFENSES.—

"(1) IN GENERAL.—Whoever unlawfully delivers, places, discharges, or detonates an explosive or other lethal device in, into, or against a place of public use, a state or government facility, a public transportation system, or an infrastructure facility—

"(A) with the intent to cause death or serious bodily injury, or

"(B) with the intent to cause extensive destruction of such a place, facility, or system, where such destruction results in or is likely to result in major economic loss,

shall be punished as prescribed in subsection (c).

"(2) ATTEMPTS AND CONSPIRACIES.—Whoever attempts or conspires to commit an offense under paragraph (1) shall be punished as prescribed in subsection (c).

"(b) JURISDICTION.—There is jurisdiction over the offenses in subsection (a) if—

"(1) the offense takes place in the United States and—

"(A) the offense is committed against another state or a government facility of such state, including its embassy or other diplomatic or consular premises of that state;

"(B) the offense is committed in an attempt to compel another state or the United States to do or abstain from doing any act;

"(C) at the time the offense is committed, it is committed—

"(i) on board a vessel flying the flag of another state;

“(ii) on board an aircraft which is registered under the laws of another state; or

“(iii) on board an aircraft which is operated by the government of another state;

“(D) a perpetrator is found outside the United States;

“(E) a perpetrator is a national of another state or a stateless person; or

“(F) a victim is a national of another state or a stateless person;

“(2) the offense takes place outside the United States and—

“(A) a perpetrator is a national of the United States or is a stateless person whose habitual residence is in the United States;

“(B) a victim is a national of the United States;

“(C) a perpetrator is found in the United States;

“(D) the offense is committed in an attempt to compel the United States to do or abstain from doing any act;

“(E) the offense is committed against a state or government facility of the United States, including an embassy or other diplomatic or consular premises of the United States;

“(F) the offense is committed on board a vessel flying the flag of the United States or an aircraft which is registered under the laws of the United States at the time the offense is committed; or

“(G) the offense is committed on board an aircraft which is operated by the United States.

“(c) PENALTIES.—Whoever violates this section shall be imprisoned for any term of years or for life, and if death results from the violation, shall be punished by death or imprisoned for any term of years or for life.

“(d) EXEMPTIONS TO JURISDICTION.—This section does not apply to—

“(1) the activities of armed forces during an armed conflict, as those terms are understood under the law of war, which are governed by that law,

“(2) activities undertaken by military forces of a state in the exercise of their official duties; or

“(3) offenses committed within the United States, where the alleged offender and the victims are United States citizens and the alleged offender is found in the United States, or where jurisdiction is predicated solely on the nationality of the victims or the alleged offender and the offense has no substantial effect on interstate or foreign commerce.

“(e) DEFINITIONS.—As used in this section, the term—

“(1) ‘serious bodily injury’ has the meaning given that term in section 1365(g)(3) of this title;

“(2) ‘national of the United States’ has the meaning given that term in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22));

“(3) ‘state or government facility’ includes any permanent or temporary facility or conveyance that is used or occupied by representatives of a state, members of Government, the legislature or the judiciary or by officials or employees of a state or any other public authority or entity or by employees or officials of an intergovernmental organization in connection with their official duties;

“(4) ‘intergovernmental organization’ includes international organization (as defined in section 1116(b)(5) of this title);

“(5) ‘infrastructure facility’ means any publicly or privately owned facility providing or distributing services for the benefit of the public, such as water, sewage, energy, fuel, or communications;

“(6) ‘place of public use’ means those parts of any building, land, street, waterway, or other location that are accessible or open to

members of the public, whether continuously, periodically, or occasionally, and encompasses any commercial, business, cultural, historical, educational, religious, governmental, entertainment, recreational, or similar place that is so accessible or open to the public;

“(7) ‘public transportation system’ means all facilities, conveyances, and instrumentalities, whether publicly or privately owned, that are used in or for publicly available services for the transportation of persons or cargo;

“(8) ‘explosive’ has the meaning given in section 844(j) of this title insofar that it is designed, or has the capability, to cause death, serious bodily injury, or substantial material damage;

“(9) ‘other lethal device’ means any weapon or device that is designed or has the capability to cause death, serious bodily injury, or substantial damage to property through the release, dissemination, or impact of toxic chemicals, biological agents or toxins (as those terms are defined in section 178 of this title), or radiation or radioactive material;

“(10) ‘military forces of a state’ means the armed forces of a state which are organized, trained, and equipped under its internal law for the primary purpose of national defense or security, and persons acting in support of those armed forces who are under their formal command, control, and responsibility;

“(11) ‘armed conflict’ does not include internal disturbances and tensions, such as riots, isolated and sporadic acts of violence, and other acts of a similar nature; and

“(12) ‘state’ has the same meaning as that term has under international law, and includes all political subdivisions thereof.”

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 113B of title 18, United States Code, is amended by adding after the item relating to section 2332e the following:

“2332f. Bombings of places of public use, government facilities, public transportation systems and infrastructure facilities.”

(c) DISCLAIMER.—Nothing contained in this section is intended to affect the applicability of any other Federal or State law which might pertain to the underlying conduct.

SEC. 203. EFFECTIVE DATE.

Section 202 shall become effective on the date that the International Convention for the Suppression of Terrorist Bombings enters into force for the United States.

Subtitle B—Suppression of the Financing of Terrorism

SEC. 211. SHORT TITLE.

This subtitle may be cited as the “Suppression of the Financing of Terrorism Convention Implementation Act of 2002”.

SEC. 212. TERRORISM FINANCING STATUTE.

(a) IN GENERAL.—Chapter 113B of title 18, United States Code, is amended by adding at the end the following:

“§ 2339C. Prohibitions against the financing of terrorism

“(a) OFFENSES.—

“(1) IN GENERAL.—Whoever, in a circumstance described in subsection (c), by any means, directly or indirectly, unlawfully and willfully provides or collects funds with the intention that such funds be used, or with the knowledge that such funds are to be used, in full or in part, in order to carry out—

“(A) an act which constitutes an offense within the scope of a treaty specified in subsection (e)(7), as implemented by the United States; or

“(B) any other act intended to cause death or serious bodily injury to a civilian, or to

any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act,

shall be punished as prescribed in subsection (d)(1).

“(2) ATTEMPTS AND CONSPIRACIES.—Whoever attempts or conspires to commit an offense under paragraph (1) shall be punished as prescribed in subsection (d)(1).

“(3) RELATIONSHIP TO PREDICATE ACT.—For an act to constitute an offense set forth in this subsection, it shall not be necessary that the funds were actually used to carry out a predicate act.

“(b) CONCEALMENT.—

“(1) IN GENERAL.—Whoever, in the United States, or outside the United States and a national of the United States or a legal entity organized under the laws of the United States (including any of its States, districts, commonwealths, territories, or possessions), knowingly conceals or disguises the nature, the location, the source, or the ownership or control of any material support or resources provided in violation of section 2339B of this chapter, or of any funds provided or collected in violation of subsection (a) or any proceeds of such funds, shall be punished as prescribed in subsection (d)(2).

“(2) ATTEMPTS AND CONSPIRACIES.—Whoever attempts or conspires to commit an offense under paragraph (1) shall be punished as prescribed in subsection (d)(2).

“(c) JURISDICTION.—There is jurisdiction over the offenses in subsection (a) in the following circumstances—

“(1) the offense takes place in the United States and—

“(A) a perpetrator was a national of another state or a stateless person;

“(B) on board a vessel flying the flag of another state or an aircraft which is registered under the laws of another state at the time the offense is committed;

“(C) on board an aircraft which is operated by the government of another state;

“(D) a perpetrator is found outside the United States;

“(E) was directed toward or resulted in the carrying out of a predicate act against—

“(i) a national of another state; or

“(ii) another state or a government facility of such state, including its embassy or other diplomatic or consular premises of that state;

“(F) was directed toward or resulted in the carrying out of a predicate act committed in an attempt to compel another state or international organization to do or abstain from doing any act; or

“(G) was directed toward or resulted in the carrying out of a predicate act—

“(i) outside the United States; or

“(ii) within the United States, and either the offense or the predicate act was conducted in, or the results thereof affected, interstate or foreign commerce;

“(2) the offense takes place outside the United States and—

“(A) a perpetrator is a national of the United States or is a stateless person whose habitual residence is in the United States;

“(B) a perpetrator is found in the United States; or

“(C) was directed toward or resulted in the carrying out of a predicate act against—

“(i) any property that is owned, leased, or used by the United States or by any department or agency of the United States, including an embassy or other diplomatic or consular premises of the United States;

“(ii) any person or property within the United States;

“(iii) any national of the United States or the property of such national; or

“(iv) any property of any legal entity organized under the laws of the United States, including any of its States, districts, commonwealths, territories, or possessions;

“(3) the offense is committed on board a vessel flying the flag of the United States or an aircraft which is registered under the laws of the United States at the time the offense is committed;

“(4) the offense is committed on board an aircraft which is operated by the United States; or

“(5) the offense was directed toward or resulted in the carrying out of a predicate act committed in an attempt to compel the United States to do or abstain from doing any act.

“(d) PENALTIES.—

“(1) Whoever violates subsection (a) shall be fined under this title, imprisoned for not more than 20 years, or both.

“(2) Whoever violates subsection (b) shall be fined under this title, imprisoned for not more than 10 years, or both.

“(e) DEFINITIONS.—As used in this section—

“(1) the term ‘funds’ means assets of every kind, whether tangible or intangible, movable or immovable, however acquired, and legal documents or instruments in any form, including electronic or digital, evidencing title to, or interest in, such assets, including coin, currency, bank credits, travelers checks, bank checks, money orders, shares, securities, bonds, drafts, and letters of credit;

“(2) the term ‘government facility’ means any permanent or temporary facility or conveyance that is used or occupied by representatives of a state, members of a government, the legislature, or the judiciary, or by officials or employees of a state or any other public authority or entity or by employees or officials of an intergovernmental organization in connection with their official duties;

“(3) the term ‘proceeds’ means any funds derived from or obtained, directly or indirectly, through the commission of an offense set forth in subsection (a);

“(4) the term ‘provides’ includes giving, donating, and transmitting;

“(5) the term ‘collects’ includes raising and receiving;

“(6) the term ‘predicate act’ means any act referred to in subparagraph (A) or (B) of subsection (a)(1);

“(7) the term ‘treaty’ means—

“(A) the Convention for the Suppression of Unlawful Seizure of Aircraft, done at The Hague on December 16, 1970;

“(B) the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, done at Montreal on September 23, 1971;

“(C) the Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents, adopted by the General Assembly of the United Nations on December 14, 1973;

“(D) the International Convention against the Taking of Hostages, adopted by the General Assembly of the United Nations on December 17, 1979;

“(E) the Convention on the Physical Protection of Nuclear Material, adopted at Vienna on March 3, 1980;

“(F) the Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, done at Montreal on February 24, 1988;

“(G) the Convention for the Suppression of Unlawful Acts against the Safety of Mari-

time Navigation, done at Rome on March 10, 1988;

“(H) the Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms located on the Continental Shelf, done at Rome on March 10, 1988; or

“(I) the International Convention for the Suppression of Terrorist Bombings, adopted by the General Assembly of the United Nations on December 15, 1997;

“(8) the term ‘intergovernmental organization’ includes international organizations;

“(9) the term ‘international organization’ has the same meaning as in section 1116(b)(5) of this title;

“(10) the term ‘armed conflict’ does not include internal disturbances and tensions, such as riots, isolated and sporadic acts of violence, and other acts of a similar nature;

“(11) the term ‘serious bodily injury’ has the same meaning as in section 1365(g)(3) of this title;

“(12) the term ‘national of the United States’ has the meaning given that term in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)); and

“(13) the term ‘state’ has the same meaning as that term has under international law, and includes all political subdivisions thereof.

“(f) CIVIL PENALTY.—In addition to any other criminal, civil, or administrative liability or penalty, any legal entity located within the United States or organized under the laws of the United States, including any of the laws of its States, districts, commonwealths, territories, or possessions, shall be liable to the United States for the sum of at least \$10,000, if a person responsible for the management or control of that legal entity has, in that capacity, committed an offense set forth in subsection (a).”

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 113B of title 18, United States Code, is amended by adding at the end the following:

“2339C. Prohibitions against the financing of terrorism.”

(c) DISCLAIMER.—Nothing contained in this section is intended to affect the scope or applicability of any other Federal or State law.

SEC. 213. EFFECTIVE DATE.
Except for sections 2339C(c)(1)(D) and (2)(B) of title 18, United States Code, which shall become effective on the date that the International Convention for the Suppression of the Financing of Terrorism enters into force for the United States, and for the provisions of section 2339C(e)(7)(I) of title 18, United States Code, which shall become effective on the date that the International Convention for the Suppression of Terrorist Bombing enters into force for the United States, section 212 of this subtitle shall take effect upon the date of enactment of this Act.

Subtitle C—Ancillary Measures

SEC. 221. ANCILLARY MEASURES.

(a) WIRETAP PREDICATES.—Section 2516(1)(q) of title 18, United States Code, is amended by—

(1) inserting “2332f,” after “2332d,”; and

(2) striking “or 2339B” and inserting “2339B, or 2339C”.

(b) FEDERAL CRIME OF TERRORISM.—Section 2332b(g)(5)(B) of title 18, United States Code, is amended by—

(1) inserting “2332f (relating to bombing of public places and facilities),” after “2332b (relating to acts of terrorism transcending national boundaries),”; and

(2) inserting “2339C (relating to financing of terrorism),” before “or 2340A (relating to torture)”.

(c) PROVIDING MATERIAL SUPPORT TO TERRORISTS PREDICATE.—Section 2339A of title 18, United States Code, is amended by inserting “2332f,” before “or 2340A”.

(d) FORFEITURE OF FUNDS, PROCEEDS, AND INSTRUMENTALITIES.—Section 981(a)(1) of title 18, United States Code, is amended by adding at the end the following:

“(H) Any property, real or personal, involved in a violation or attempted violation, or which constitutes or is derived from proceeds traceable to a violation, of section 2339C of this title.”

SA 3843. Mr. BROWNBACK proposed an amendment to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; as follows:

At the appropriate place add the following:
SEC. . UNPATENTABILITY OF HUMAN ORGANISMS.

Section 101 of title 35, United States Code, is amended—

(1) by inserting “(a) IN GENERAL.—” before “Whoever”; and

(2) by adding at the end the following:

“(b) UNPATENTABILITY OF HUMAN ORGANISMS.—

“(1) DEFINITION.—In this subsection, the term ‘human cloning’ means human asexual reproduction, accomplished by introducing nuclear material from one or more human somatic cells into a fertilized or unfertilized oocyte whose nuclear material has been removed or inactivated so as to produce a living organism (at any stage of development) that is genetically virtually identical to an existing or previously existing human organism.

“(2) UNPATENTABILITY.—A patent may not be obtained for—

“(A) an organism of the human species at any stage of development produced by any method, whether in vitro or in vivo, including the zygote, embryo, fetus, child or adult;

“(B) a living organism made by human cloning; or

“(C) a process of human cloning.”

SA 3844. Mr. ENSIGN proposed an amendment to amendment SA 3843 proposed by Mr. BROWNBACK to the bill (S. 2600) to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; as follows:

Strike all after the first word and insert the following:

UNPATENTABILITY OF HUMAN ORGANISMS.

Section 101 of title 35, United States Code, is amended—

(1) by inserting “(a) IN GENERAL.—” before “Whoever”; and

(2) by adding at the end the following:

“(b) UNPATENTABILITY OF HUMAN ORGANISMS.—

“(1) DEFINITION.—In this subsection, the term ‘human cloning’ means human asexual reproduction, accomplished by introducing nuclear material from one or more human somatic cells into a fertilized or unfertilized oocyte whose nuclear material has been removed or inactivated so as to produce a living organism (at any stage of development) that is genetically virtually identical to an existing or previously existing human organism.

“(2) UNPATENTABILITY.—A patent may not be obtained for—

“(A) an organism of the human species at any stage of development produced by any method, whether in vitro or in vivo, including the zygote, embryo, fetus, child or adult;

“(B) a living organism made by human cloning; or

“(C) a process of human cloning.”

“(3) EFFECTIVE DATE.—This section shall become effective 30 days after the date of enactment.”

SA 3845. Mr. REID (for Mrs. FEINSTEIN) proposed an amendment to the bill S. 672, to amend the Immigration and Nationality Act to provide for the continued classification of certain aliens as children for purposes of that Act in cases where the aliens "age-out" while awaiting immigration processing, and for other purposes; as follows:

On page 9, line 9, strike "(a)(4)" and insert "(a)(2)(A)".

On page 10, line 9, strike "209(b)(2)" and insert "209(b)(3)".

SA 3846. Mr. REID (for Mrs. FEINSTEIN) proposed an amendment to the bill H.R. 1209, to amend the Immigration and Nationality Act to determine whether an alien is a child, for purposes of classification as an immediate relative, based on the age of the alien on the date the classification petition with respect to the alien is filed, and for other purposes; as follows:

On page 7, line 9, strike "(a)(4)" and insert "(a)(2)(A)".

On page 8, line 9, strike "209(b)(2)" and insert "209(b)(3)".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FINANCE

Mr. DODD. Madam President, I ask unanimous consent that the Committee on Finance be authorized to meet in open executive session during the session of the Senate on Thursday, June 13, 2002, at 10 a.m.

Agenda:

H.R. 7: Community Solutions Act.

S. 2498: Tax Shelter Transparency Act.

S. 2119: Reversing the Expatriation of Profits Offshore Act.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. DODD. Madam President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, June 13, 2002 at 10:00 a.m. to hold a hearing on the CEDAW Treaty.

Agenda

Witnesses

Panel 1: The Honorable Carolyn B. Maloney (D-NY), U.S. House of Representatives, Washington, DC; the Honorable Juanita Millender-McDonald (D-CA), U.S. House of Representatives, Washington, DC; the Honorable Constance A. Morella (R-MD), U.S. House of Representatives, Washington, DC; and the Honorable Lynn C. Woolsey (D-CA), U.S. House of Representatives, Washington, DC.

Panel 2: The Honorable Harold Hongju Koh, Professor, Yale Law School, Former Assistant Secretary of State for Human Rights, New Haven, CT; the Honorable Juliette C. McLennan, Former U.S. Representative to the UN Commission on the Sta-

tus of Women, Easton, MD; Ms. Jane E. Smith, Chief Executive Officer, Business and Professional Women/USA, Washington, DC; Ms. Kathryn Ogden Balmforth, Member, Firm of Wood Crapo, L.L.C., Salt Lake City, Utah, Former Director, World Family Policy Center, Brigham Young University, Provo, Utah; Ms. Jeane Kirkpatrick, Senior Fellow & Director of Foreign and Defense Policy Studies, American Enterprise Institute, Former Permanent Representative to the United Nations, Washington, DC; and Dr. Christina Hoff Sommers, Resident Scholar, American Enterprise Institute, Chevy Chase, MD.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. DODD. Madam President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, June 13, 2002 at 2:15 p.m. to hold a business meeting to consider and vote on S. 2525, a bill to amend the Foreign Assistance Act of 1961 to increase assistance for foreign countries seriously affected by HIV-AIDS, tuberculosis, and malaria, and for other purposes.

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

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. DODD. Madam President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet for a hearing on Implementation of Reading First and Reading Programs and Strategies during the session of the Senate on Thursday, June 13, 2002 at 10 a.m. in SD-430.

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

COMMITTEE ON THE JUDICIARY

Mr. DODD. Madam President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on Judicial Nominations on Thursday, June 13, 2002, in Dirksen Room 226 at 2 p.m.

Agenda

Witnesses

Panel I: The Honorable Arlen Specter, United States Senator (R-PA); the Honorable Mitch McConnell, United States Senator (R-KY); the Honorable Dianne Feinstein, United States Senator (D-CA); the Honorable Rick Santorum, United States Senator (R-PA); the Honorable Jim Bunning, United States Senator (R-KY); the Honorable Bill Nelson, United States Senator (D-FL); and the Honorable Roscoe Bartlett, United States Representative (Republican, 6th District of Maryland).

Panel II: John Rogers to the U.S. Court of Appeals for the Sixth Circuit.

Panel III: David Cercone to be U.S. District Court Judge for the Western District of Pennsylvania; Morrison Cohen England Jr. to be U.S. District

Court Judge for the Eastern District of California; and Kenneth Marra to be U.S. District Court Judge for the Southern District of Florida.

Panel IV: Lawrence Greenfeld to be Director, Bureau of Justice Statistics.

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

COMMITTEE ON THE JUDICIARY

Mr. DODD. Madam President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a markup on Thursday, June 13, 2002, at 10:00 a.m. in Dirksen Room 226.

TENTATIVE AGENDA

I. NOMINATIONS

Henry E. Autrey to be a U.S. District Court Judge for the Eastern District of Missouri; Richard E. Dorr to be a U.S. District Court Judge for the Western District of Missouri; David Godbey to be a U.S. District Court Judge for the Northern District of Texas; Henry Hudson to be a U.S. District Court Judge for the Eastern District of Virginia; Timothy Savage to be a U.S. District Court Judge for the Eastern District of Pennsylvania; and Amy J. St. Eve to be a U.S. District Court Judge for the Northern District of Illinois.

To be a United States Attorney: Gregory Robert Miller for the Northern District of Florida, and Kevin Vincent Ryan for the Northern District of California.

To be a United States Marshal: Ray Elmer Carnahan for the Eastern District of Arkansas, David Scott Carpenter for the District of North Dakota, Theresa Merrow for the Eastern District of Georgia, Ruben Monzon for the Southern District of Texas, and James Michael Wahrab for the Southern District of Ohio.

II. BILLS

S. 1956, The Safe Explosives Act [Kohl/Hatch/Schumer/Cantwell]

S. 1291, Development, Relief, and Education for Alien Minors Act [Hatch]
S. 2134, Terrorism Victim's Access to Compensation Act of 2002 [Harkin/Allen]

H.R. 3375, Embassy Employee Compensation Act [Blunt]

III. RESOLUTIONS

S. Con. Res. 104, A concurrent resolution recognizing the American Society of Civil Engineers on the occasion of the 150th anniversary of its founding and for the many vital contributions of civil engineers to the quality of life of the people of the United States, including the research and development projects that have led to the physical infrastructure of modern America. [Jeffords/Smith]

H. Con. Res. 387, Recognizing the American Society of Civil Engineers for reaching its 150th Anniversary and for the many vital contributions of civil engineers to the quality of life of our Nation's people including the research and development projects that have led to the physical infrastructure of modern America [Barton/Moore]

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