THE DISAM JOURNAL OF INTERNATIONAL SECURITY ASSISTANCE MANAGEMENT

Our cover feature is a series of articles acquainting us with the Defense Contract Management Agency (DCMA). DCMA, as one of seven combat support agencies within the Department of Defense, is fulfilling vital support to U.S. initiatives via its deployed Contingency Contract Administration Services Teams. Moreover, its personnel are also performing key duties in contract support of foreign military sales customer nations. Whether embedding a foreign military sale in a larger contract, or building a support case related to a direct commercial sale, your organization and our allies benefit from DCMA's expertise.

As with every Journal edition, we have attempted to capture the most important and timely information possible to pass on to you. The annual spring edition traditionally emphasizes the year's security assistance budget, along with accompanying articles surrounding the U.S. foreign policy that shapes it. This year is no different, underscored by the transcript of Secretary Powell's testimony to the Senate Foreign Relations Committee regarding the International Affairs Budget for fiscal year 2004. Among other policy-related compositions, Assistant Secretary of State for East Asian and Pacific Affairs, James A. Kelly, addresses current newsmakers, China and North Korea.

If international military education and training (IMET) is up your alley, you might be interested in Expanded IMET's (E-IMET) human rights impact in Latin America (El Salvador, Guatemala, and Nicaragua). The focus is on research derived from secondary sources and student surveys illustrating potential successes of that program. It attempts to measure the performance and quantify the International Military Education and Training Program's sphere of influence.

Be sure to familiarize yourself with the Global Master of Arts Program (GMAP II), offering a Master's in International Affairs via the Fletcher School at Tufts University. The article covers the basics; for more information visit our website and contact your organization's respective training point of contact at one of the military departments or DISAM. Note the application deadline of 1 July 2003. What a great opportunity for folks to gain a graduate education that directly benefits our mission!

Take a moment to look over the table of contents. There is something here that will catch your eye. Information technology issues extend to the Defense Security Cooperation Agency's Information Portal, the Case Execution Management Information System (CEMIS), and the Defense Security Assistance Management System (DSAMS).

Stressing the Defense Institute of Security Assistance Management's growing Mobile Education Team requirements, you can read about recent trips to Egypt, Mexico, Algeria, and Estonia. These cover only about one quarter of the team visits anticipated for this fiscal year. The Defense Institute of International Legal Studies (DIILS) lets us know about their efforts in Sierra Leone.

I will mention that our editors are always looking for thought-provoking security assistance related articles/subjects for publication. Let us know if you have any ideas, whether for your authorship or an area of interest that you would like to know more about. We would like to hear from you!

RONALD H. REYNOLDS
Commandant

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FEATURE ARTICLES

The Defense Contract Management Agency

Providing the Warfighters With Contract Management and Acquisition Life-Cycle Solutions

By
Brigadier General Edward M. Harrington
Defense Contract Management Agency

Although federal weapons suppliers and military program managers are well aware of the capabilities of the Defense Contract Management Agency (DCMA), most of our men and women in uniform have never heard of it, nor realize how important it is to their lives.

The Department of Defense (DoD) established DCMA as an independent combat support agency on March 27, 2000, splitting it off from the Defense Logistics Agency (DLA).

The Agency's management structure comprises of a Headquarters in Northern Virginia, three districts, East, headquartered in Boston, Massachusetts; West headquartered in Carson, California; the International District co-located with the Headquarters; and 67 Contract Management Offices (CMOs) around the world. The 11,400 DCMA contract management professionals in plants throughout the United States and 400 personnel in 26 countries around the world manage 360,000 prime contracts worth $900 billion.

DCMA employees ensure that contractors and suppliers deliver weapons systems, services and supplies to the armed forces at the right place, the right time, and for the best price. Even before a contract is awarded, DCMA helps customers construct effective solicitations, select capable companies and write contracts with less risk. After the contract is awarded, DCMA monitors the contractors' performance through data tracking, analysis and on-site surveillance.

What does this mean to the warfighter? Just ask Army Private Jason Ashline, who is alive today because equipment that was inspected by DCMA quality specialists functioned as it was intended. Ashline's story, recently reported in the *New York Daily News*, illustrates the impact that DCMA has on the safety and security of America's front-line troops. According to the news report, Ashline was shot twice in the chest during a bitter gun battle with al Qaeda fighters in the mountains of eastern Afghanistan. He survived when the rounds were stopped by his body armor. "I was pretty scared because I didn't feel any pain," Ashline said. "I thought, 'What's wrong?' I thought maybe I was dead." There was nothing wrong. The body armor worked as it was supposed to because the men and women of DCMA made sure of it.

Private Ashline's account illustrates DCMA's Combat Support Agency role of ensuring that America's armed forces get the high quality products and services they require. But to envision the full meaning of this, it is important to understand the organization's mission.

The DCMA Mission
Provide customer focused acquisition support and contract management services to ensure warfighter readiness, 24/7 worldwide.

Much like a strategic business unit within a large corporation, DCMA ensures that contractors and suppliers deliver weapons systems, services and supplies to the federal customer at the right

place, the right time, and for the best price. Our professionals serve as "Information Brokers" for buying agencies not just during the acquisition cycle, but throughout the entire life of the contract. We interact with our customers, including the various Army, Navy, Marine, Air Force and National Aeronautics and Space Administration program management offices, to ensure that the contracts are meeting their needs and their standards.

Before a contract is awarded, DCMA provides pre-contractual advice to customers to help them construct effective solicitations, identify potential performance risks, select capable companies and write contracts that are easily administered with less risk of costly modifications. After the contract is awarded, DCMA assesses the contractor's system to ensure deliverables, costs and schedules comply with the terms and conditions of the contract. The Agency monitors the contractor's performance through data tracking, analysis and on-site surveillance, and provides program-specific assistance in direct coordination with the customer. The end result of this contract management activity is to ensure that warfighters deployed around the world can perform their missions twenty-four hours-a-day, seven days-a-week.

Over the past several months, DCMA has adopted a number of significant changes in its management philosophy to increase the options employees may choose in providing contract management services. Agency leadership has adopted these changes as part of an alignment to the DoD military transformation goals. But it is not just about conformance with DoD. Inspired by Secretary of Defense Donald Rumsfeld, DCMA transformation efforts are more about adopting innovative concepts in how we conduct business day to day. We are encouraging innovations that will improve services by aligning ourselves more closely with our customers and then tailoring our support activities to focus on their specific requirements. Then we are going to grade ourselves based upon how we meet those expectations. We believe that working with our customers and the contractors to identify high risk areas and then focusing on them will make us more efficient and more effective.

The Combat Support Agency Mission

The Combat Support Agency designation is an important development and a significant expansion of the role DCMA performed as a command under DLA. Although combat support is not new to DCMA, what changed is that we are now performing many of the direct interface functions that DLA used to perform for us. One significant development is that as DCMA director, I now have two bosses. I receive functional oversight from Pete Aldridge, the Under Secretary of Defense for Acquisition, Technology and Logistics, and operational oversight from General Richard B. Myers, the Chairman of the Joint Chiefs-of-Staff. The Joint Staff and the warfighting combatant commanders (formerly known as the commanders-in-chief) are now DCMA's direct customers and they are responsible for overseeing the agency's operational activities.

DCMA Combat Support Responsibilities

- Conduct contingency and wartime planning with the warfighting combatant commanders.
- Train and prepare DCMA personnel for operational deployments and support warfighter readiness.
- Deploy DCMA personnel with military forces to support contingency operations.
- Support joint exercises.
- Support DoD modernization efforts.
- Mobilize defense industry support for combatant command operations.
- Manage for results to ensure that all products meet the requirements.

We are leaning forward to establish closer working relationships with the Joint Staff and the combatant commanders. When the situation dictates it, DCMA places a senior civilian operations officer at the Joint Staff to work critical interface issues. We are also establishing military operations officer with four of the combatant commands. That way we will have proponents for DCMA who can keep a pulse on what is important to the combatant commanders. Their feedback continuously flows into our planning processes and our thinking as to how we approach our combat support mission.

September 11, 2001

When DCMA became a separate combat support agency in 2000, we established a combat support center (CSC) to perform communications and emergency planning for all actions and events that affect defense contractors. The center was assigned two major responsibilities:

- To be a central communication and integration link between DCMA, the Joint Staff and the field activities; and
- To establish the policy for how DCMA is to perform as a stand-alone Combat Support Agency.

The September 11, 2001 terrorist attack on America was a defining event that forged the agency's role in warfighter readiness, and the CSC became the nerve center that allowed DCMA to quickly expand its support to homeland defense and to the Afghanistan contingency operation. My first actions in the hours following the tragic events were to alert agency personnel about the attacks, organize the DCMA Headquarters Crisis Action Team (CAT) and stand up the CSC. I met with team leaders, communicated with our East, West and International District offices and focused on two main areas: accounting for all DCMA staff and determining how the agency could support our military customers. Office of the Secretary of Defense officials insisted at the outset that DCMA be involved in the whole range of actions from industrial analysis to delivery of weapons systems, to acceptance of aircraft, to finding where we could overcome shortages in clothing, munitions, arms, weapons systems and spares.

The CSC immediately began operating 24/7, with representatives from each staff section either present or on call. This communications interlink was the heart of what we needed to do as an agency during the crisis to funnel information in and out. Although my staff had a steep learning curve in the early days, the CSC functioned well and allowed us to anticipate customer needs by studying available information, and then merge the shortages with customer priorities. Our team integration, sense of purpose and customer focus provided faster responses and better insights than I had hoped for at the outset of the operation.

The CSC collected information from the CMOs and from the Joint Staff about customer requirements that had to be urgently addressed by accelerated deliveries of equipment and spare parts, re-routing of spare parts or other requirements. In addition, DCMA used our special capabilities, such as the Industrial Analysis Center in Philadelphia, Pennsylvania, to help identify vendors who might be needed to provide additional responses for supplies, components or weapons systems. The Districts stood up smaller versions of the CSC, directly linked to CMOs throughout the world.

The DCMA Intent
We enable the warfighter to win!

Key to enabling our armed forces to defend our nation is the ability to anticipate change and plan for countering future threats. The DCMA Industrial Analysis Center is a one-of-a-kind organization that analyzes the nation's future industrial base and its capabilities for meeting our military needs. On September 11, 2001 this group of skilled industrial specialists, economists, industrial engineers and computer programmer analysts linked up with Headquarters and the Districts and established their own combat support center with 24/7 operations. Their mission was

to provide the industrial surge analysis required for warfighter operations around the world. When questions from DoD leaders began flowing in, the Center was able to respond in a day, on average, and within a few short hours for many requests.

Deploying Teams Augment CMOs

To support the warfighters in the various theaters of operations, DCMA organizes deployable teams to augment the CMO staffs. The teams, known as Contingency Contract Administration Services (CCAS) teams, allow DCMA to provide the full range of contract support services to the customers without disrupting the already heavy workflow of the CMO. CCAS team members are active duty members, reservists and civilians who are *Defense Acquisition Workforce Improvement Act* (DAWIA) qualified.

CCAS teams have supported nearly every major contingency operation including: the Persian Gulf, Rwanda, Haiti, Somalia, Surinam, Bosnia, Kosovo and Albania. In September 2002, a team was deployed to the Republic of Georgia to support American forces on the ground training the Georgian army, and we are on the ground in current activities in Southwest Asia. As our armed forces rely more heavily on contractors for battlefield support, CCAS teams will provide the front-line management of all of the contracts that cover all of the beans, bullets, clothing, fuel and facilities.

Streamlining for Tomorrow

Today, DCMA is a leading agent in the DoD transformation process and we are harnessing the amazing technology of today to meet the uncertain challenges of tomorrow. The agency continues to embrace modern business practices to streamline our operations, reduce waste and enhance performance. Our planning, flexibility and responsiveness will provide our customers what they need before they know they want it, and we will provide solutions throughout the acquisition life cycle. It is an innate truth that we can count on our warfighters to meet the challenges of this new century, whether they spring from the untamed forces of nature or the unbridled forces of evil. They need the dedicated support of our leaders in Washington and they need dedicated visionary support from us. DCMA will be there to ease their burden as they defend America. We enable the warfighter to win!

About the Author

Army Brigadier General Edward M. Harrington became the DCMA Director on February 9, 2001. In this role, he is the senior contract manager responsible for ensuring that all DoD acquisition programs, supplies and services are delivered on time, within cost and meet performance standards. Harrington holds a Bachelor of Science degree in business administration from Northeastern University and a master's degree in contracting and acquisition management from the Florida Institute of Technology. In 1992, he was selected to attend the Senior Service College Fellowship Program at the University of Texas, Austin. He is joint service certified and a member of the Army's Acquisition Corps. Harrington is also certified as a Level III in both program management and contracting.

The Defense Contract Management Agency's Combat Support Requires a High State of Readiness Abroad and at Home

By
The Defense Contract Management Agency's
Congressional and Public Affairs Office

The strategic intent of the Defense Contract Management Agency (DCMA), "We enable the warfighter to win," requires the agency to ensure a high state of readiness for its customers through management of their relationships with defense contractors. DCMA's efforts to this end also support the security of our nation's warfighters by maintaining contractor compliance at deployment sites around the world.

DCMA most visibly supplies this combat support through its own deployable teams, known as Contingency Contract Administrative Services (CCAS) teams. Both military and civilian volunteers serve on CCAS teams, which are sent overseas to live under the same conditions as deployed soldiers, sailors, airmen and Marines. CCAS teams provide contract management for customers relying on private sector contractors to fulfill demands ranging from waste management to guard services. The teams are a front-line asset with an industry perspective.

DCMA, one of seven combat support agencies within the Department of Defense (DoD), received that designation when it was established as an independent agency within the DoD on March 27, 2000. To perform critical communications, emergency planning and combat policy determination, the agency almost immediately established a Combat Support Center (CSC). Prior to the September 11, 2001, terrorist attacks, the CSC processed situation reports from emergencies such as the Seattle earthquake and the energy shortage in California, in which power companies promised intermittent brownouts of defense contractors. After September 11, 2001 DCMA Headquarters accelerated the role of the CSC in directing combat support policies and working with the agency's three districts, East, West and International.

"We are a command and control operation for Brigadier General Harrington, our director," said Air Force Lieutenant Colonel Henry Duron, CSC director. "We disseminate information within the organization and provide information back throughout the organization and also to our external customers such as the Office of the Secretary of Defense and all of the services and combatant commanders on any issues pertinent to them on weapons system or parts of a weapons system."

Throughout the world, DCMA professionals serve as the contracting agents in defense plants for military service program managers. They ensure that contractors and suppliers deliver weapons systems, services and supplies to the armed forces at the right place and the right time for the best price. DCMA provides continuous support and improved solutions throughout the entire contract lifecycle. Even before a contract is awarded, DCMA helps military and National Aeronautics and Space Administration customers construct effective solicitations, select capable companies and write contracts with less risk. After the contract is awarded, DCMA monitors the contractors' performance through data tracking, analysis and on-site surveillance.

When DCMA customers require emergency support due to high operational demands, the CSC stands up a crisis action team, as it did after September 11, 2001. The crisis action teams examine the collateral needs of commands engaged directly in defense actions to determine the best methods to acquire the materials they need to support combat operations. The September 11, 2001 crisis action team seized the opportunity to test a lot of new procedures under fire, Duron said, and the team, composed mostly of DCMA civilians, performed beyond expectations.

"A crisis action team is a separate team of approximately six members that will help to monitor the increased high ops tempo in viewing accelerations from industry or locating

secondary sourcing for any critical part or weapons system," Duron said. "Those are the things we do during crisis."

The DCMA falls under the direction of the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics, but in its role as a combat support agency it also falls under the supervision of the Chairman of the Joint Chiefs-of-Staff. Section 193 of Title 10, *U.S. Code*, requires the CJSC to ensure the readiness of combat support agencies to fulfill their responsibilities in a theater of war. The law mandates that the CJCS conduct a review of each combat support agency at least once every two years. The joint staff deploys a Combat Support Agency Review Team (CSART) to conduct this biennial assessment for each combat support agency.

The CSART evaluation process takes a close look at the performance of CCAS teams, as they are the in-theater extension of DCMA operations. The first true CSART evaluation of DCMA as an independent agency concluded at the end of the 2002 calendar year. A DCMA/CSC representative traveled with the CSART evaluation team as it inspected CCAS teams around the world. By all accounts, the CCAS teams came through the evaluation with flying colors.

The CCAS team in Kosovo was led, for six months, by Army Lieutenant Colonel Philip Yacovoni, commander of DCMA Lockheed Martin in Dallas. From December 2001 to May 2002, he managed DCMA civilian and military team members as they monitored contract services provided under the Balkans Sustainment Contract. Tours of team members are staggered to ensure continuity of high quality support.

Under the $2-billion Balkans Sustainment Contract, Brown and Root Services, a division of Halliburton Co., provides supplies and services to U.S. Armed Forces in Albania, Bosnia, Greece, Hungary, Kosovo, Macedonia and Romania. Lieutenant Colonel Yacovoni's CCAS team monitored implementation of contract work, ensuring that Brown and Root performed its functions in compliance with the contract requirements.

"We monitored to ensure that Brown and Root was getting paid for the work they were actually performing, and we made sure that they were actually performing work in accordance with the standards specified in the contract," Yacovoni said.

When Lieutenant Colonel Yacovoni first arrived, he divided his personnel up between three sites: Camp Able Sentry in Macedonia, Camp Monteith in Kosovo, and headquarters at Camp Bondsteel in Kosovo. The CCAS team fulfilled diverse tasks in support of the approximately 7,000 U.S. personnel deployed to support the United Nation's Kosovo Force (KFOR) peacekeeping operation. During its six-month tour, Yacovoni's team stood down operations in Able Sentry and Monteith. Yacovoni sent team members home as these operations closed. He maintained high performance standards, however, as his team dwindled from fifteen members to eight, giving him the opportunity to live up to his call sign, "Relentless."

"When it was cold, we were the ones who ensured that the warfighters received generators to create heat," Yacovoni said. "We were the ones who sent out tents to make sure that they stayed dry and warm. We also helped build the guard shacks and the detention cages to keep prisoners in and reduce the number of soldiers that had to guard them. We ensured water was provided for all of their operations in the base camps and the outposts. We took care of laundry services, all of the food that was served, and all of the life support required making life better in the deployed environment."

Yacovoni's team also provided services unique to Kosovo. The CCAS team supported guard services for monasteries, some of which were over 1,000 years old. The team managed the contract for the guards, and also supported contracts to provide housing, heat and electricity, food and water, and other support to the guards.

Duron explained that the CCAS teams are a vital component of managing contractor performance, but the teams do not become directly involved in the delivery of those services.

"We do not specify the type of service that is contracted for, but we deploy the teams forward to the overseas areas in the different combatant command theaters to provide oversight for Logistics Civil Augmentation Program (LOGCAP) or Air Force Contract Augmentation Program (AFCAP)," Duron said.

LOGCAP is the U.S. Army's initiative for planning for the use of civilian contractors. AFCAP is the U.S. Air Force counterpart to the Army program. DCMA regularly provides direct support to several of the combatant commands, including U.S. European Command, U.S. Pacific Command, U.S. Central Command, U.S. Southern Command and U.S. Northern Command, the newest combatant command. The combatant commands have operational oversight over the four branches of military operating within their spheres of influence. As such, combatant commanders maintain operational control over the individual component commands that depend on DCMA to manage contractors.

"We go through the combatant commanders' operational plans. They all have several plans based on their area of responsibility," Duron said. "We would actually look at what they plan to do during their scenarios. We would then build some assumptions off of their plans to determine how many people it would entail from DCMA to support the troop movements coming into their theater. In today's world, most troops would be based in large locations in temporary facilities, but they would require Brown and Root or some external contractor to come in and provide necessary support. We administer those contracts."

DCMA's combat support role has a history of overseas support for most of the Agency's brief existence. The demands of keeping pace with the U.S. national security strategy have changed the nation's expectations of the agency. The DoD established the U.S. Northern Command on October 1, 2001 to support homeland defense. DCMA, in turn, supports the contract management of this new combatant command.

"Now that we have implementations for homeland defense, we would provide a type of CCAS support to homeland defense if needed," Duron said. "It is a little bit different here in the continental United States simply because we would have to be called upon (allowed to be utilized), at the discretion of the DoD."

With the establishment of a new Department of Homeland Security, the CSC is involved in planning how DCMA integrates with other government entities during a response. Contingency planning for these circumstances is exactly the type of activity in which the CSC has been deeply involved since its inception.

"The role has evolved because of the September 11, 2001 attacks," Duron said. "We had a very rough draft of how we would operate. During the September 11, 2001 activities and high tempo at that point, we refined our processes in real time. While we were working our issues here, we were also writing our doctrine and our policy books. We have captured all of the lessons we learned, so if we ever have to do it again, we will know exactly what we need to do."

A Strategic Partnership Between the Defense Security Cooperation Agency and the Defense Contract Management Agency

By
The Defense Contract Management Agency
Congressional and Public Affairs Office

The Defense Security Cooperation Agency (DSCA) and the Defense Contract Management Agency (DCMA) are strategic partners whose cooperation plays an integral role in our nation's relationship with its allies.

"The Defense Security Cooperation Agency reviews and supports all foreign military sales (FMS). DCMA complements this by performing the full spectrum of acquisition contract management (ACM) services in the FMS arena and for the entire life cycle of defense acquisition," Brigadier General Edward M. Harrington, DCMA director, explained.

Foreign military sales is at the foundation of America's national security policy. The legal basis comes from the *Arms Export Arms Control Act of 1976* and the *Foreign Assistance Act of 1961*. These laws were enacted to allow the United States to assist its allies through the sale of military technology, with the approval of the President and Congress.

"Our help in this area ensures the political and military stability of these nations, and the accomplishment of those two goals results in their economic stability as well," said Scott Blank, until recently DCMA chief of International and Federal Business.

That group is responsible for all of the reimbursable effort for DCMA. Reimbursable work comes from the National Aeronautics and Space Administration (NASA) and FMS in partnership with DSCA. It accounts for ten to twelve percent of the agency's $1 billion annual budget and about 1,200 employees.

The DCMA International and Federal Business Office have a two-fold relationship with DSCA. One group handles the direct commercial sales, or requests coming in from foreign governments doing business directly with U.S. contractors. All of those requests come into a central control point.

For FMS contractual actions, "We review them for content and compliance," Blank said. "And then we coordinate with DSCA and forward them out to the responsible DCMA Contract Management Office (CMO) to perform whatever is requested."

The second part of the relationship involves the Office's financial management team. When a procurement request comes in from a foreign government, a case is developed to describe the buy and to detail the funding arrangements. The team's accountants track and reconcile billings and oversee the financial aspects of the cases.

The team also helps to establish the rates for DCMA services. The rate, called a surcharge, is the amount charged to another federal agency or a foreign government to capture DoD costs of managing their contracts. As of October 1, 2002, the surcharge for performing FMS services is 1.5 percent for work done in the United States and 1.7 percent for work done overseas. The stateside rate breaks down to 0.65 percent for quality assurance, 0.65 percent for other ACM and 0.2 percent for the audit services performed by the Defense Contract Audit Agency.

"The surcharge is just a way to recapture our costs," Blank said. "If we did not charge them, we would be using Department of Defense (DoD) money to support a foreign government."

If the transaction is a direct commercial sale, DCMA may build a case to support the international customer. If it is a foreign military sale embedded in a larger contract, then the military department will build the case.

The F-16 aircraft is a good example of how DCMA recaptures costs because many foreign governments have purchased this aircraft. If the airplanes were actually produced at Lockheed Martin in Dallas/Fort Worth, DCMA personnel at those plants tracked their associated contract management costs and the agency was reimbursed for them. In numerous cases, however, the U.S. government and the foreign nation have mutually decided to transfer some of the technology and produce the F-16 in their own country.

Turkey did this, for example. The company that built the planes was fifty-one percent Turkish-owned, forty-two percent owned by Lockheed Martin (at that time it was General Dynamics) and seven percent owned by General Electric, the company that built the engine. The engine plant in Turkey, again, was fifty-one percent Turkish-owned with forty-two percent owned by General Electric and seven percent owned by Lockheed Martin. All of the workers in the plants were Turkish.

"They did such a great job that when Egypt wanted to buy F-16s, they asked the U.S. government for authorization to get their planes delivered from Turkey, rather than the Dallas/Fort Worth plant," said Norris J. Nereng, DCMA director of International Contract Operations. "The authority was given to do that, so Egyptian F-16s were built in Turkey."

Mr. Nereng is a principal leader in DCMA International (DCMAI), one of the agency's three geographically organized district headquarters. DCMAI has offices in twenty-six countries under five major military combat support commands. An international staff provides ACM for a wide variety of contracts that range from work on the new $200 billion multi-service, multi-national Joint Strike Fighter with companies such as BAE Systems, headquartered in Wharton, England, to the $2 billion Balkans Sustainment Contract with Brown and Root Division of Halliburton Co. Between twenty and twenty-five percent of the budget for the International District is funded by DSCA.

Currently, the U.S. government has reciprocity or Host-ACM agreements with seventeen nations, including most members of North Atlantic Treaty Organization (NATO). Essentially, these agreements recognize the capabilities of another nation's department of defense to perform ACM that is acceptable to the U.S. government.

"Instead of sending DCMA people in there, we can pass the contract on to a host-ACM organization, they will do the contract management for us," Nereng said. "By the same token, when they buy something in the United States, we do the contract management for them."

Through Host-ACM agreements, acquisition contract management services are performed without expecting money to be paid between the United States and NATO members. The non-NATO countries, reimburse each other when services are requested.

If the French want to buy a weapons system in the United States, they will send their request through the International and Federal Office. Since France is a NATO ally with a reciprocity agreement, the request will be passed directly through to the DCMA CMO responsible for oversight at the plant that will build the product.

"We develop what we call a 'No Charge' case number," Blank said. "We track the number of hours we are expending in support of our allies just to get a sense of balance. If we buy a system in their country, they would perform the ACM for us. So that it is a true reciprocal relationship, no one country should get a better benefit or a better part of the bargain," he added.

According to Nereng, several countries will be added to the list of nations for which the U.S. has Host-ACM agreements. "We are working with the Egyptians right now," he said. "In the not-too-distant future, we are going to see agreements with countries such as Hungary, the Czech Republic and Poland because they have entered into NATO under the Partnership for Peace Program."

These contracts can get complicated. For instance: Egypt had a fleet of Canadian-built DeHavilland aircraft, purchased from the United States through foreign military sales. The

aircraft were in poor condition and the Egyptians wanted them refurbished. As part of an FMS case, the U.S. government let a contract that was won by a company in Florida. The company, in turn, subcontracted the work to a company in France. DCMA ended up providing contract management oversight to work performed on Egyptian aircraft in France that were originally built in Canada.

"If a foreign government is approved to buy a weapons system from the U.S. government, we typically add it to one of our contract lines with a manufacturer," Nereng said. "The addition of this Contract Line Item (CLIN) is how they would fund the actual procurement by the foreign government."

DCMA provides ACM for a wide variety of contracts for many nations. "If a nation without a Host-ACM agreement has a desire to develop this capability, we work with them," Nereng said.

The nation would submit a request to the DoD for a Host-ACM agreement and it would be sent to DCMA International for processing. "We do a complete evaluation of the country in terms of acceptability and the way they do business," Nereng said. "Once we have formulated our recommendation, it is forwarded through DSCA for their cost analysis, then to the Office of the Secretary of Defense for final approval and signature."

Most foreign governments have procurement offices in their Washington, D.C. embassies. "My folks meet with them on a regular basis, depending upon the level of effort supporting that country," Blank said. "We discuss what we have going on, whether shipments are on schedule and how much effort we currently have in place."

DCMA is developing a new computer program that will increase the agency's ability to provide more meaningful reports to its customers and DSCA. Currently, an FMS delegation is tracked only to the point where receipt is acknowledged by the CMO performing the work. Actual production takes place afterward.

"The real meat that the customers are looking for takes place after we receive acknowledgement that our DCMA specialist in the field will be doing the work," Blank said. "Are there any delays? Did it ship on time? The new program will give us visibility into that."

The program will be web-based and use existing technology. Blank has shared the progress of these efforts with DSCA and hopes to field the program during fiscal year 2003. The office's vision is that when one of its staff members posts a new case or request on that site, the functional specialist in the field will get an e-mail prompt. "Click on that and it will have an electronic copy of the delegation, an electronic copy of the purchase order and all the information they need to start work," Blank said.

"DCMA's support to FMS is charged to our allies," Blank said. "Our goal is to streamline our process and lower costs of operation."

Both Nereng and Blank agree that the relationship between DCMA and DSCA is amicable and vital to our national security. "Our two agencies are really in this together," Blank said. "The more we can do to communicate with each other and support our mutual processes, the better we can enhance the success of our allies and ensure our national security."

LEGISLATION AND POLICY

The President's International Affairs Budget for 2004

By
Colin L. Powell
Secretary of State

[The following testimony was presented to the Senate Foreign Relations Committee, Washington, D.C., February 6, 2003.]

I am pleased to appear before you to testify in support of the President's International Affairs Budget for fiscal year (FY) 2004. Funding requested for FY2004 for the Department of State (DoS), U.S. Agency for International Development (USAID), and other foreign affairs agencies is $28.5 billion.

The President's Budget will allow the United States to:

- Target security and economic assistance to sustain key countries supporting us in the war on terrorism and helping us to stem the proliferation of weapons of mass destruction;
- Launch the Millennium Challenge Account – a new partnership generating support to countries that rule justly, invest in their people, and encourage economic freedom;
- Strengthen the U.S. and global commitment to fighting human immune-deficiency virus/acquired immune deficiency syndrome (HIV/AIDS) and alleviating humanitarian hardships;
- Combat illegal drugs in the Andean Region of South America, as well as bolster democracy in one of that region's most important countries, Colombia; and
- Reinforce America's world-class diplomatic force, focusing on the people, places, and tools needed to promote our foreign policies around the world.

I am particularly proud of the last bullet, because for the past two years I have concentrated on each of my jobs, primary foreign policy advisor to the President and Chief Executive Officer (CEO) of the State Department.

Under my CEO hat, we have been reinforcing our diplomatic force for two years and we will continue in FY2004. We will hire 399 more professionals to help the President carry out the nation's foreign policy. This hiring will bring us to the 1,100-plus new foreign and civil service officers we set out to hire over the first three years to bring the State Department's personnel back in line with its diplomatic workload. Moreover, completion of these hires will allow us the flexibility to train and educate all of our officers as they should be trained and educated. So I am proud of that accomplishment and want to thank you for helping me bring it about.

In addition, I promised to bring state-of-the-art communications capability to the Department of State because people who can not communicate rapidly and effectively in today's globalizing world can not carry out our foreign policy. We are approaching our goal in that regard as well.

In both unclassified and classified communications capability, including desk-top access to the internet for every man and woman at State Department, we are there by the end of 2003. The budget before you will sustain these gains and continue our information technology modernization effort.

Finally, with respect to my CEO role, I wanted to sweep the slate clean and completely revamp the way we construct our embassies and other overseas buildings, as well as improve the way we secure our men and women who occupy them. As you well know, that last task is a long-term, almost never-ending one, particularly in this time of heightened terrorist activities. But we are well on the way to implementing both the construction and the security tasks in a better way, in a less expensive way, and in a way that subsequent CEOs can continue and improve on.

Mr. Chairman, let me give you key details with respect to these three main CEO priorities, as well as tell you about other initiatives under my CEO hat. The CEO responsibilities: Department of State and related agencies.

The President's FY2004 discretionary request for the Department of State and related agencies is $8.497 billion. The requested funding will allow us to;

- Continue initiatives to recruit, hire, train, and deploy the right work force. The budget request includes $97 million to complete the Diplomatic Readiness Initiative by hiring 399 additional foreign affairs professionals. Foreign policy is carried out through our people, and rebuilding America's diplomatic readiness in staffing will ensure that the Department of State can respond to crises and emerging foreign policy priorities. This is the third year of funding for this initiative, which will provide a total of 1,158 new staff for the Department of State.

- Continue to put information technology in the service of diplomacy. The budget request includes $157 million to sustain the investments made over the last two years to provide classified connectivity to every post that requires it and to expand desktop access to the internet for DoS employees. Combined with $114 million in estimated expedited passport fees, a total of $271 million will be available for information technology investments, including beginning a major initiative state messaging and archive retrieval toolset (SMART) that will overhaul the outdated systems for cables, messaging, information sharing, and document archiving.

- Continue to upgrade and enhance our security worldwide. The budget request includes $646.7 million for programs to enhance the security of our diplomatic facilities and personnel serving abroad and for hiring 85 additional security and support professionals to sustain the DoS's worldwide security upgrades program.

- Continue to upgrade the security of our overseas facilities. The budget request includes $1.514 billion to fund major security-related construction projects and address the major physical security and rehabilitation needs of embassies and consulates around the world. The request includes $761.4 million for construction of secure embassy compounds in seven countries and $128.3 million for construction of a new embassy building in Germany.

- The budget also supports management improvements to the overseas buildings program and the overseas building operations (OBO) long-range plan. The budget proposes a Capital Security Cost Sharing Program that allocates the capital costs of new overseas facilities to all U.S. government agencies on the basis of the number of their authorized overseas positions. This program will serve two vital purposes:

- To accelerate construction of new embassy compounds and

- To encourage Federal agencies to evaluate their overseas positions more carefully. In doing so, it will further the President's Management Agenda initiative to right size the official American presence abroad. The modest surcharge to the cost of stationing an American employee overseas will not undermine vital overseas work, but it will encourage more efficient management of personnel and taxpayer funds

- Continue to enhance the border security program. The budget request includes $736 million in machine readable visa (MRV) fee revenues for continuous improvements in consular systems, processes, and programs in order to protect U.S. borders against the illegal entry of individuals who would do us harm.

• Meet our obligations to international organizations. Fulfilling U.S. commitments is vital to building coalitions and gaining support for U.S. interests and policies in the war against terrorism and the spread of weapons of mass destruction. The budget request includes $1 billion to fund U.S. assessments to 44 international organizations, including $71.4 million to support renewed U.S. membership in the United Nations Educational, Scientific, and Cultural Organization (UNESCO).

• Support obligations to international peacekeeping activities. The budget request includes $550.2 million to pay projected U.N. peacekeeping assessments. These peacekeeping activities ensure continued American leadership in shaping the international community's response to developments that threaten international peace and stability.

Continue to eliminate support for terrorists and thus deny them safe haven through our ongoing public diplomacy activities, our educational and cultural exchange programs, and international broadcasting. The budget request includes $296.9 million for public diplomacy, including information and cultural programs carried out by overseas missions and supported by public diplomacy personnel in our regional and functional bureaus. These resources are used to engage, inform, and influence foreign public and broaden dialogue between American citizens and institutions and their counterparts abroad.

The budget request also includes $345.3 million for educational and cultural exchange programs that build mutual understanding and develop friendly relations between America and the peoples of the world. These activities establish the trust, confidence, and international cooperation with other countries that sustain and advance the full range of American national interests.

The budget request includes $100 million for education and cultural exchanges for States of the Former Soviet Union and Central and Eastern Europe, which were previously funded under the *Freedom Support Act* and *Support for East European Democracy* (SEED) accounts.

As a member of the Broadcasting Board of Governors (BBG), I want to take this opportunity to highlight to you the BBG's pending budget request for $563.5 million. Funding will advance international broadcasting efforts to support the war on terrorism, including initiation of the Middle East Television Network.

Diplomatic and Consular Programs

• The FY2004 request for Diplomatic and Consular Programs (D&CP), the DoS's chief operating account, totals $4.164 billion.

• D&CP supports the diplomatic activities and programs that constitute the first line of offense against threats to the security and prosperity of the American people. Together with machine readable visa and other fees, the account funds the operating expenses and infrastructure necessary for carrying out U.S. foreign policy in more than 260 locations around the world.

• The FY2004 D&CP request provides $3.517 billion for ongoing operations with a net increase of $132.7 million over the FY2003 level. Increased funding will enable the State Department to advance national interests effectively through improved diplomatic readiness, particularly in human resources.

• The request completes the Secretary of State three-year Diplomatic Readiness Initiative to put the right people with the right skills in the right place at the right time. New D&CP funding in FY2004 of $97 million will allow the addition of 399 professionals, providing a total of 1,158 new staff from FY2002 through FY2004.

• The FY2004 D&CP request also provides $646.7 million for worldwide security upgrades, an increase of $93.7 million over last year. This total includes $504.6 million to continue worldwide security programs for guard protection, physical security equipment and technical support, information and system security, and security personnel and training. It also

includes $43.4 million to expand the perimeter security enhancement program for 232 posts and $98.7 million for improvements in domestic and overseas protection programs, including 85 additional agents and other security professionals.

Capital Investment Fund

- The FY2004 request provides $157 million for the capital investment fund to assure that the investments made in FY2002 and FY2003 keep pace with increased demand from users for functionality and speed.

- Requested funding includes $15 million for the SMART. The SMART initiative will replace outdated systems for cables and messages with a unified system that adds information sharing and document archiving.

Embassy Security, Construction, and Maintenance

- The FY2004 request for embassy security, construction, and maintenance (ESCM) is $1.514 billion. This total an increase of $209.4 million over the FY2003 level reflects the administration's continuing commitment to protect U.S. government personnel serving abroad, improve the security posture of facilities overseas, and address serious deficiencies in the DoS's overseas infrastructure.

- For the ongoing ESCM budget, the administration is requesting $524.7 million. This budget includes maintenance and repairs at overseas posts, facility rehabilitation projects, construction security, renovation of the Harry S. Truman Building, all activities associated with leasing overseas properties, and management of the overseas buildings program.

- For worldwide security construction, the administration is requesting $761.4 million for the next tranche of security-driven construction projects to replace high-risk facilities. Funding will support the construction of secure embassies in seven countries; Algeria, Burma, Ghana, Indonesia, Panama, Serbia, and Togo. In addition, the requested funding will provide new on-compound buildings for USAID in Ghana, Jamaica, and Nigeria.

- The ESCM request includes $100 million to strengthen compound security at vulnerable posts.

- The request also includes $128.3 million to construct the new U.S. embassy building in Berlin.

Educational and Cultural Exchange Programs

- The FY2004 request of $345.3 million for Educational and Cultural Exchange Programs (ECE) maintains funding for exchanges at the FY2003 request level of $245 million and adds $100 million for projects for Eastern Europe and the States of the Former Soviet Union previously funded from foreign operations appropriations.

- Authorized by the *Mutual Educational and Cultural Exchange Act of 1961* (*Fulbright-Hays Act*), as amended, exchanges are strategic activities that build mutual understanding and develop friendly relations between the United States and other countries. They establish the trust, confidence, and international cooperation necessary to sustain and advance the full range of U.S. national interests.

- The request provides $141 million for academic programs. These include the J. William Fulbright Educational Exchange Program for exchange of students, scholars, and teachers and the Hubert H. Humphrey Fellowship Program for academic study and internship in the United States for mid-career professionals from developing countries.

- The request also provides $73 million for Professional and Cultural Exchanges. These include the international visitor program, which supports travel to the United States by current and emerging leaders to obtain firsthand knowledge of American politics and values, and the

Citizen Exchange Program, which partners with U.S. non-profit organizations to support professional, cultural, and grassroots community exchanges.

- This request provides $100 million for exchanges funded in the past from the *Freedom Support Ac*t and support for East European democracy accounts.

- This request also provides $31 million for exchanges support. This funding is needed for built-in requirements to maintain current services.

Contributions to International Organizations

- The FY2004 request for contributions to international organizations (CIO) of $1.010 billion provides funding for U.S. assessed contributions, consistent with U.S. statutory restrictions, to 44 international organizations to further U.S. economic, political, social, and cultural interests.

- The request recognizes U.S. international obligations and reflects the President's commitment to maintain the financial stability of the United Nations and other international organizations that include the World Health Organization, the North Atlantic Treaty Organization, the International Atomic Energy Agency, and the Organization for Economic Cooperation and Development.

- The budget request provides $71.4 million to support renewed U.S. membership in the UNESCO. UNESCO contributes to peace and security in the world by promoting collaboration among nations through education, science, culture and communication and by furthering intercultural understanding and universal respect for justice, rule of law, human rights, and fundamental freedoms, notably a free press.

- Membership in international organizations benefits the U.S. by building coalitions and pursuing multilateral programs that advance U.S. interests. These include promoting economic growth through market economies; settling disputes peacefully; encouraging non-proliferation, nuclear safeguards, arms control, and disarmament; adopting international standards to facilitate international trade, telecommunications, transportation, environmental protection, and scientific exchange; and strengthening international cooperation in agriculture and health.

Contributions for International Peacekeeping Activities

- The administration is requesting $550.2 million for contributions for international peacekeeping activities (CIPA) in FY2004. This funding level will allow the U.S. to pay its share of assessed U.N. peacekeeping budgets, fulfilling U.S. commitments and avoiding increased U.N. arrears.

- The U.N. peacekeeping appropriation serves U.S. interests in Europe, Africa and the Middle East, where U.N. peacekeeping missions assist in ending conflicts, restoring peace and strengthening regional stability.

- U.N. peacekeeping missions leverage U.S. political, military and financial assets through the authority of the U.N. Security Council and the participation of other states that provide funds and peacekeepers for conflicts around the world.

Broadcasting Board of Governors

- The FY2004 budget request for the BBG totals $563.5 million.

- The overall request provides $525.2 million for U.S. government non-military international broadcasting operations through the International Broadcasting Operations (IBO) account. This account funds operations of the Voice of America (VOA), Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), and all related program delivery and support activities.

- The IBO request includes funding to advance broadcasting efforts related to the war on terrorism. The request includes $30 million to initiate the Middle East Television Network a new Arabic-language satellite television network that, once operational, will have the potential to reach vast audiences in the Middle East. The request also includes funding to double VOA Indonesian radio programming, significantly increase television programming in Indonesia, and expand BBG audience development efforts.

- The IBO request reflects the shifting of priorities away from the predominantly Cold War focus on Central and Eastern Europe to broadcasting in the Middle East and Central Asia. Funds are being redirected to programs in these regions through the elimination of broadcasting to countries in the former Eastern Bloc that have demonstrated significant advances in democracy and press freedoms and are new or soon-to-be NATO and European Union members.

- The IBO request also reflects anticipated efficiencies that achieve a five-percent reduction in funding for administration and management in FY2004.

- The FY2004 request also provides $26.9 million through Broadcasting to Cuba (OCB) for continuing radio marti and television marti operations, including salary and inflation increases, to support current schedules.

- The FY2004 request further provides $11.4 million for broadcasting capital improvements to maintain the BBG's worldwide transmission network. The request includes $2.9 million to maintain and improve security of U.S. broadcasting transmission facilities overseas.

That finishes the State and related activities part of the President's Budget.

The Foreign Policy Advisor Responsibilities: Funding America's Diplomacy Around the World

The FY2004 budget proposes several initiatives to advance U.S. national security interests and preserve American leadership. The FY2004 Foreign Operations budget that funds programs for the DoS, USAID and other foreign affairs agencies is $18.8 billion.

Today, our number one priority is to fight and win the global war on terrorism. The budget furthers this goal by providing economic, military, and democracy assistance to key foreign partners and allies, including $4.7 billion to countries that have joined us in the war on terrorism.

The budget also promotes international peace and prosperity by launching the most innovative approach to U.S. foreign assistance in more than forty years. The new Millennium Challenge Account (MCA), an independent government corporation funded at $1.3 billion will redefine "aid". As President Bush told African leaders meeting in Mauritius recently, this aid will go to "nations that encourage economic freedom, root out corruption, and respect the rights of their people."

Moreover, this budget offers hope and a helping hand to countries facing health catastrophes, poverty and despair, and humanitarian disasters. It provides $1.345 billion to combat the global HIV/AIDS epidemic, more than $1 billion to meet the needs of refugees and internally displaced peoples, $200 million in emergency food assistance to support dire famine needs, and $100 million for an emerging crises fund to allow swift responses to complex foreign crises.

The U.S. is successfully prosecuting the global war on terrorism on a number of fronts. We are providing extensive assistance to states on the front lines of the anti-terror struggle. Working with our international partners bilaterally and through multilateral organizations, we have frozen more than $110 million in terrorist assets, launched new initiatives to secure global networks of commerce and communication, and significantly increased the cooperation of our law enforcement and intelligence communities. Afghanistan is no longer a haven for al-Qaeda. We are now working with the Afghan Authority, other governments, international organizations, and non-government organizations to rebuild Afghanistan. Around the world we are combating the unholy alliance of drug traffickers and terrorists who threaten the internal stability of countries. We are

leading the international effort to prevent weapons of mass destruction from falling into the hands of those who would do harm to us and others. At the same time, we are rejuvenating and expanding our public diplomacy efforts worldwide.

Assistance to Frontline States

The FY2004 International Affairs budget provides approximately $4.7 billion in assistance to the frontline states, which have joined with us in the war on terrorism. This funding will provide crucial assistance to enable these countries to strengthen their economies, internal counter-terrorism capabilities and border controls.

Of this amount, the President's Budget provides $657 million for Afghanistan, $460 million for Jordan, $395 million for Pakistan, $255 million for Turkey, $136 million for Indonesia, and $87 million for the Philippines. In Afghanistan, the funding will be used to fulfill our commitment to rebuild Afghanistan's road network; establish security through a national military and national police force, including counter-terrorism and counter-narcotics components; establish broad-based and accountable governance through democratic institutions and an active civil society; ensure a peace dividend for the Afghan people through economic reconstruction; and provide humanitarian assistance to sustain returning refugees and displaced persons. United States assistance will continue to be coordinated with the Afghan government, the United Nations, and other international donors.

The DoS's Anti-Terrorism Assistance (ATA) program will continue to provide frontline states a full complement of training courses, such as a course on how to conduct a post-terrorist attack investigation or how to respond to a weapons of mass destruction (WMD) event. The budget will also fund additional equipment grants to sustain the skills and capabilities acquired in the ATA courses. It will support as well in-country training programs in Afghanistan, Pakistan, and Indonesia.

Central Asia and *Freedom Support Act* Nations

In FY2004, over $157 million in *Freedom Support Act* (FSA) funding will go to assistance programs in the Central Asian states. The FY2004 budget continues to focus FSA funds to programs in Uzbekistan, Kyrgyzstan and Tajikistan, recognizing that Central Asia is of strategic importance to U.S. foreign policy objectives. The FY2004 assistance level for Uzbekistan, Kyrgyzstan, and Tajikistan is thirty percent above 2003. Assistance to these countries has almost doubled from pre-September 11, 2002 levels. These funds will support civil society development, small business promotion, conflict reduction, and economic reform in the region. These efforts are designed to promote economic development and strengthen the rule of law in order to reduce the appeal of extremist movements and stem the flow of illegal drugs that finance terrorist activities.

Funding levels and country distributions for the FSA nations reflect shifting priorities in the region. For example, after more than ten years of high levels of assistance, it is time to begin the process of graduating countries in this region from economic assistance, as we have done with countries in Eastern Europe that have made sufficient progress in the transition to market-based democracies. U.S. economic assistance to Russia and Ukraine will begin phasing down in FY2004, a decrease of thirty-two percent from 2003, moving these countries towards graduation.

Combating Illegal Drugs and Stemming Narco-terrorism

The President's request for $731 million for the Andean Counterdrug Initiative includes $463 million for Colombia. An additional $110 million in military assistance to Colombia will support Colombian President Uribe's unified campaign against terrorists and the drug trade that fuels their activities. The aim is to secure democracy, extend security, and restore economic prosperity to Colombia and prevent the narco-terrorists from spreading instability to the broader Andean region. Critical components of this effort include resumption of the Airbridge Denial program to stop internal and cross-border aerial trafficking in illicit drugs, stepped up eradication and

alternative development efforts, and technical assistance to strengthen Colombia's police and judicial institutions.

Halting Access of Rogue States and Terrorists to Weapons of Mass Destruction

Decreasing the threats posed by terrorist groups, rogue states, and other non-state actors requires halting the spread of weapons of mass destruction and related technology. To achieve this goal, we must strengthen partnerships with countries that share our views in dealing with the threat of terrorism and resolving regional conflicts.

The FY2004 budget requests $35 million for the Nonproliferation and Disarmament Fund (NDF), more than double the FY2003 request, increases funding for overseas export controls and border security (EXBS) to $40 million, and supports additional funding for science centers and bio-chem redirection programs.

Funding increases requested for the NDF and EXBS programs seek to prevent WMD from falling into the hands of terrorist groups or states by preventing their movement across borders and destroying or safeguarding known quantities of weapons or source material. The science centers and bio-chem redirection programs support the same goals by engaging former Soviet weapons scientists and engineers in peaceful scientific activities, providing them an alternative to marketing their skills to states or groups of concern.

Millennium Challenge Account

The FY2004 budget request of $1.3 billion for the new MCA as a government corporation fulfills the President's March 2002 pledge to create a new bilateral assistance program, markedly different from existing models. This budget is a huge step towards the President's commitment of $5 billion in annual funding for the MCA by 2006, a 50 percent increase in core development assistance.

The MCA supplements U.S. commitments to humanitarian assistance and existing development aid programs funded and implemented by USAID. It will assist developing countries that make sound policy decisions and demonstrate solid performance on economic growth and reducing poverty.

- MCA funds will go only to selected developing countries that demonstrate a commitment to sound policies based on clear, concrete, and objective criteria. To become eligible for MCA resources, countries must demonstrate their commitment to economic opportunity, investing in people, and good governance.

- Resources will be available through agreements with recipient countries that specify a limited number of clear measurable goals, activities, and benchmarks, and financial accountability standards.

- The MCA will be administered by a new government corporation designed to support innovative strategies and to ensure accountability for measurable results. The corporation will be supervised by a Board of Directors composed of Cabinet level officials and chaired by the Secretary of State. Personnel will be drawn from a variety of government agencies and non-government institutions and serve limited-term appointments.

In FY2004, countries eligible to borrow from the International Development Association (IDA), and which have per capita incomes below $1,435, (the historical IDA cutoff) will be considered. In 2005, all countries with incomes below $1,435 will be considered. In 2006, all countries with incomes up to $2,975 (the current World Bank cutoff for lower middle income countries) will be eligible.

The selection process will use sixteen indicators to assess national performance these indicators being relative to governing justly, investing in people, and encouraging economic freedom. These indicators were chosen because of the quality and objectivity of their data, country coverage, public availability, and correlation with growth and poverty reduction. The

results of a review of the indicators will be used by the MCA board of directors to make a final recommendation to the President on a list of MCA countries.

Africa Education Initiative

With $200 million, the United States is doubling its five-year financial commitment to the African Education Initiative it launched last year. The initiative focuses on increasing access to quality education in Africa. Over its five-year life the African Education Initiative will achieve: 160,000 new teachers trained; 4.5 million textbooks developed and distributed; an increase in the number of girls attending school through providing more than a quarter million scholarships and mentoring; and an increase in African Education Ministries' capacity to address the impact of HIV/AIDS.

Increases in Funding for Multilateral Development Banks

The FY2004 budget provides $1.55 billion for the Multilateral Development Banks (MDBs), an increase of $110 million over the FY2003 request of $1.44 billion. This includes $1.36 billion for scheduled payments to the MDBs and $195.9 million to clear existing arrears. The request provides $950 million for the International Development Association (IDA) for the second year of the IDA-13 replenishment, $100 million of which is contingent on the IDA meeting specific benchmarks in the establishment of a results measurement system. By spring 2003, the IDA is to have completed an outline of approach to results measurement, presented baseline data, and identified outcome indicators and expected progress targets. By that same time, the IDA is also to have completed specific numbers of reviews and assessments in the areas of financial accountability, procurement, public expenditure, investment climate, and poverty.

World Summit on Sustainable Development

The World Summit on Sustainable Development (WSSD) engaged more than 100 countries and representatives of business and non-government organizations. Sustainable development begins at home and is supported by effective domestic policies and international partnerships that include the private sector. Self-governing people prepared to participate in an open world marketplace are the foundation of sustainable development. These fundamental principals guide the U.S. approach to summit initiatives. At the 2002 Summit the U.S. committed to developing and implementing realistic results-focused partnerships in the areas of:

- Water for the Poor;
- Clean Energy;
- Initiative to Cut Hunger in Africa;
- Preventing Famine in Southern Africa; and
- The Congo Basin Partnership.

At the end of the Summit new relationships and partnerships were forged and a new global commitment to improve sanitation was reached. The FY2004 budget supports these partnerships with $337 million in assistance funding.

The U.S.-Middle East Partnership Initiative

The President's Budget includes $145 million for the Middle East Partnership Initiative (MEPI). This initiative gives us a framework and funding for working with the Arab world to expand educational and economic opportunities, empower women, and strengthen civil society and the rule of law. The peoples and governments of the Middle East face daunting human challenges. Their economies are stagnant and unable to provide jobs for millions of young people entering the workplace each year. Too many of their governments appear closed and unresponsive to the needs of their citizens. And their schools are not equipping students to succeed in today's globalizing world. With the programs of the MEPI, we will work with Arab governments, groups, and individuals to bridge the jobs gap with economic reform, business investment, and private

sector development; close the freedom gap with projects to strengthen civil society, expand political participation, and lift the voices of women; and bridge the knowledge gap with better schools and more opportunities for higher education. The U.S.-Middle East Partnership Initiative is an investment in a more stable, peaceful, prosperous, and democratic Arab world.

Forgiving Debt – Helping Heavily Indebted Poor Countries

The Administration request provides an additional $75 million for the trust fund for Heavily Indebted Poor Countries (HIPC). These funds will go towards fulfilling the President's commitment at the G-8 Summit in Kananaskis, Canada to contribute America's share to filling the projected HIPC trust fund financing gap. The HIPC trust fund helps to finance debt forgiveness by the International Financial Institutions (IFIs) to heavily indebted poor countries that have committed to economic reforms and pledged to increase domestic funding of health and education programs. In addition, the President's request provides $300 million to fund bilateral debt reduction for the Democratic Republic of the Congo under the HIPC Initiative, as well as $20 million for debt reduction under the *Tropical Forest Conservation Act* (TFCA).

The Administration believes that offering new sovereign loans or loan guarantees to indebted poor countries while providing debt forgiveness to those same countries risks their return to unsustainable levels of indebtedness a situation debt forgiveness seeks to resolve.

In order to address this situation, the Administration recently invoked a one-year moratorium on new lending to countries that receive multilateral debt reduction. U.S. lending agencies have agreed not to make new loans or loan guarantees to countries that receive debt reduction for one year. The measure will not be punitive. Should countries demonstrate serious economic gains before the end of the moratorium, lending agencies may, with interagency clearance, resume new lending. The Administration hopes that this policy will bring to an end the historically cyclical nature of indebtedness of poor countries.

American Leadership in Fighting AIDS and Alleviating Humanitarian Hardships

This budget reaffirms America's role as the leading donor nation supporting programs that combat the greatest challenges faced by many developing countries today. The FY2004 budget proposes a number of foreign assistance initiatives managed by USAID and other federal agencies to provide crucial resources that prevent and ameliorate human suffering worldwide.

Fighting the Global AIDS Pandemic

The FY2004 budget continues the Administration's commitment to combat HIV/AIDS and to help bring care and treatment to infected people overseas. The HIV/AIDS pandemic has killed 23 million of the 63 million people it has infected to date, and left 14 million orphans worldwide. President Bush has made fighting this pandemic a priority of U.S. foreign policy.

The President believes the global community can and must do more to halt the advance of the pandemic, and that the United States should lead by example. Thus, the President's FY2004 budget request signals a further, massive increase in resources to combat the HIV/AIDs pandemic. As described in the State of the Union, the President is committing to provide a total of $15 billion over the next five years to turn the tide in the war on HIV/AIDs, beginning with $2 billion in the FY2004 budget request and rising thereafter. These funds will be targeted on the hardest hit countries, especially Africa and the Caribbean with the objective of achieving dramatic on-the-ground results. This new dramatic commitment is reflected in the Administration's $2 billion FY2004 budget request, which includes:

- State Department — $450 million;
- USAID — $895 million, including $100 million for the global fund and $150 million for the International Mother and Child HIV Prevention; and
- HHS/CDC/NIH — $690 million, including $100 million for the global fund and $150 million for the International Mother and Child HIV Prevention.

In order to ensure accountability for results, the President has asked me to establish at DoS a new special coordinator for International HIV/AIDS assistance. The special coordinator will work for me and be responsible for coordinating all international HIV/AIDS programs and efforts of the agencies that implement them.

Hunger, Famine, and Other Emergencies

- Food Aid – Historically the United States has been the largest donor of assistance for victims of protracted and emergency food crises. In 2003, discretionary funding for food aid increased from $864 million to $1.19 billion. That level will be enhanced significantly in 2004 with two new initiatives: a Famine Fund and an Emerging Crises Fund to address complex emergencies.

- Famine Fund – The FY2004 budget includes a new $200 million fund with flexible authorities to provide emergency food, grants or support to meet dire needs on a case-by-case basis. This commitment reflects more than a fifteen percent increase in U.S. food assistance.

- Emerging Crises Fund – The budget also requests $100 million for a new account that will allow the Administration to respond swiftly and effectively to prevent or resolve unforeseen complex foreign crises. This account will provide a mechanism for the President to support actions to advance American interests, including to prevent or respond to foreign territorial disputes, armed ethnic and civil conflicts that pose threats to regional and international peace and acts of ethnic cleansing, mass killing and genocide.

Summary

To advance America's interests around the world we need the dollars in the President's budget for FY2004. We need the dollars under both of my hats, the CEO and principal foreign policy advisor. The times we live in are troubled to be sure, but I believe there is every bit as much opportunity in the days ahead as there is danger. American leadership is essential to dealing with both the danger and the opportunity. With regard to the Department of State, the President's FY2004 budget is crucial to the exercise of that leadership.

Fiscal Year 2003 Security Assistance Legislation and Funding Allocations

By

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Introduction

Each year, the *Defense Institute of Security Assistance Management (DISAM) Journal* publishes a summary and analysis of the legislation that impacts U.S. security assistance. In this issue, we present the nineteenth in a series of annual studies of the major pieces of legislation with references to security assistance and related programs. This report is intended to alert all security assistance community members to the collective changes in legislation that will influence program planning and implementation for the coming year. As we have done in the past, the report is in outline form, with key topics highlighted to facilitate locating specific statutory references. For the first time in several years, this report will also include tables showing the levels of funding for the affected countries and programs. This is possible because of the timely receipt of the Department of State (DoS) report for the allocation of foreign operations funding submitted to Congress on 14 March 2003 in accordance with Section 653(a), *Foreign Assistance Act* (FAA).

Because of the continuing political and military efforts for the global war on terrorism (GWOT) and peace in the Middle East, the continuing economic recession, and the distraction of the November 2002 congressional elections, budget actions by Congress before the end of fiscal year (FY) 2002 were delayed, with much work remaining to be done well into the FY2003. Only two (2) of the required thirteen (13) annual appropriations were legislated and enacted before the 107th Congress recessed for the November elections. These two included the *Department of Defense Appropriations Act, 2003*, P.L. 107-248, 23 October 2002, and the *Military Construction Appropriations Act, 2003*, P.L. 107-249, 23 October 2002. The remaining eleven (11) appropriations, to include security assistance funding, were finally legislated and enacted with the *Consolidated Appropriations Resolution, 2003*, P.L. 108-07, 20 February 2003. This law actually started out within the new 108th Congress to be a continuing resolution, H.J. Res. 2, but by a Senate amendment grew into the enormous appropriations act needed for FY2003. However, as with most other appropriated programs for FY2003, the initial total security assistance appropriation of $6,562,000,000 experienced a directed rescission (reduction) of 0.65 percent resulting in a funding figure lowered by $42,654,000 to a total of $6,519,346,000 for FY2003.

Eight (8) continuing resolutions (CRs) were necessary for continued federal government operations at the beginning of FY2003. The final one, P.L. 108-5, 7 February 2003, extended the spending authority to expire on 20 February 2003, ultimately the same date that the *Consolidating Appropriations Resolution, 2003*, was enacted. The third CR for FY2003 is of special interest to the security assistance community. Section 128 of this law, *Making Further Continuing Appropriations for the Fiscal Year 2003, and for Other Purposes*, P.L. 107-240, 11 October 2002, provided for the Section 23, *Arms Export Control Act* (AECA), authority for foreign military financing program (FMFP) direct loan assistance during FY2003 of $3,800,000,000 to **Poland** but with no U.S. funding for loan subsidies or any associated fees.

Items of significance within the *Foreign Operations, Export Financing, and Related Programs*, Division E, P.L. 108-7, 20 February 2003, included four (4) worthy of note.

• With foreign military financing program (FMFP) funding for FY2003 remaining essentially unchanged from FY2002, the ever-popular **international military education and training (IMET)** program continues its growth, realizing a fourteen (14) percent increase of $9,480,000 after rescission over prior year funding.

• Showing a continued interest in Department of Defense's (DoD) overhaul of the Informational Program (IP), Congress directed that FMFP, IMET, or Economic Support Fund (ESF) funding may not be used for entertainment expenses of a substantially recreational character to include for the first time **"theatrical and musical productions."**

• At the Administration's request, authorized for up to $93,000,000 in FMFP for **Colombia** to be transferred to "Andean Counterdrug Initiative" for helicopters, training, and other assistance for the security of the Cano Limon pipeline.

• There will be no FY2003 funding for assistance to the **Korean Peninsula Energy Development Organization (KEDO).** Last year's law authorized up to $95,000,000.

Fiscal Year 2003 Security Assistance Funding
Including Rescissions
(dollars in millions)

Program	FY2002	Request	House	Senate	FY2003
FMFP	$4,052.000	$4,107.200	$4,080.200	$4,072.000	$4,045.532
IMET	70.000	80.000	80.000	80.000	79.480
ESF	3,289.000	2,490.000	2,445.000	2,260.000	2,280.082
Peacekeeping Operations (PKO)	375.000	108.250	125.000	120.250	114.252
Total	**$7,786.000**	**$6,785.450**	**$6,730.200**	**$6,532.250**	**$6,519.346**

By far, the most significant changes for security assistance were provided by the *Security Assistance Act of 2002*, Division B, P.L. 107-228, 30 September 2002. The following thirteen (13) items were of particular note, arranged only by order of appearance in the law.

• Before the issuing of an export license for the commercial sale of U.S. Munitions List (USML), Category I, **small arms, valued $1,000,000 or more**, an advance 36(c) congressional notification is required.

• **Taiwan** shall be treated as though it was designated as a major non-North Atlantic Treaty Organization (NATO) ally.

• Requirement for an annual report of **past IMET participants** in violation of human rights reported under the Section 116(d), FAA, *Country Reports on Human Rights Practices*.

• Requirement for an annual report listing significant military equipment (SME) that are believed likely to become available for transfer as **excess defense articles (EDA)** during the year.

• Expanding the five-year **limit for a lease** to also include any period requiring more than six (6) months that is necessary for major refurbishment prior to delivery.

• The **Philippines** is now included along with the major non-NATO allied group of countries on the southern and southeastern flank of NATO to receive priority for the delivery of grant EDA.

• Requirement of a briefing to Congress every 180 days regarding security assistance for **Taiwan**.

• Authorized appropriations specifically for the **Directorate of Defense Trade Controls (PM/DDTC)** for expenses for licensing of **USML** exports and to fully automate the Defense Trade Application System (DTAS). A secure, internet-based system is to be developed for the filing and tracking by U.S. industry of their export applications.

• Provides for criminal and civil penalties for those who fail to file or file misleading information through the **Shippers Export Declaration (SED) or the Automated Export System (AES).**

• Essentially **doubles the dollar threshold value of advance congressional notifications** for third country transfers, foreign military sales (FMS), enhancements or upgrades, direct commercial sales (DCS), and leases to North Atlantic Treaty Organization (NATO) countries, Australia, Japan, and New Zealand.

• Items may not be removed from the **USML** until thirty (30) days after notification to Congress.

• Still requires the development and submission of a **national security assistance strategy.**

• Authorizes the transfer of fourteen (14) U.S. Navy ships.

The *Afghanistan Freedom Support Act of 2002*, P.L. 107-327, 4 December 2002, authorizes the Section 506, FAA, **drawdown of $300,000,000** in defense articles and services for Afghanistan, other countries, and international organizations specifically for their participation in military, peacekeeping, or policing operations in Afghanistan. It also authorizes the annual appropriation of $500,000,000 during FY2003 and FY2004 to support the **International Security Assistance Force (ISAF).**

The *2002 Supplemental Appropriations Act for Further Recovery from and Response to Terrorist Attacks on the United States*, P.L. 107-206, 2 August 2002, has two (2) items of security assistance interest.

• The following FY2002 security assistance programs received additional funding: $465,000,000 for ESF, $357,000,000 for FMFP, and $20,000,000 for PKO.

• Effective 1 July 2003, no military assistance will be provided to a country that is party to the International Criminal Court unless the country signs a **Court Article 98** agreement for a waiver providing immunity to and consenting to not surrender any U.S. government military or civilian personnel to the Court. NATO countries, major non-NATO countries, and Taiwan are exempt from this prohibition.

The *Gerald B.H. Solomon Freedom Consolidation Act of 2002*, P.L. 107-187, 10 June 2002, reaffirms Congressional endorsement of additional Eastern and Central European countries being invited to be members of the NATO organization and designates **Slovakia** as being eligible for priority in delivery of grant EDA along with previously legislated eligible Poland, Hungary, Czech Republic, Slovenia, Romania, Estonia, Latvia, Lithuania, and Bulgaria.

Both Houses acted immediately to the President's emergency supplemental request of $75,000,000,000 in appropriations for FY2003 for GWOT, Operation Iraqi Freedom, the reconstruction of Iraqi, and additional security assistance funding and authorities for countries affected by both wars. H.Rpt 108-55 of 2 April 2003 accompanied HR1559 and S. Rpt. 108-33 of 1 April 2003 accompanied S762. The Conference was convened to iron-out the differences with HR1559 being reported out on 12 April 2003 with H.Rpt. 108-76. Both Houses promptly passed the resulting bill appropriating nearly $80,000,000,000. It was enacted on 16 April 2003 as the *Emergency Wartime Supplemental Appropriations Act of 2003*, P.L. 108-11. The following twelve (12) items are the significant security assistance-related highlights of the FY2003 supplemental:

• For DoD expenses in the GWOT and military operations in Iraq, the **Iraq Freedom Fund** is established with an appropriation of $15,678,900,000 of which up to $25,000,000 is to be available for counter-terrorism military training activities for foreign governments, to include equipment, supplies, and services.

• $165,000,000 is appropriated to reimburse DoD for the value of **drawdown support** authorized by Section 202(b) of the *Afghanistan Freedom Support Act of 2002*, P.L. 107-327, 4 December 2002.

• $63,500,000 of appropriated DoD funding may be used to **reimburse the value of drawdown support** authorized by Section 49(a)(2) of the *Iraq Liberation Act of 1998*, P.L. 105-

338, 31 October 1998. An aggregate ceiling of $86,500,000 is established for drawdowns during FY2003 under this authority.

- Up to $1,400,000,000 transferred from the new Iraq Freedom Fund to "Operation and Maintenance, Defense-Wide" may be used for payments to reimburse **Pakistan, Jordan**, and other key cooperating nations for logistical and military support provided to U.S. military operations in connection with military operations in Iraq and the GWOT.

- For FY2003 only, authorizes an increase in Imminent Danger Special Pay to $225 (vice $150) and Family Separation Allowance to $250 (vice $100).

- Appropriates $2,475,000,000 for humanitarian assistance, rehabilitation, and reconstruction in **Iraq**.

- Appropriates an additional $2,422,000,000 in grant ESF funding to include: not less than $700,000,000 for **Jordan**, $300,000,000 shall be available for **Egypt**, not to exceed $1,000,000,000 for **Turkey**, not less than $30,000,000 for the **Philippines**, not less than $167,000,000 for **Afghanistan**, and $10,000,000 should be available for investigations and research into allegations of war crimes, crimes against humanity, or genocide committed by Saddam Hussein or other Iraqis.

- During the period 1 March 2003 to 30 September 2005, authorizes the ESF direct loan or guaranteed loans not exceeding $8,500,000,000 for **Turkey**, loan guarantees not exceeding $2,000,000,000 for **Egypt**, and loan guarantees not exceeding $9,000,000,000 for **Israel**.

- Appropriates an additional $2,059,100,000 in grant FMFP funding to include: not less than $406,000,000 for **Jordan**, not less than $1,000,000,000 for **Israel**, and up to $20,000,000 may be transferred to the Andean Counterdrug Initiative for aircraft, training, and other assistance for the **Colombian Armed Forces**.

- No additional IMET funding is appropriated; however, an additional $100,000,000 is appropriated for **PKO**.

- The President is authorized to suspend the application of any provision of the *Iraq Sanction Act of 1990*. The export of any non-lethal military equipment on the USML to Iraq is authorized when determined to be in the U.S. national interest. This non-lethal limitation shall not apply to military equipment for use by a reconstituted Iraqi military or police force.

- Because of the closing press deadline for this edition of the *Journal* and no report for the allocation of this additional funding yet made available, no further discussion or final funding allocation for this new supplemental can be provided.

A more detailed account of the provisions of legislation enacted later in FY2002 and for FY2003 that is of interest to the security assistance community now follows.

Reference Sources

The following abbreviated titles will assist in identifying principal sources of information used in this article:

- FAA: *Foreign Assistance Act of 1961*, as amended, Public Law (P.L.) 87-195, 4 September 1961.

- AECA: *Arms Export Control Act*, as amended, P.L. 94-329, 30 June 1976.

- P.L. 107-38: *2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States*, P.L. 107-38, 18 September 2001.

- P.L. 107-57: *An Act to Authorize the President to Exercise Waivers for Foreign Assistance Restrictions with Respect to Pakistan through September 30, 2003, and for Other Purposes*, P.L. 107-107-57, 27 October 2001.

- P.L. 107-115: *Kenneth M. Ludden Foreign Operations, Export Financing, and Related Programs Appropriations Act, Fiscal Year 2002*, P.L. 107-115, 10 January 2002.

• P.L. 107-117: *Department of Defense and Emergency Supplemental Appropriations for Recovery from and Response to Terrorist Attacks on the United States Act, 2002*, P.L. 107-117, 10 January 2002.

• P.L. 107-187: *Gerald B.H. Solomon Consolidation Act of 2002*, P.L. 107-187, 10 June 2002.

• P.L. 107-206: *2002 Supplemental Appropriations Act for Further Recovery from and Response to Terrorist Attacks on the United States*, P.L. 107-206, 2 August 2002.

• P.L. 107-206: *American Service-Members' Protection Act of 2002*, Title II, P.L. 107-206, 2 August 2002.

• P.L. 107-228: *Foreign Relations Authorization Act, Fiscal Year 2003*, P.L. 107-228, 30 September 2002.

• P.L. 107-228: *Department of State Authorization Act, Fiscal Year 2003*, Division A, P.L. 107-228, 30 September 2002.

• P.L. 107-228: *Security Assistance Act of 2002*, Division B, P.L. 107-228, 30 September 2002.

• P.L. 107-248: *Department of Defense Appropriations Act, 2003*, P.L. 107-248, 23 October 2002.

• P.L. 107-314: *Bob Stump National Defense Authorization Act for Fiscal Year 2003*, P.L. 107-314, 2 December 2002.

• P.L. 107-327: *Afghanistan Freedom Support Act of 2002*, P.L. 107-327, 4 December 2002.

• P.L. 108-7: *Consolidated Appropriations Resolution, 2003*, P.L. 108-7, 20 February 2003.

• P.L. 108-7: *Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2003*, Division E, P.L. 108-7, 20 February 2003.

• P.L. 108-11: *Emergency Wartime Supplemental Appropriations Act*, 2003, P.L. 108-11, 16 April 2003.

Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2003, Division E, P.L. 108-7, 20 February 2003

• Enacted as Division E of the *Consolidated Appropriations Resolution, 2003*, P.L. 108-7, 20 February 2003 (H.J. Res 2). The original bills were reported out of the House and Senate Appropriations Committees of the 107th Congress as HR5410 (H.Rpt. 107-663) on 19 September 2003 and S2779 (S.Rpt. 107-219) on 18 July 2003, respectively, with no floor action taken by either house before the end-of-session recess. The Conference Report was ordered printed 13 February 2003 as H.Rpt. 108-10. Table 1 displays the funding initially appropriated within Division E for the four traditional security assistance appropriations programs – FMFP, IMET, ESF, and Peacekeeping Operations (PKO) which amounted to a total of $6,562,000,000.

•• H.J. Res 2 was originally introduced in the House of the newly convened 108th Congress on 7 January 2003 as a continuing resolution (CR) for FY2003 to extend spending authority to 31 January 2003. It was passed by the House on 8 January and passed to the Senate for consideration. On 15 January, Senator Stevens of the Senate Appropriations Committee introduced the very lengthy S. Amdt 1 into H.J. Res 2 which included the remaining eleven (11) FY2003 appropriations for the fiscal year. The Defense (HR5010) and Military Construction (HR5011) bills were previously passed by the 107th Congress and enacted on 23 October 2002. The Senate passed the resolution with the amendment on 23 January and a conference was convened to negotiate the differences. The conference report for H.J. Res 2 was published 13 February as H. Rpt. 108-10. The revised legislation was passed by both Houses also on 13 February and enacted by the President on 20 February as P.L. 108-7.

•• However, Division N, Title VI, Section 601, of the same P.L. 108-7 directed an across-the-board rescission (reduction) of any discretionary account within any FY2003 appropriations

act by .65 percent. Certain few non-state, defense, and foreign assistance appropriations were exempted from this rescission. For security assistance, this amounted to an overall rescission of $42,654,000. As also indicated in Table 1, the reduction resulted in the final security assistance appropriations figure of $6,519,346,000.

Table 1
FY2003 Security Assistance Appropriations and Rescissions
(dollars in millions)

Program	Initial Appropriation	Rescission Final	Appropriation
FMFP	$4,072,000,000	$26,468,000	$4,045,532,000
IMET	80,000,000	520,000	79,480,000
ESF	2,295,000,000	14,918,000	2,280,082,000
PKO	115,000,000	748,000	114,252,000
Total	**$6,562,000,000**	**$42,654,000**	**$6,519,346,000**

Title III, Military Assistance, Foreign Military Financing Program

• Initially appropriated $4,072,000,000 as FMFP grant assistance to carry out provisions of Section 23, AECA. For FY2003 FMFP, the mandated .65 percent rescission amounted to $26,468,000 reducing the total grant program for the year to $4,045,532,000. This new total is in addition to the large FMFP direct loan separately authorized for Poland by P.L. 107-240.

•• P.L. 107-240, 11 October 2002, was the third continuing resolution (H.J. Res 122) for the yet to be enacted thirteen appropriations required for the fiscal year, by extending spending authorities until 18 October 2002.

•• Section 128 of P.L. 107-240 was most significant for U.S. security assistance in that during FY2003 up to $3,800,000,000 of direct loans under Section 23, AECA, may be made available for **Poland**. The loans are to be repaid in not more than fifteen (15) years to include a grace period of up to eight (8) years on repayment of the principal. No U.S. funds are available for loan subsidy costs. Poland shall pay the full cost associated with the loans to include the cost of any defaults. Any fees associated with these loans shall be paid for by Poland prior to any disbursement of loan proceeds. No funds made available to Poland by P.L. 107-240 or any other act may be used for payment of any fees associated with these loans.

• As noted in Table 2, the FMFP funding originally requested by the Administration was for $4,107,200,000. The initial appropriation, before the rescission, was the Senate proposal of $4,072,000,000. The House proposal was $4,080,200,000.

Table 2
Foreign Military Financing Program
FY2003 Appropriation
(dollars in millions)

FY2002	Administration	House	Senate	FY2003
$4,052.000	$4,107.200	$4,080.200	$4,072.000	$4,045.532

Notes: The FY2002 total includes the initial appropriation by P.L. 107-115, the 2001 Emergency Response Fund appropriation by P.L. 107-38, and the 2002 Supplemental appropriation by P.L. 107-206. The FY2003 total includes the .65 percent rescission.

• The initial FMFP appropriation by P.L. 107-115 for FY2002 was $3,650,000,000 with two global-war-on-terrorism supplemental appropriations. These two supplementals for FMFP included $45,000,000 by the 2001 Emergency Response Fund (ERF) authorized by P.L. 107-38, 18 September 2001, and $357,000,000 by the 2002 Supplemental Appropriation authorized by P.L. 107-206, 2 August 2002, to total $402,000,000 in additional FY2002 FMFP. All three appropriations total the $4,052,000,000 noted in Table 2 for FY2002. When comparing the final

FMFP appropriations after taking into account the supplementals and the rescission for the two fiscal years, the FY2002 total is $6,468,000 more than the total for FY2003.

- The two legislated "earmarks" for FY2003 FMFP grant appropriations include:

  •• Not less than $2,100,000,000 for **Israel** to be disbursed within thirty (30) days of the enactment of this Act.

  •• This is the fifth year of a ten-year plan in which Israel's FMFP assistance is to increase by $60,000,000 annually to coincide with an annual decrease of $120,000,000 in ESF grant assistance towards achieving the Government of Israel's ten (10) year goal of receiving no ESF assistance (beginning in FY2009) from the U.S.

  •• As in prior years, to the extent Israel requests that funds be used for such purposes, funds made available to Israel shall, as agreed by Israel and the U.S., be available for advanced weapons systems, of which not less than $550,000,000 shall be available for the procurement in Israel of defense articles and services to include research and development. This new value is $15,000,000 greater than authorized last fiscal year.

  •• Not less than $1,300,000,000 for **Egypt**.

  •• Any funds estimated to be outlayed for Egypt during the fiscal year shall be transferred to an interest bearing account for Egypt in the Federal Reserve Bank of New York with thirty (30) days of the enactment of this act.

- Total earmarked funding within the FMFP heading for FY2003 is $3,400,000,000 or 84 percent of the total appropriated leaving a recently unprecedented $645,532,000 for other programs.

- The conference report noted that the final legislation did not include the Senate language for an earmark of $198,000,000 for **Jordan** but also noted that the funds have already been obligated for assistance for Jordan.

- The conference report also noted that the final legislation did not include the Senate language for an earmark of $3,000,000 for **Armenia** but noted that the conference managers expect the full IMET and FMFP funding requests by the Administration will be provided and that a portion of the FMFP funds should be used to enhance communications capabilities. The Administration requested $750,000 in IMET assistance and the noted $3,000,000 in FMFP assistance for Armenia.

- Though not legislated, the conference managers endorsed the Senate language for continued support of counterterrorism operations in the southern **Philippines** and recommend additional FMFP support above the Administration's proposal of $20,000,000. The rescission requirement resulted in a FY2003 allocation of $19,870,000.

  •• The Philippines was to receive a supplemental $30,000,000 in FMFP appropriated by the 2002 GWOT-related supplemental P.L. 107-206, 2 August 2002, but the wording of the legislation required the presidential determination to Congress that the funding is to be an emergency requirement as defined by the *Balanced Budget and Emergency Deficit Control Act of 1985* which did not take place. Not being linked to the requirement for a presidential determination, this same appropriation did, however, provide a FMFP supplemental of $25,000,000 to the Philippines during FY2002.

- While not in the conference report, both the Senate and the House reports endorse funding assistance for **Turkey** without considering the traditional "7:10 ratio" of aid between Greece and Turkey. This funding is to be only used by Turkey to support its command of the ISAF in Afghanistan and its military role in Operation Enduring Freedom.

- Also not in the conference report, both the Senate and the House reports endorse $5,000,000 and $6,000,000, respectively, in FMFP funding for **Malta** to purchase additional

coastal patrol boats and other military assistance because of Malta's central Mediterranean location and its "crucial role in the interdiction of drug trafficking, illegal weapons shipments, and other smuggling activities." The Senate also noted Malta's support of the U.S. Navy with increased port calls and ship support.

• Legislated "ceilings" for the FMFP grant appropriations include:

•• Up to $93,000,000 may be transferred to and merged with funds appropriated under the heading "Andean Counterdrug Initiative" for helicopters, training, and other assistance for the **Colombian Armed Forces** for security for the Cano Limon pipeline. The conference report indicated the Senate proposed $88,000,000 for the same heading while the House proposed $98,000,000 for the heading "International Narcotics Control and Law Enforcement (INCLE)."

•• Not more than $38,000,000 may be obligated for necessary expenses for the general costs of administering military assistance and sales to include the purchase of passenger motor vehicles for replacement only for use outside the U.S. This ceiling for FY2002 was $35,000,000.

• Not more than $356,000,000 of the non-appropriated FMS administrative budget (Admin Fund) may be obligated for expenses incurred by the Department of Defense during FY2003. This is to support administrative expenses of security assistance organizations (SAOs), agencies, military departments, etc. related to the implementation of foreign military sales. This account is funded by surcharges which are added to all FMS cases in order to recover U.S. government expenses for sales negotiations, case implementation, program control, computer programming, accounting and budgeting, and other FMS-related administrative activities at command headquarters and higher levels. This ceiling may be exceeded only through regular notification procedures of the two appropriations committees. The authorized ceiling for FY2002 was $348,000,000.

• As in prior years, no FY2003 FMFP funding shall be available for assistance for **Guatemala, Liberia, or Sudan**.

• FY2003 FMFP funding may be used for **demining**, the clearance of unexploded ordnance, and related activities, and may include activities implemented through non-governmental and international organizations.

• The conference report endorses the Senate report language commending the Administration's efforts to improve the transparency and accessibility of the fiscal years 2001 and 2002 ***Foreign Military Training Report*** required annually by Section 656, FAA, and the then applicable Section 564, P.L. 107-115. The appropriations committees expect to be consulted if the Administration anticipates making significant changes in its format or content. The conference report also indicates expectation of including information on training activities by civilian contractors.

• Table 3 provides the FY2003 FMFP allocations which were notified to Congress on 14 March 2003 in accordance with Section 653(a), FAA. For comparison, the final allocations for FY2002 and the budget request for FY2003 are also included.

Table 3
Foreign Military Financing Program
FY2003 Funding Allocations
(dollars in millions)

Country/Program by Geographical Region	FY2002 FMFP Funding	FY2003 Budget Request	FY2003 FMFP Funding
Near East			
Bahrain SUP	$28.500	$ 0.000	$ 0.000
Egypt	1,300.000	1,300.000	1,291.550
Israel	2,040.000	2,100.000	2,086.350

Table 3 (continued)

Country/Program by Geographical Region	FY2002 FMFP Funding	FY2003 Budget Request	FY2003 FMFP Funding
Jordan	75.000	198.000	198.000
Jordan SUP	25.000	0.000	0.000
Morocco	3.500	5.000	4.900
Oman	0.000	20.000	19.500
Oman SUP	25.000	0.000	0.000
Tunisia	3.500	5.000	4.900
Yemen	0.000	2.000	1.900
Yemen SUP	20.000	0.000	0.000
Subtotal – Near East	**$3,520.50**	**$3,630.000**	**$3,607.100**
Europe and Eurasia			
Albania	$4.000	$5.000	$4.900
Armenia	4.000	3.000	2.950
Azerbaijan	4.000	3.000	5.000
Bosnia and Herzegovina	2.250	2.500	2.400
Bulgaria	8.500	9.500	9.000
Croatia	5.000	6.000	5.500
Czech Republic	10.000	11.000	10.900
Estonia	6.250	6.750	6.500
Fed Rep of Yugoslavia	0.000	1.000	0.900
Georgia	11.000	7.000	6.900
Georgia SUP	20.000	0.000	0.000
Hungary	10.000	11.000	10.900
Kazakhstan	2.750	3.000	2.900
Kazakhstan SUP	2.000	0.000	0.000
Kyrgyz Republic	2.000	4.000	3.900
Kyrgyz Republic SUP	9.000	0.000	0.000
Latvia	6.250	7.000	6.500
Lithuania	6.593	7.500	6.500
Macedonia	10.500	11.000	10.900
Malta	1.000	1.000	5.000
Moldova	1.250	1.500	1.000
Poland	12.000	13.000	12.900
Romania	9.000	10.000	9.900
Slovakia	7.750	9.000	8.000
Slovenia	4.000	5.000	4.000
Tajikistan	0.700	0.000	0.000
Tajikistan SUP	3.000	0.000	0.000
Turkey SUP	28.000	0.000	0.000
Turkey ERF	20.000	0.000	0.000
Turkey	0.000	17.500	17.350
Turkmenistan	0.000	0.700	0.690
Ukraine	4.000	4.000	3.000
Uzbekistan ERF	25.000	0.000	0.000
Uzbekistan	0.207	8.750	8.600
Uzbekistan SUP	11.000	0.000	0.000
Subtotal – Europe and Eurasia	**$251.000**	**$168.700**	**$166.990**

Table 3 (continued)

Country/Program by Geographical Region	FY2002 FMFP Funding	FY2003 Budget Request	FY2003 FMFP Funding
Western Hemisphere			
Argentina	$1.000	$2.000	$1.990
Bahamas	0.100	0.100	0.090
Belize	0.200	0.300	0.290
Bolivia	0.500	2.000	1.990
Chile	0.500	1.000	0.990
Colombia	0.000	98.000	93.000
Dominican Republic	0.350	0.320	0.300
Eastern Caribbean	2.000	2.130	2.100
Ecuador	0.000	1.000	0.990
Ecuador SUP	3.000	0.000	0.000
El Salvador	1.000	2.500	2.480
Guyana	0.200	0.400	0.390
Haiti	0.300	0.400	0.390
Jamaica	0.600	0.700	0.690
Nicaragua	0.500	0.500	1.000
Panama	0.000	1.000	0.990
Peru	0.000	1.000	0.990
Suriname	0.150	0.250	0.240
Trinidad and Tobago	0.300	0.400	0.390
Uruguay	1.000	1.000	0.990
Subtotal – Western Hemisphere	**$11.700**	**$115.000**	**$110.290**
Africa			
Botswana	$1.000	$1.000	$0.990
Djibouti	0.000	0.000	2.750
Djibouti SUP	1.500	0.000	0.000
Eritrea	0.250	0.500	0.000
Ethiopia	0.250	0.500	1.000
Ethiopia SUP	2.000	0.000	0.000
Ghana	0.400	0.500	0.490
Kenya	0.000	1.500	1.000
Kenya SUP	15.000	0.000	0.000
Military Health Affairs	0.000	2.000	1.990
Nigeria	6.000	6.000	2.500
Senegal	0.400	0.500	0.480
South Africa	6.700	6.000	5.950
Subtotal – Africa	**$33.500**	**$18.500**	**$17.150**
Eurasia Asia and the Pacific			
East Timor	$1.000	$2.000	$1.990
Mongolia	2.000	1.000	0.990
Philippines	19.000	20.000	19.870
Philippines SUP	25.000	0.000	0.000
Thailand	1.300	2.000	1.990
Subtotal – East Asia and the Pacific	**$48.300**	**$25.000**	**$24.840**
South Asia			
Afghanistan	$7.000	TBD	$21.000

Table 3 (continued)

Country/Program by Geographical Region	FY2002 FMFP Funding	FY2003 Budget Request	FY2003 FMFP Funding
Afghanistan SUP	50.000	0.000	0.000
India	0.000	50.000	5.000
Nepal	2.000	3.000	2.950
Nepal SUP	12.000	0.000	0.000
Pakistan	0.000	50.000	49.500
Pakistan SUP	75.000	0.000	0.000
Subtotal – South Asia	**$146.000**	**$103.000**	**$78.450**
Global			
Defense Security Cooperation Agency Administrative Costs SUP	$2.000	$ 0.000	$ 0.000
Enhanced International Peacekeeping Capabilities (EIPC)	4.000	4.000	3.950
FMFP Admin Costs	35.000	37.000	36.762
Policy Initiatives	0.000	6.000	0.000
Subtotal – Global	**$41.000**	**$47.000**	**$40.712**
Total FMFP Allocated	**$4,052.000**	**$4,107.200**	**$4,045.532**
Rescission (.65 percent)	$ 0.000	$ 0.000	$26.468
Total FMFP Appropriated	**$4,052.000**	**$4,107.2000**	**$4,072.000**

Notes:

ERF – Emergency Response Fund authorized by P.L. 107-38, 18 Sep 2001.

SUP – Supplemental Appropriations authorized by P.L. 107-206, 2 Aug 2002.

Military Health Affairs – Funding for medical equipment and supplies for training and education programs in African partner country militaries for HIV/AIDS prevention.

Title III, Military Assistance, International Military Education and Training

• Initially appropriated $80,000,000 as IMET grant assistance to carry out the provisions of Section 541, FAA, of which $3,000,000 may remain available until expended. For FY2003 IMET, the mandated .65 percent rescission amounted to $520,000 reducing the total grant program for the year to $79,480,000.

• As noted in Table 4, the IMET funding originally requested by the Administration, proposed by both Houses, and initially appropriated was $80,000,000. The initial appropriation was $10,000,000 greater than the FY2002 appropriation. However, the rescission reduced the final appropriation to $79,480,000.

Table 4
International Military Education and Training FY2003 Appropriation

FY2002	Administration	House	Senate	FY2003
$70,000,000	$80,000,000	$80,000,000	$80,000,000	$79,480,000

Note: The FY2003 total includes the .65 percent rescission.

• Civilian personnel for whom IMET funding may be provided may include civilians who are not members of a government whose participation would contribute to improved civil-military relations, civilian control of the military, or respect for human rights.

• IMET funding for **Guatemala** may only be available for Expanded IMET (E-IMET). In FY2002, this restriction also included Indonesia. Any IMET funding for **Algeria, Guatemala, or**

Nigeria may only be provided through the regular notification procedures of the Committees on Appropriations. This notification stipulation did not apply to Nigeria in FY2002.

• The conference agreement does not include proposed Senate language that would have prohibited funds for travel or other purposes that do not directly expose the international participants to government officials or institutions or to other individuals or organizations engaged in activities involving public policy. However, the conference managers are aware that the Department of Defense (DoD) is in the process of issuing revised guidance on the informational program to address these issues. The managers request that DoD maintain its consultations with the committees on this new guidance.

• Likewise, the conference agreement does not include the Senate provision directing DoD to maintain a record of students that complete the IMET program for at least six (6) years after graduation. The conference managers note that the Office of Management and Budget (OMB) has already identified shortcomings in procedures to evaluate the performance of the IMET program. Section 581 of this Act provides for the Secretary of State, in consultation with the Secretary of Defense, to submit a progress report to the Committees on Appropriations not later than 30 June 2003 regarding the improvement in performance evaluation procedures for the IMET program and progress in implementing Section 548, FAA, which in 2000 (P.L. 106-280) required the establishment of a database containing records of IMET students receiving IMET-funded assistance after 31 December 2000.

• Though not in the conference report, the Senate Appropriations Committee report language directs the Department of State, in conjunction with the Department of Defense, to provide a report not later than 120 days after enactment of this Act containing the number of civilians from non-governmental organizations which participated in the FY2002 IMET program. The report should also contain the professional backgrounds of these participants, their nationalities, and the type of IMET program in which they participated.

• Table 5 provides the FY2003 IMET allocations which were notified to Congress on 14 March 2003 in accordance with Section 653(a), FAA. For comparison, the final allocations for FY2002 and the budget request for FY2003 are also included.

Table 5
International Military Education and Training
FY2003 Funding Allocations
(dollars in thousands)

Country/Program by Geographical Region	FY2002 IMET Funding	FY2003 Budget Request	FY2003 IMET Funding
Near Eurasia			
Algeria	$67	$550	$550
Bahrain	395	450	450
Egypt	1,217	1,200	1,200
Jordan	2,012	2,400	2,400
Lebanon	568	700	700
Morocco	1,041	1,500	1,500
Oman	481	750	750
Saudi Arabia	24	25	25
Tunisia	1,013	1,500	1,500
Yemen	488	650	650
Subtotal - Near East	**$7,306**	**$9,725**	**$9,725**
Europe and Eurasia			
Albania	$866	$900	$900
Armenia	75	750	750
Azerbaijan	377	750	750
Bosnia-Herzegovina	800	900	900

Table 5 (continued)

Country/Program by Geographical Region	FY2002 IMET Funding	FY2003 Budget Request	FY2003 IMET Funding
Bulgaria	1,212	1,350	1,350
Croatia	593	700	700
Czech Republic	1,800	1,900	1,900
Estonia	1,036	1,100	1,100
Fed Rep of Yugoslavia	00	300	00
Georgia	889	1,200	1,200
Greece	499	600	600
Hungary	1,789	1,900	1,900
Kazakhstan	893	1,000	1,000
Kyrgyz Republic	600	1,100	1,100
Latvia	1,047	1,100	1,100
Lithuania	1.019	1,100	1,100
Macedonia	579	650	650
Malta	295	300	300
Moldova	889	900	900
Poland	1,891	2,000	2,000
Portugal	720	850	850
Romania	1,356	1,500	1,500
Russian Federation	00	800	800
Slovakia	845	950	950
Slovenia	827	950	950
Tajikistan	259	350	350
Turkey	2,756	2,800	2,800
Turkmenistan	388	450	450
Ukraine	1,638	1,700	1,700
Uzbekistan	880	1,200	1,200
Subtotal - Europe and Eurasia	**$26,818**	**$32,050**	**$31,750**
Western Hemisphere			
Argentina	$1,025	$1,000	$1,000
Bahamas	144	140	140
Belize	212	175	175
Bolivia	712	800	800
Brazil	437	500	500
Chile	570	600	600
Colombia	1,180	1,180	1,180
Costa Rica	389	400	400
Dominican Republic	527	500	500
Eastern Caribbean	672	700	700
Ecuador	625	650	650
El Salvador	814	900	900
Guatemala	50	350	350
Guyana	294	275	275
Haiti	14	50	50
Honduras	655	650	650
Jamaica	586	600	600
Mexico	944	1,250	1,250
Nicaragua	372	400	600
Panama	178	200	200
Paraguay	360	300	300
Peru	518	600	600
Suriname	147	150	150
Trinidad and Tobago	132	150	150
Uruguay	464	450	450

Table 5 (continued)

Country/Program by Geographical Region	FY2002 IMET Funding	FY2003 Budget Request	FY2003 IMET Funding
Venezuela	500	700	700
Subtotal - Western Hemisphere	**$12,821**	**$13,670**	**$13,870**
Africa			
Angola	$ 00	$100	$100
Benin	502	400	400
Botswan	692	600	600
Burkina Faso	00	50	00
Burundi	00	50	50
Cameroon	193	200	200
Cape Verde	146	120	120
Central African Republic	128	110	110
Chad	216	130	130
Comoros	00	50	00
Cote d'Ivoire	00	50	00
Democratic Republic of Congo	00	50	50
Djibouti	163	185	185
ECOWAS*	00	50	50
Equatorial Guinea	00	50	50
Eritrea	340	400	400
Ethiopia	445	500	500
Gabon	157	160	160
Gambia	48	50	50
Ghana	482	500	500
Guinea	266	250	250
Guinea-Bissau	69	75	75
Kenya	486	600	600
Lesotho	96	100	100
Madagascar	208	170	170
Malawi	385	360	360
Mali	342	325	325
Mauritania	130	100	100
Mauritius	93	100	100
Mozambique	153	215	215
Namibia	208	200	200
Niger	132	110	110
Nigeria	750	800	800
Republic of the Congo	140	110	110
Rwanda	00	150	150
Sao Tome	112	100	100
Senegal	931	900	900
Seychelles	40	100	100
Sierra Leone	177	250	250
South Africa	1,471	1,450	1,450
Swaziland	84	100	100
Tanzania	275	230	230
Togo	83	100	100
Uganda	00	170	170
Zambia	189	225	225
Subtotal - Africa	**$10,332**	**$11,095**	**$10,945**
East Asia and the Pacific			
Cambodia	$ 00	$200	$ 00
East Timor	43	100	100

Table 5 (continued)

Country/Program by Geographical Region	FY2002 IMET Funding	FY2003 Budget Request	FY2003 IMET Funding
Fiji	00	100	100
Indonesia	405	400	400
Laos	00	100	100
Malaysi	831	800	800
Mongolia	686	725	725
Papua New Guinea	206	240	240
Philippines	2,025	2,400	2,400
Samoa	113	120	120
Solomon Islands	146	150	150
Thailand	1,748	1,750	1,750
Tonga	115	125	125
Vanuatu	95	100	100
Vietnam	00	100	00
Subtotal - East Asia and the Pacific	**$6,413**	**$7,410**	**$7,110**
South Asia			
Afghanistan	$ 00	TBD	$330
Bangladesh	648	750	750
India	1,012	1,000	1,000
Maldive	125	150	150
Nepal	377	500	500
Pakistan	894	1,000	1,000
Sri Lanka	259	350	350
Subtotal - South Asia	**$3,315**	**$3,750**	**$4,080**
Global			
E-IMET Schools	$2,600	$1,800	$1,800
General Costs	395	500	200
Subtotal - Global	**$2,995**	**$2,300**	**$2,000**
Total IMET Allocated	**$70,000**	**$80,000**	**$79,480**
Rescission (.65 percent)	$ 00	$ 00	$520
Total IMET Appropriated	**$70,000**	**$80,000**	**$80,000**

Note:
*ECOWAS – Economic Community of West African States

Title II, Other Bilateral Economic Assistance, Economic Support Fund

• Initially appropriated $2,295,000,000 as ESF grant assistance, to remain available until 30 September 2004, to carry out the provisions of Chapter 4, Part II, FAA. For FY2003 ESF, the mandated .65 percent rescission amounted to $14,918,000 reducing the total grant program for the year to $2,280,082,000.

• As noted in Table 6, the ESF funding originally requested by the Administration was $2,490,000,000. The House and Senate proposals were $2,445,000,000 and $2,260,000,000, respectively. The initial appropriation, before the rescission, was $2,295,000,000.

Table 6
Economic Support Fund FY2003 Appropriation
(dollars in millions)

FY2002	Administration	House	Senate	FY2003
$3,289.000	$2,490.000	$2,445.000	$2,260.000	$2,280.082

Notes: The FY2002 total includes the initial appropriation by P.L. 107-115, 2001 ERF appropriation by P.L. 107-38, and the 2002 Supplemental appropriation by P.L. 107-206. The FY2003 total includes the .65 percent rescission.

• The initial ESF appropriation by P.L. 107-115 for FY2002 was $2,224,000,000 with two global-war-on-terrorism supplemental appropriations. These two supplementals for ESF included $600,000,000 by the 2001 Emergency Response Fund (ERF) authorized by P.L. 107-38, 18 September 2001, and $465,000,000 by the 2002 Supplemental Appropriation authorized by P.L. 107-206, 2 August 2002 to total $1,065,000,000 in additional FY2002 ESF. All three appropriations total the $3,289,000,000 noted in Table 6 for FY2002. When comparing the final ESF appropriations after taking into account the supplementals and the rescission for the two fiscal years, the FY2002 total is an enormous $1,008,918,000 more that the total for FY2003.

• The seven (7) legislated "earmarks" for FY2003 ESF grant appropriations include:

•• Not less than $600,000,000 for **Israel** to be available as a cash transfer to be disbursed within thirty (30) days of the enactment of this Act.

•• As in previous years, in exercising the authority for the cash transfer, the President shall ensure that the level of assistance does not cause an adverse effect on the total level of nonmilitary exports from the U.S. to Israel, and that Israel enters into a side letter agreement in an amount proportional to the FY1999 agreement.

•• As previously noted in the Israeli FMFP discussion, this is the fifth year of a ten-year plan in which Israel's FMFP assistance is to increase by $60,000,000 annually to coincide with an annual decrease of $120,000,000 in ESF assistance towards achieving the Government of Israel's ten (10) year goal of receiving no ESF assistance (beginning in FY2009) from the U.S.

•• Israel received $720,000,000 of ESF assistance in FY2002.

•• The conference agreement does not include the House proposal for an additional $200,000,000 in funding for Israel to be transferred and merged into the "Nonproliferation, Anti-Terrorism, Demining, and Related Programs (NADR)" heading of this Act for defensive, non-lethal anti-terrorism use by Israel.

•• Israel was to receive a supplemental $200,000,000 in ESF appropriated by the 2002 GWOT-related supplemental P.L. 107-206, 2 August 2002, but the wording of the legislation required the presidential determination to Congress that the funding is to be an emergency requirement as defined by the *Balanced Budget and Emergency Deficit Control Act of 1985* which did not take place.

•• Not less than $615,000,000 for **Egypt** of which sum cash transfer assistance shall be provided with the understanding that Egypt will undertake significant economic reforms which were undertaken in previous fiscal years, and of which not less than $200,000,000 shall be provided as Commodity Import Program assistance.

•• Egypt received $655,000,000 of ESF assistance in FY2002.

•• Recognizing that Egypt is a vital and strategic ally of the U.S. and plays an important role in the Middle East peace process, the conference managers remain concerned about the human rights situation in Egypt, especially with restrictions on freedom of expression and the promotion of inflammatory speech by government-controlled media, as well as impediments to the development of democracy and the rule of law.

•• Not less than $15,000,000 for **Cyprus** to be used only for scholarships, administrative support of the scholarship program, bicommunal projects, and measures aimed at reunification of the island and designed to reduce tensions and promote peace and cooperation between the two communities on Cyprus. This is the same amount of funding assistance with the same stipulations as were for FY2002. The House language originally proposed "should be made available" vice the finally legislated "shall be made available."

•• Not less than $35,000,000 for **Lebanon** to be used, among other programs, for scholarships and direct support of the American educational institutions in Lebanon.

•• The conference managers direct that the bilateral assistance to the American educational institutions for FY2003 be no less than the FY2002 assistance level of $3,500,000.

•• Notwithstanding Section 534(a) of this Act, ESF funds made available for assistance for the Central Government of Lebanon shall be subject to regular notification procedures of the Committees on Appropriations.

•• Also, the Government of Lebanon should enforce the custody and international pickup orders, issued during calendar year 2001, of Lebanon's civil courts regarding abducted American children in Lebanon. The conference managers remain concerned with the failure of the Central Government of Lebanon, despite repeated requests at the highest levels, to enforce the orders of the Lebanese courts requiring the children's return.

•• This is the same funding level as for FY2002 along with the same use stipulations.

•• Not less than $60,000,000 for USAID for assistance programs in **Indonesia**.

•• Last year's funding was $50,000,000 that "should be made available." The Senate's original proposal for FY2003 was for $150,000,000 from all accounts in this Act.

•• While not legislated, the conference managers recommend the Senate proposals of $10,000,000 for reconciliation and development programs in Aceh and $5,000,000 for reconstruction and recovery efforts in Bali.

•• The conference managers expressed outrage of continued reports of the complicity of local Indonesian military units in the murders of Americans Ted Burgon and Rick Spier in Papua in 2002, and called upon President Megawati Sukarnoputri to use the full authority of her office to bring to justice the perpetrators of this crime.

•• The conference managers also expressed their expectation of USAID to adequately fund programs and activities relating to parliamentary and presidential elections scheduled in 2004. The managers also recommend continued funding for activities targeted toward the professional development of provincial leaders and institutions.

•• The conference agreement does not include the Senate language prohibiting the use of funds for Aceh to construct roads or other infrastructure that threatens the habitat of orangutans or other endangered species. However, the managers are concerned of these plans and express that no U.S. assistance is to be used for these activities.

•• Not less than $25,000,000 for assistance in the **Democratic Republic of Timor-Leste.** This is the same funding level as for FY2002.

•• Up to $1,000,000 of this funding may be made available for USAID administrative expenses.

•• Not less than $25,000,000 as the U.S. contribution to the **International Fund for Ireland** made available in accordance with the *Anglo-Irish Agreement Support Act of 1986*, P.L. 99-415. This is the same funding level as for FY2002. As before, the funding is appropriated under the separate heading "International Fund for Ireland" but with the same FAA authority for ESF.

• Using the legislated term "Not less than $ . . . shall be made available . . . ," the seven (7) FY2003 earmarks for ESF assistance total $1,375,000,000 or 61 percent of the total ESF finally appropriated leaving $880,245,000 for other programs.

• Other legislated ESF program funding levels, other than earmarks, include the following:

•• $250,000,000 should be made available for **Jordan**. The original Senate language would have mandated this funding.

•• Not to exceed $15,000,000 of ESF previously appropriated by the 2002 Supplemental, P.L. 107-206, of which Jordan was allocated $100,000,000 as grant ESF, may be made available for costs of modifying direct loans and guarantees for Jordan. This amounts to an authority for previously appropriated funding.

•• $1,000,000 should be used to further legal reforms in the **West Bank and Gaza** to include judicial training on commercial disputes and ethics. The original Senate proposal was for not less than $75,000,000. The conference managers request that USAID consult with the Committees on Appropriations on plans for the disbursement of funds.

•• Not to exceed $200,000,000 may be made available for the costs of modifying direct loans and guarantees for **Pakistan**.

•• Not less than $2,000,000 should be made available for assistance for countries to implement and enforce the **Kimberley Process Certification Scheme (KPIS)**. The conference managers support this Senate proposal for KPIS which is an international regime aimed at stopping the trade in "conflict diamonds" in Africa. The diamond industry and non-governmental organizations are urged by the managers to also provide financial assistance and expertise to help implement KPIS.

•• $3,000,000 should be made available for the international youth exchange program for **secondary school students from countries with significant Muslim populations**.

•• Not less than $10,000,000 should be made available for a contribution to the **Special Court for Sierra Leone**. The Senate proposal was to mandate this funding. The conference managers strongly support the efforts of the Court and the Truth and Reconciliation Commission to hold accountable those involved in the atrocities committed during the conflict in Sierra Leone. The managers expect the funding to be disbursed in FY2003 with the understanding that these funds would fulfill a three year U.S. pledge of assistance for the court.

•• These six (6) additional directed, but not earmarked, funding levels total $466,000,000 now leaving $334,245,000 in FY2003 ESF appropriations for other programs.

• The conference agreement deleted the House proposal of not less than $45,000,000 of ESF "should be made available" for a variety of reasons in **Afghanistan**. However, Section 523 of this Act directs that not less than $295,000,000 appropriated by Title II of this Act shall be made available for humanitarian, reconstruction, and related assistance for Afghanistan. Not less than $50,000,000 of this funding "should be" from the ESF program appropriations for rehabilitation of primary roads, implementation of the Bonn Agreement and women's development, of which not less than $5,000,000 is to support activities coordinated by the Afghan Ministry of Women's Affairs to include the establishment and support of multi-service women's centers in Afghanistan.

• The conference agreement did not adopt the Senate language providing that $5,000,000 should be made available for programs that bring together Arabs and Israelis including three organizations. However, the conference managers reiterate strong support for conflict resolution programs in the Middle East and expect the allocation of up to $5,000,000 for the organizations Seeds of Peace, the Arava Institute, Jerusalem International YMCA, Interns for Peace, the CONTACT program, and similar programs.

• Finally, the conference managers endorse the House report language regarding support for the International Arid Lands Consortium and the Blaustein Institute for Desert Research. The Senate and House report language regarding support for the International Crisis Group and the Foundation for Environmental Security and Sustainability were also endorsed. The managers also endorsed the House report language in support of a joint proposal of al Quds University and the Kuvin Center for Infectious and Tropical Diseases of the Hebrew University in Jerusalem to establish a cooperative project in health and infectious diseases for the West Bank and Gaza. Each of these House and Senate proposals had recommended funding levels for appropriation but none were forwarded by the conference agreement.

• As legislated in the past, with respect to ESF funds appropriated by this Act or prior acts, the responsibility for policy decisions and justifications for the use of such funds, including whether there will be a program for a country that uses these funds and the amount of each such program, shall be the responsibility of the Secretary of State and Deputy Secretary of State. This responsibility shall not be delegated.

• Table 7 provides the FY2003 ESF allocations which were notified to Congress on 14 March 2003 in accordance with Section 653(a), FAA. For comparison, the final allocations for FY2002 and the budget request for FY2003 are also included.

Table 7
Economic Support Fund
FY2003 Funding Allocations
(dollars in millions)

Country/Program by Geographical Region	FY2002 ESF Funding	FY2003 Budget Request	FY2003 ESF Funding
Near East			
Egypt	$655.000	$615.000	$611.002
Iraq Opposition	25.000	25.000	10.000
Iraq Contingency	0.000	0.000	40.000
Israel	720.000	800.000	596.100
Jordan	150.000	250.000	248.00
Jordan SUP	100.000	0.000	0.000
Lebanon	35.000	32.000	34.772
ME Partnership Initiative	0.000	0.000	0.000
ME Partnership Initiative Sup	20.000	0.000	0.000
Middle East Democracy	5.000	5.000	4.000
Middle East Multilaterals	3.000	3.000	2.900
ME Regional Cooperation	5.000	5.000	4.900
U.S.-North Africa Economic Partnership	4.000	4.000	3.000
West Bank/Gaza	72.000	75.000	74.500
Yemen	5.000	10.000	9.898
Yemen SUP	3.000	0.000	0.000
Subtotal – Near East	**$1,802.000**	**$1,824.000**	**$1,639.072**
Europe			
Cyprus	$15.000	$15.000	$14.902
Ireland	25.000	25.000	24.838
Irish Visa Program	5.000	4.000	3.460
Turkey SUP	200.000	0.000	0.000
Subtotal – Europe	**$245.000**	**$44.000**	**$43.200**
Western Hemisphere			
Administration of Justice/ICITAP	$8.663	$11.000	$5.000
Bolivia	10.000	10.000	10.000
Centers for Education Excellence	7.000	0.000	0.000
Cuba	5.000	6.000	5.750
Dominican Republic	2.300	3.500	3.000
Eastern Caribbean	10.800	0.000	0.000
Ecuador	15.000	20.000	15.500

Table 7 (continued)

Country/Program by Geographical Region	FY2002 ESF Funding	FY2003 Budget Request	FY2003 ESF Funding
El Salvador	25.200	0.000	0.000
FTAA Technical Assistance	0.000	1.000	0.000
Guatemala	10.000	7.500	6.500
Haiti	30.000	0.000	0.000
Honduras	1.000	0.000	0.000
Jamaica	1.532	0.000	0.000
Mexico	10.000	12.000	11.900
Nicaragua	2.800	0.000	0.000
Panama	4.205	3.500	3.000
Paraguay	3.500	3.500	3.000
Peru	14.500	10.000	9.000
Peru/Ecuador Peace	4.500	4.500	4.000
Third Border Initiative	0.000	3.000	2.500
Venezuela	0.500	0.500	0.470
Subtotal – Western Hemisphere	**$166.500**	**$96.000**	**$79.620**
Africa			
Africa Regional	$29.000	$32.000	$30.000
Africa Regional SUP	20.000	0.000	0.000
Angola	0.000	0.000	0.000
Burundi	0.000	0.000	0.000
Countries in Transition	40.000	26.000	20.000
Democratic Republic of Congo	0.000	0.000	0.000
Education for Development and Democracy	15.000	0.000	0.000
Ethiopia	0.000	0.000	0.000
Kenya	0.000	0.000	0.000
Nigeria	0.000	0.000	0.000
Regional Organizations	4.000	6.000	4.000
Safe Skies	3.000	8.000	5.000
Sierra Leone	4.000	0.000	0.000
Sierra Leone - Special Court	5.000	5.000	5.000
South Africa	0.000	0.000	0.000
Sudan	0.000	0.000	0.000
Zimbabwe	0.000	0.000	0.000
Subtotal – Africa	**$120.000**	**$77.000**	**$64.000**
East Asia and the Pacific			
Burma	$6.500	$6.500	$6.954
Cambodia	20.000	17.000	15.000
China (Rule of Law)	5.000	5.000	0.000
Democracy Programs (China, Hong Kong, Tibet)	0.000	0.000	5.961
East Asia and Pacific Environment Initiatives	3.500	0.000	0.000
East Timor	25.000	19.000	24.838
Indonesia	50.000	60.000	59.610
Mongolia	12.000	12.000	10.000
Philippines	21.000	20.000	15.000
Philippines SUP	12.000	0.000	0.000
Regional Democracy	5.000	5.000	1.000
Regional Security	0.250	0.250	0.200
Regional Women's Issues	4.000	4.000	1.000
South Pacific Fisheries	14.000	18.000	17.829
Subtotal – East Asia and the Pacific	**$178.250**	**$166.750**	**$157.392**
South Asia			
Afghanistan	$17.250	TBD	$49.500
Afghanistan SUP	88.000	$ 0.000	0.000
Bangladesh	3.000	7.000	4.000
India	7.000	25.000	10.500
Nepal	3.000	6.000	4.000
Pakistan	9.500	200.000	188.000
Pakistan ERF	600.000	0.000	0.000

Table 7 (continued)

Country/Program by Geographical Region	FY2002 ESF Funding	FY2003 Budget Request	FY2003 ESF Funding
Pakistan SUP	15.000	0.000	0.000
South Asia Regional	3.500	2.000	1.900
Sri Lanka	3.000	4.000	3.950
Subtotal – South Asia	**$749.250**	**$244.000**	**$261.850**
Global			
Democracy Programs (Muslim Populations)	$ 0.000	$ 0.000	$7,948
Human Rights and Democracy Fund	13.000	12.000	23.500
Muslim Secondary Exchange SUP	7.000	0.000	0.000
OES Initiatives	4.000	2.000	1.500
Partnerships to Eliminate Sweatshops	4.000	4.000	2.000
Policy Initiatives	0.000	20.250	0.000
Subtotal – Global	**$28.000**	**$38.250**	**$34.948**
Total ESF Allocated	**$3,289.000**	**$2,490.000**	**$2,280.082**
Rescission (.65 percent)	$ 0.000	$ 0.000	$14.918
Total ESF Appropriated	**$3,289.000**	**$2,490.000**	**$2,295.000**

Notes:

ERF – Emergency Response Fund authorized by P.L. 107-38, 18 Sep 01.
SUP – Supplemental Appropriations authorized by P.L. 107-206, 2 Aug 02.
ICITAP – International Criminal Investigation Training Assistance Program.
FTAA – Fair Trade Agreement of the Americas.
OES – Oceans, Environment and Sciences Initiatives.

Title III, Military Assistance, Peacekeeping Operations

• Initially appropriated $115,000,000 as PKO grant assistance for necessary expenses to carry out the provisions of Section 551, FAA, to be obligated or expended except as provided through regular notification procedures of the Committees on Appropriations. For FY2003 PKO, the mandated .65 percent rescission amounted to $748,000 reducing the total grant program for the year to $114,252,000.

• As noted in Table 8, the PKO funding originally requested by the Administration was for $108,250,000. The original appropriation, before rescission, was $115,000,000. The Senate and House proposals were $120,250,000 and $125,000,000, respectively.

Table 8
Peacekeeping Operations
FY2003 Appropriation
(dollars in thousands)

FY2002	Administration	House	Senate	FY2003
$375,000	$108,250	$125,000	$120,250	$114,252

Notes: The FY2002 total includes the initial appropriation by P.L. 107-115, the 2001 ERF appropriation by P.L. 107-38, and the 2002 Supplemental appropriation by P.L. 107-206. The FY2003 total includes the .65 percent rescission.

• The initial PKO appropriation by P.L. 107-115 for FY2002 was $135,000,000 with two global-war-on-terrorism supplemental appropriations. These two supplementals for PKO included $220,000,000 by the 2001 Emergency Response Fund (ERF) authorized by P.L. 107-38, 18 September 2001, and $20,000,000 by the 2002 Supplemental Appropriation authorized by P.L. 107-206, 2 August 2002, to total $240,000,000 in additional FY2002 PKO. All three appropriations total the $375,000,000 noted in Table 8 for FY2002. When comparing the final PKO appropriations after taking into account the supplementals and the rescission for the two

fiscal years, the FY2002 total is a relatively enormous $260,748,000 more than the total for FY2003.

- There are no "earmarks" for FY2003 PKO funding.

- The conference agreement does not include the Senate language that $7,000,000 should be made available for efforts to establish an effective Afghan National Army, or not less than $50,000,000 should be made available for Africa Regional Peacekeeping Operations and the Africa Crisis Response Initiative (ACRI). However, the managers are concerned that adequate funding be maintained for peacekeeping in Africa and endorse both the House and Senate report language on the issue. The managers recommend up to $45,000,000 for the Africa PKO activities.

- Table 9 provides the FY2003 PKO allocations which were notified to Congress on 14 March 2003 in accordance with Section 653(a), FAA. For comparison, the final allocations for FY2002 and the budget request for FY2003 are also included.

Table 9
Peacekeeping Operations
FY2003 Funding Allocations
(dollars in thousands)

Country/Program	FY2002 PKO Funding	FY2003 Budget Request	FY2003 PKO Funding
Afghanistan	$3,949.00	$ 0.00	$4,898.00
Afghanistan SUP	20,000.00	0.00	0.00
Africa Regional	39,905.00	30,000.00	36,002.00
Africa Crisis Response Initiative	15,000.00	10,000.00	0.00
Africa Contingency Operations Training and Assist	0.00	0.00	10,000.00
Azerbaijan	1,000.00	0.00	0.00
East Timor (UNTAET)	7,103.00	5,000.00	5,000.00
Georgia KFOR	40.00	0.00	0.00
Haiti	91.00	0.00	0.00
Pakistan ERF	220,000.00	0.00	0.00
Ukraine KFOR	1,000.00	0.00	0.00
Multinational Force and Observers (Sinai MFO)	16,015.00	16,400.00	16,400.00
OSCE* Bosnia	20,022.00	17,500.00	12,602.00
OSCE* Kosovo	15,400.00	12,500.00	12,500.00
OSCE* Croatia	2,900.00	2,300.00	2,300.00
OSCE* Europe Regional	12,275.00	14,550.00	14,550.00
Total PKO Allocated	**$375,000.00**	**$108,250.00**	**$114,252.00**
Rescission (.65 percent)	$ 0.00	$ 0.00	$748.00
Total PKO Appropriated	**$375,000.00**	**$108,250.00**	**$115,000.00**

Notes:
ERF – Emergency Response Fund authorized by P.L. 107-38, 18 Sep 01.
SUP – Supplemental Appropriations authorized by P.L. 107-206, 2 Aug 02.
UNTAET – U.N. Transitional Administration in East Timor.
OSCE – Organization for Security and Cooperation in Europe.

Other Assistance Programs for FY2003

Title II, Bilateral Assistance

Development Assistance

- $1,389,000,000 is appropriated for development assistance to remain available until 30 September 2004.

International Disaster Assistance

- $230,000,000 is appropriated for international disaster relief, rehabilitation, and reconstruction assistance to remain available until expended.

Transition Initiatives

- $50,000,000 is appropriated for international disaster rehabilitation to remain available until expended to support transition to democracy and to long-term development of countries in crises.

  •• Such support may include assistance to develop, strengthen, or preserve democratic institutions and processes, revitalize basic infrastructure, and foster the peaceful resolution of conflict.

  •• USAID shall submit a report to the Committees on Appropriations at least five (5) days prior to beginning a new program of assistance.

Assistance for Eastern Europe and the Baltic States

- $525,000,000 is appropriated to remain available until 30 September 2004 to carry out the provisions of the *Support for East European Democracy (SEED) Act of 1989,* P.L. 101-179, 28 September 1989.

  •• The funds made available under this heading and the headings of "Economic Support Fund" and "International Narcotics Control and Law Enforcement" should not exceed fifteen (15) percent of the total resources pledged by all donors for **Kosovo** as of 31 March 2003.

  •• None of the funds made available under this Act for Kosovo shall be made available for large scale physical infrastructure reconstruction.

  •• Funds made available under this heading for assistance for Kosovo, up to $1,000,000 should be made available for assistance to support training programs for Kosovar women.

  •• Not less than $5,000,000 shall be made available for assistance for the **Baltic States**.

  •• $2,000,000 should be made available for **Bulgaria** to enhance safety at nuclear power plants.

Assistance for the Independent States of the Former Soviet Union

- $760,000,000 is appropriated to remain available until 30 September 2004 to carry out the provisions of the *Freedom for Russia and Emerging Eurasian Democracies and Open Markets (FREEDOM) Support Act (FSA) of 1992,* P.L. 102-511, 24 October 1992.

  •• $17,500,000 shall be made available solely for assistance for the **Russian Far East**.

  •• Not less than $20,000,000 should be made available for assistance for **Ukraine** for nuclear reactor safety initiatives. Additionally, not less than $1,500,000 shall be made available for assistance for Ukraine for coal mine safety programs, including mine ventilation and fire prevention and control.

  •• No funding may be made available for assistance for the Government of Ukraine unless the Secretary of State determines and certifies to the Committees on Appropriations that,

since 30 September 2000, the Government of Ukraine has not facilitated or engaged in arms sales or transfers to Iraq.

•• Not less than $90,000,000 shall be made available for assistance for **Armenia**.

•• Not less than $60,000,000 should be made available, addition to funds otherwise available for such purposes, for assistance for child survival, basic education, environmental and reproductive health/family planning, and to combat HIV/AIDS, tuberculosis and other infectious diseases, and for related activities.

•• Of the funding under this heading are allocated for assistance for the **Government of the Russian Federation**, sixty (60) percent shall be withheld from obligation until the President determines and certifies in writing to the Committees on Appropriations that the Government of the Russian Federation :

•• Has terminated implementation of arrangements to provide Iran with technical expertise, training, technology, or equipment necessary to develop a nuclear reactor, related nuclear research facilities or programs, or ballistic missile capability;

•• Is providing full access to international non-governmental organizations providing humanitarian relief to refugees and internally displaced persons in Chechnya;

•• This stipulation shall not apply to assistance to combat infectious diseases, child survival activities, or assistance for victims of trafficking in persons, and activities authorized under Title V of the *Freedom Support Act* regarding "Nonproliferation and Disarmament Programs and Activities."

Title II, Independent Agencies

Inter-America Foundation

• $16,200,000 is appropriated to remain available until 30 September 2004 for the Foundation in accordance with Section 401, FAA.

African Development Foundation

• $18,689,000 is appropriated to remain available until 30 September 2004 for the Foundation to carry out Title V, *International Security and Development Cooperation Act of 1980,* P.L. 96-533, 16 December 1980.

Peace Corps

• $297,000,000, is appropriated to remain available until 30 September 2004 to carry out the provisions of the *Peace Corps Act,* P.L. 96-533, 16 December 1980.

Title II, Department of State

International Narcotics Control and Law Enforcement (INCLE)

• $197,000,000 is appropriated to remain available until expended for necessary expenses to carry out Section 481, FAA.

•• Not less than $5,000,000 shall be apportioned directly to the Department of the Treasury, International Affairs Technical Assistance, to be used for financial crimes and law enforcement technical assistance programs.

•• $10,000,000 should be made available for the demand reduction program.

•• $10,000,000 should be made available for anti-trafficking in persons programs, including trafficking prevention, protection and assistance for victims, and prosecution of traffickers.

•• $24,180,000 may be available for administrative expenses.

Andean Counterdrug Initiative

- $700,000,000 is appropriated to remain available until expended to carry out Section 481, FAA, to support counterdrug activities in the Andean region of South America.

•• Subject to regular notification procedures of the Committees on Appropriations, the President may make available from the heading "International Narcotics Control and Law Enforcement," in this Act and in prior acts likewise making appropriations for foreign operations, up to an additional $31,000,000 for the Andean Counterdrug Initiative.

•• Not less than $250,000,000 shall be apportioned directly to USAID to be used for economic and social programs.

•• Not less than $5,000,000 in funds from this heading and from the FMFP heading should be made available to support a **Colombian Armed Forces** unit dedicated to apprehending leaders of paramilitary organizations.

•• The Secretary of State, in consultation with the Administrator of USAID, shall provide to the Committees on Appropriations, a report, not later than 45 days after enactment of this Act and prior to initial obligation of any funds, on the proposed uses of all funds under this heading on a country-by-country basis for each proposed program, project, or activity.

•• None of the funds appropriated by this Act may be made available to support a Peruvian air interdiction program until the Secretary of State and Director of Central Intelligence certify to the Congress, thirty (30) days before any resumption of U.S. involvement in a Peruvian air interdiction program, that an air interdiction program that permits the ability of the **Peruvian Air Force** to shoot down aircraft will include enhanced safeguards and procedures to prevent the occurrence of any incident similar to the 20 April 2001 incident.

•• Up to $3,000,000 should be made available for assistance for Colombia for commercially developed, web-monitoring software, and training on the usage thereof, for the **Colombian National Police.**

•• Not less than $1,500,000 should be made available for assistance for Colombia for vehicles, equipment, and other assistance for the human rights unit of the **Procurador General**.

•• Not less than $3,500,000 shall be made available for assistance for the **Colombian National Park Service** for training, equipment, and other assistance to protect Colombia's national parks and reserves.

•• Not more than $15,800,000 may be available for administrative expenses of the Department of State, and not more than $4,500,000 may be available, in addition to amounts otherwise available for such purposes, for administrative expenses of USAID.

- No **U.S. Armed Forces personnel or U.S. civilian contractor** employed by the U.S. will participate in any combat operation in connection with assistance made available by this Act for Colombia.

Migration and Refugee Assistance

- $787,000,000 is appropriated to remain available until expended to enable the Secretary of State to provide as authorized by law a contribution to the **International Committee of the Red Cross**, assistance to refugees, including contributions to the International Organization for Migration and the U.N. High Commissioner for Refugees, and other activities to meet refugee and migration needs.

•• Not more than $16,565,000 may be available for administrative expense.

•• Not less than $60,000,000 shall be made available for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in **Israel**.

•• Funds may be made available for a headquarters contribution to the International Committee of the Red Cross only if the Secretary of State determines and so reports to the appropriate committees of Congress that the Magen David Adom Society of Israel is not being denied participation in the activities of the International Red Cross and Red Crescent Movement.

U.S. Emergency Refugee and Migration Assistance Fund

• $26,000,000 is appropriated to remain available until expended to carry out the provisions of Section 2(c) of the *Migration and Refugee Act of 1962*, P.L. 87-510, 28 June 1962.

Nonproliferation, Anti-terrorism, Demining, and Related Programs

• $306,400,000 is appropriated to carry out the provisions of Part II, Chapters 8 and 9 of the FAA, Section 504 of the *Freedom Support Act*, Section 23 of the AECA, or the FAA for demining activities, the clearance of unexploded ordnance, the destruction of small, and related activities, including activities implemented through non-governmental and international organizations, Section 301 of the FAA.

•• The conference agreement appropriated the Senate proposal amount instead of the House proposal of $347,400,000. The Administration requested $372,400,000 for FY2003. Including the Emergency Response Fund and the 2002 Supplemental along with the initial appropriation, the FY2002 total for NADR was $534,700,000.

•• Not to exceed $15,000,000 to remain available until expended may be made available for the **Nonproliferation and Disarmament Fund** to promote bilateral and multilateral activities related to nonproliferation and disarmament.

•• Such funds may also be used for such countries other than the Independent States of the former Soviet Union and international organizations when it is in the national interest of the U.S. to do so following consultation with the appropriate committees of Congress.

•• Funds may be made available for the **International Atomic Energy Agency** only if the Secretary of State determines and so reports to Congress that Israel is not being denied its right to participate in IAEA activities.

•• Funds made available for demining and related activities, not to exceed $675,000, in addition to funds otherwise available for such purposes, may be used for administrative expenses related to the operation and management of the demining program.

•• The Secretary of State is authorized to provide up to $250,000 for public-private partnerships for mine action by grant, cooperative agreement, or contract.

• Though not legislated, the conference managers intend that the NADR funds be allocated as follows:

Nonproliferation and Disarmament Fund	$15,000,000
Export control and border security assistance	36,000,000
Science Centers/BW redirection	52,000,000
International Atomic Energy Agency	52,900,000
CTBT Monitoring System	17,300,000
Korean Peninsula Economic Development Organization administrative expenses	5,000,000
Anti-terrorism assistance	64,200,200
Terrorist Interdiction Program	5,000,000
Demining	46,000,000
International Trust Fund for Demining	10,000,000
Small arms destruction	3,000,000
Total	**$306,400,000**

• The .65 percent rescission requirement reduced the FY2003 NADR appropriation by $1,992,000 leaving a total of $304,408,000 for final allocation.

Title IV, General Provisions

Obligations during Last Month of Availability (Section 501)

• Except for appropriations entitled "International Disaster Assistance" and "U.S. Emergency Refugee and Migration Assistance Fund," not more than fifteen (15) percent of any appropriation item made by this Act shall be obligated during the last month of availability.

Limitation on Representational Allowances (Section 505)

• Of the FMFP funding appropriated for general costs of administering military assistance and sales by this Act, not more than $2,000 shall be available for entertainment allowances and not more than $125,000 shall be available for representational allowances.

• Of the IMET funding made available by this Act, not more than $50,000 shall be available for entertainment allowances.

Prohibition on Financing Nuclear Goods (Section 506)

• Other than funds for "Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR)," none of the funds appropriated or made available by this Act for carrying out FAA programs may be used, except for purposes of nuclear safety, to finance the export of nuclear equipment, fuel, or technology.

Prohibition against Direct Funding for Certain Countries (Section 507)

• None of the funds appropriated or otherwise made available by this Act shall be obligated or expended to finance directly any assistance or reparations to **Cuba, Iraq, Libya, North Korea, Iran, Sudan, or Syria.** This shall include direct loans, credits, insurance, and guarantees of the Export-Import Bank or its agents.

•• Prior fiscal years' language regarding no "indirect" assistance was not carried forwarded to this year's legislation.

• Assistance or financing under this Act or prior foreign operations appropriations acts may be provided for humanitarian and relief assistance for **Iraq** notwithstanding the provisions of this Section or any other provision of law, including comparable provisions contained in prior foreign operations appropriations acts. However, the President must determine that the provision of assistance or other financing for Iraq is important to U.S. national security interests. Additionally, such assistance or financing shall be subject to the regular notification procedures of the Committees on Appropriations. The notifications shall be transmitted at least five (5) days in advance of obligations of funds. A requirement is also established for a status report every sixty (60) days regarding the use of such funding authority. This FY2003 authority regarding Iraq is new.

Military Coups (Section 508)

• None of the funds appropriated or otherwise made available by this Act shall be obligated or expended to finance directly any assistance to the government of any country whose duly elected head of government is deposed by decree or military coup.

•• Pursuant to Section 1(b)(1) of the *Pakistan Waiver Act*, P.L. 107-57, 27 October 2001, Presidential Determination 2003-16 of 14 March 2003 waives this prohibition for furnishing assistance to **Pakistan**.

• Assistance may be resumed to such government if the President determines and certifies to the Committees on Appropriations that subsequent to the termination of assistance a democratically elected government has taken office.

- The provisions of this Section shall not apply to assistance to promote democratic elections or public participation in democratic processes.

- Any funding made available pursuant to the provisos of this Section shall be subject to the regular notification procedures of the Committees on Appropriations.

Deobligation/Reobligation Authority (Section 510)

- Obligated balances of FMFP funds as the end of the fiscal year immediately preceding the current year are, if deobligated, hereby continued available during the current fiscal year for the same purpose under any authority applicable to such appropriations under this Act. This authority may not be used in FY2003.

Availability of Funds (Section 511)

- No funding appropriated in this Act shall remain available for obligation after this fiscal year unless expressly so provided in this Act.

- However, funds appropriated for the purposes, inter alia, International Narcotics Control, Support for the Economic and Democratic Development of the Independent States of the former Soviet Union, Support for the Economic and Political Independence of the Countries of the South Caucasus and Central Asia, Economic Support Fund, Foreign Military Financing Program, and Assistance for Eastern Europe and the Baltic States, shall remain available for an additional four (4) years from the date of which the availability of such funds would otherwise have expired, if such funds are initially obligated before the expiration of their respective periods of availability.

- Notwithstanding any other provision of this Act, any funds made available for the purposes of ESF which are allocated or obligated for cash disbursements in order to address balance of payments or economic policy reform objectives, shall remain available until expended.

Limitation on Assistance to Countries in Default (Section 512)

- No part of any appropriation in this Act shall be used to furnish assistance to a government which is in default during a period in excess of one (1) calendar year in payment to the U.S. of principal or interest on any loan made to that pursuant to a program for which funds are appropriated under this Act unless the President determines, following consultations with the Committees on Appropriations, that assistance to such country is in the national interest of the U.S.

- Also referred to as the **Brooke-Alexander Amendment.**

Notification Requirements (Section 515)

- For the purposes of providing the Executive Branch with the necessary administrative flexibility, none of the funds made available under this Act for, inter alia, International Narcotics Control and Law Enforcement, Andean Counterdrug Initiative, Assistance for Eastern Europe and the Baltic States, Assistance for the Independent States of the former Soviet Union, Economic Support Fund, Peacekeeping Operations, Nonproliferation, Anti-terrorism, Demining, and Related Programs, Foreign Military Financing Program, and International Military Education and Training shall be available for obligation for activities, programs, projects, type of material assistance, countries, or other operations not justified or in excess of the amount justified to the committees on appropriations for obligation under any of these specific headings unless the committees on appropriations are previously notified fifteen (15) days in advance.

- The President shall not enter into any commitment of FMFP funds for the provision of major defense equipment (MDE), other than conventional ammunition, or other major defense items defined to be aircraft, ships, missiles, or combat vehicles, not previously justified to Congress, or twenty (20) percent in excess of the quantities justified to Congress unless the Committees on Appropriations are notified fifteen (15) days in advance of such commitment.

Special Notification Requirements (Section 520)

- None of the funds appropriated by this Act shall be obligated or expended for **Colombia, Liberia, Serbia, Sudan, Zimbabwe, Pakistan, or the Democratic Republic of the Congo** except as provided through the regular notifications procedures of the Committees on Appropriations. This same provision in the FY2002 legislation also applied to the same countries except Haiti is no longer on this restriction.

Afghanistan (Section 523)

- Of the funds appropriated by Title II of this Act, not less than $295,000,000 shall be made available for humanitarian, reconstruction, and related assistance for **Afghanistan**. Not less than $50,000,000 of the funds available pursuant to this Section should be from funds appropriation under *Economic Support Fund* for rehabilitation of primary roads, implementation of the Bonn Agreement and women's development, of which not less than $5,000,000 is to support activities coordinated by the Afghan Ministry of Women's Affairs. Funds should also be made available to communities and families that were adversely affected by the military operations.

Notification of Excess Defense Equipment (Section 524)

- Prior to providing excess DoD articles (EDA) in accordance with Section 516(a), FAA, the DoD shall notify the Committees on Appropriations to the same extent and under the same conditions as are other committees pursuant to Section 516(f), FAA.

- Before issuing a letter of offer (an FMS LOA) to sell EDA under the AECA, DoD shall notify the Committees on Appropriations in accordance with the regular notification procedures of such Committees if the defense articles are significant military equipment or valued (in terms of original acquisition cost) at $7,000,000 or more, or if the notification is required elsewhere in this Act for the use of appropriated funds for specific countries that would receive such EDA. The notification is to include the original acquisition cost of such defense articles.

Authorization Requirement (Section 525)

- Funds appropriated by this Act, except under, inter alia, International Military Education and Training, Foreign Military Financing Program, and Nonproliferation, Anti-terrorism, Demining, and Related Programs, may be obligated and expended, notwithstanding Section 10, P.L. 91-672 and Section 15 of the *State Department Basic Authorities Act of 1956*.

- These programs are separately authorized for appropriation by the *Security Assistance Act of 2002*, which was legislated and enacted as Division B of the *Foreign Relations Authorization Act, Fiscal Year 2003*, P.L. 107-228, 30 September 2002. Both of these Acts will be further discussed later in this article.

Democracy Programs (Section 526)

- Section 526(a):

  •• Not less than $15,000,000 of FY2003 ESF funding shall be made available for assistance for activities to support democracy, human rights, and the rule of law in the **People's Republic of China, Hong Kong, and Tibet.** Not more than $3,000,000 may be made available to non-governmental organizations to support activities which preserve cultural traditions and promote sustainable development and environmental conservation in **Tibetan communities** in the Tibetan Autonomous Region and in other Tibetan communities in China.

  •• FY2003 ESF funding should be made available for assistance for **Taiwan** for the purposes of furthering political and legal reforms.

  •• Such funds shall only be made available to the extent they are matched from sources other than the U.S. government.

•• Any funds made available pursuant to this subsection shall be subject to regular notification procedures of the Committees on Appropriations.

- Section 526(b):

•• Not less than $15,000,000 of FY2003 ESF funding shall be made available for programs and activities to foster democracy, human rights, civic education, women's development, press freedoms, and the rule of law in countries with a significant Muslim population, and where such programs and activities would be important to U.S. efforts to respond to, deter, or prevent acts of international terrorism.

•• Funds made available by the authority of this subsection should support new initiatives or bolster ongoing programs and activities in those countries.

•• Not less than $3,000,000 should be made available for programs and activities that provide professional training for journalists.

•• Notwithstanding any other provision of law, funds made available by the authority of this subsection may be made available to support the advancement of democracy and human rights in Iran.

•• Likewise, any funds made available pursuant to this subsection shall be subject to the regular notification procedures of the Committees on Appropriations.

- Section 526(c):

•• Not less than $9,000,000 of the earmarked funding in subsection 526(a) and not less than $7,000,000 of the earmarked funding in subsection 526(b) shall be made available for the Human Rights and Democracy Fund of the State Department's Bureau of Democracy, Human Rights and Labor to support the activities in subsections 526(a) and (b).

•• The funds made available for the Fund by this subsection are to be in addition to the $12,000,000 requested by the President for this Fund for FY2003.

- Section 526(d):

•• Not less than $3,000,000 of the earmarked funding in subsection 526(a) and not less than $5,000,000 of the earmarked funding in subsection 526(b) shall be made available for the National Endowment for Democracy to support the activities in subsections 526(a) and (b).

•• The funds appropriated by this Act that are made available for the National Endowment for Democracy may be made available notwithstanding any other provision of law or regulation. The Secretary of State shall provide a report to the Committees on Appropriations within 120 days of the enactment of this Act on the status of the allocation, obligation, and expenditures of such funds.

Prohibition on Bilateral Assistance to Terrorist countries (Section 527)

- Funds appropriated for bilateral assistance under any heading in this Act and funds appropriated under any such heading in laws previously enacted shall not be made available to any country which the President determines grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism or otherwise supports international terrorism.

- This prohibition may be waived by the President if he determines that national security or humanitarian reasons justify such a waiver. The waiver shall be published in the *Federal Register*. At least fifteen (15) days before the waiver takes effect, the President shall notify the Committees on Appropriations of the waiver to include the justification.

Compliance with U.N. Sanctions against Iraq (Section 531)

- None of the funds appropriated or otherwise made available pursuant to this Act to carry out the FAA or the AECA may be used to provide assistance to any country that is not in compliance with the U.N. Security Council **sanctions against Iraq**. The President can determine and so certify to the Congress that such assistance is in the U.S. national interest, such assistance will directly benefit the needy people in that country, or the assistance to be provided will be humanitarian assistance for foreign nationals who have fled Iraq and Kuwait.

Earmarks (Section 538)

- Funds appropriated by this Act which are earmarked may be reprogrammed for other programs within the same account notwithstanding the earmark if compliance with the earmark is made impossible by operation of any provision of this or any other act.

- Any such reprogramming shall be subject to the regular notification procedures of the Committees on Appropriations, and that assistance reprogrammed pursuant to this Section shall be made available under the same terms and conditions as originally provided.

Ceilings and Earmarks (Section 539)

- Ceilings and earmarks contained in this Act shall not be applicable to funds or authorities appropriated or otherwise made available by any subsequent act unless such act specifically so directs. Earmarks or minimum funding requirements contained in any other Act shall not be applicable to funds appropriated by this Act.

Prohibition on Assistance to Foreign Governments that Export Lethal Military Equipment to Countries Supporting International Terrorism (Section 543)

- None of the funds appropriated or otherwise made available by this Act may be available to any foreign government which provides lethal military equipment to a country the government of which the Secretary of State has determined is a terrorist government for the purposes of Section 6(j) of the *Export Administration Act* (EAA).

- This prohibition shall terminate twelve (12) months after that government ceases to provide such military equipment. This Section applies with respect to lethal equipment provided under a contract entered into after 1 October 1997.

- The prohibition may be waived if the President determines that such assistance is important to the U.S. national interest. When exercised, the President shall submit to the appropriate congressional committees a report with respect to the furnishing of such assistance detailing the assistance to be provided, including the estimated dollar amount of the assistance, and an explanation of how the assistance furthers U.S. national interests.

War Crimes Tribunals Drawdown (Section 546)

- As in prior years, authorizes the drawdown of commodities and services of up to $30,000,000 for the **U.N. War Crimes Tribunal** with regard to the former Yugoslavia or such other tribunals or commissions as the U.N. Security Council may establish or authorize to deal with such violations.

- Any funds made available for such tribunals other than Yugoslavia or Rwanda shall be made available subject to the regular notification procedures of the Committees on Appropriations.

Landmines (Section 547)

- As in prior years, authorizes **demining equipment** made available to USAID and the Department of State and used in support of the clearance of landmines and unexploded ordnance for humanitarian purposes to be disposed of on a grant basis in foreign countries, subject to such terms and conditions as the President may prescribe.

Prohibition of Payment of Certain Expenses (Section 549)

- As in prior years, none of the funding appropriated or otherwise made available by this Act under the headings, inter alia, IMET or FMFP, **Informational Program activities** or under ESF may be obligated or expended to pay for:

  - Alcoholic beverages or

  - Entertainment expenses for activities that are substantially of a recreational character, including but not limited to entrance fees at sporting events, theatrical and musical productions, and amusement parks. "Theatrical and musical productions" were not included in prior year legislation.

Caribbean Basin (Section 551)

- The Government of **Haiti** shall be eligible to purchase defense articles and services under the AECA for the Coast Guard.

- Not less than $52,500,000 of the funds appropriated by Title II of this Act and of the funds appropriated to carry out food assistance programs managed by USAID should be allocated for assistance for Haiti in FY2003.

- Not less than $37,680,000 and $40,130,000 of the funds appropriated by Title II of this Act should be allocated for assistance for **Nicaragua and Honduras**, respectively. This funding is to address the conditions of increasing poverty in the rural sectors of these countries through programs that support, among other things, increased agricultural production and other income generation opportunities, improved health, and expanded education opportunities, especially for disadvantaged youth.

Limitation on Assistance to Security Forces (Section 556)

- None of the funding made available by this Act may be provided to any **security forces unit** of a foreign country if the Secretary of State has credible evidence that such unit has committed gross violations of human rights, unless the Secretary determines and reports to the Committees on Appropriations that the country is taking effective measures to bring the responsible members of that unit to justice.

  - Nothing in this Section shall be construed to withhold funds made available by this Act from any security forces unit of that country not credibly alleged to be involved in gross violations of human rights.

  - In the event funds are withheld from any unit pursuant to this Section, the Secretary shall promptly inform the affected government of that country of the basis for this action and shall, to the maximum extent practicable, assist the government in taking effective measures to bring the responsible members of that unit to justice.

- Similar prohibition language is also included in Section 8080, *Defense Department Appropriations Act, 2003*, P.L. 107-248, 23 October 2002.

- This Section is sometimes referred to as the **"Leahy Amendment."**

Nigeria (Section 557)

- None of the IMET and FMFP funds appropriated by this Act may be made available for **Nigeria** until the President certifies to the Committees on Appropriations that the Nigerian Minister of Defense, the Chief of the Army Staff, and the Minister of State for Defense/Army are suspending from the Armed Forces those members, of whatever rank, against whom there is credible evidence of gross violations of human rights in Benue State in October 2001, and the Government of Nigeria and the Nigerian Armed Forces are taking effective measures to bring such individuals to justice.

- The President may waive this prohibition if he determines that doing so is in the U.S. national security interest. However, prior to exercising such a waiver, the President shall submit a report to the Committees on Appropriations describing the involvement of the Nigerian Armed Forces in the incident in Benue State, the measures that are being taken to bring such individuals to justice, and whether any Nigerian Armed Forces units involved with the incident are receiving U.S. assistance.

Cambodia (Section 560)

- None of the funds appropriated by this Act may be made available for assistance for the **Central Government of Cambodia**.

  •• This shall not apply to assistance for basic education, reproductive and maternal and child health, cultural and historic preservation, programs for the prevention, treatment, and control of, and research on, HIV/AIDS, tuberculosis, malaria, polio, and other infectious diseases, programs to combat human trafficking that are provided through non-governmental organizations, and for the Ministry of Women and Veterans Affairs to combat human trafficking.

  •• Up to $5,000,000 in ESF funding by this Act may be made available for activities to support democracy, including assistance for democratic political parties.

  •• $3,750,000 in funding appropriated by this Act shall be made available as a contribution for an endowment to sustain rehabilitation programs for Cambodians suffering from physical disabilities that are administered by an American non-governmental organization that is directly supported by USAID. This funding may made available only if an amount at least equal to one-half of the U.S. contribution is provided for the endowment from sources other than the U.S. government.

***Foreign Military Training Report* (Section 561)**

- The Secretaries of State and Defense shall jointly provide a report by 1 May 2003 to the Appropriations and Foreign Relations Committees of the Senate and Appropriations and International Relations Committees of the House a report on all military training under programs administered by the Departments provided during fiscal years 2002/2003, including those proposed for FY2003. This report is to exclude sales, and training provided to the military personnel of NATO countries. This report has been required in past years with the content requirements for the report remaining unchanged.

  •• For each military training activity, the report shall include the foreign policy justification and purpose for the training activity, the cost of the training activity, the number of foreign students trained and their units of operation, and the training location.

  •• With respect to U.S. personnel, the report shall also include the operational benefits to U.S. forces derived from each such training activity and the U.S. military units involved in each such training activity.

  •• The report may include a classified annex if deemed necessary and appropriate.

Korean Peninsula Energy Development Organization (Section 562)

- None of the funds appropriated by this Act, or prior foreign operations appropriations acts, may be made available for assistance to KEDO. Last year's funding direction was "may not to exceed $95,000,000."

  •• However, the President may waive this restriction and provide up to $5,000,000 of the NADR heading funds for assistance to KEDO for administrative expenses only if he determines that it is vital to U.S. national security interests. The President is to provide a written policy justification for this waiver to the appropriate congressional committees. Funds may be obligated for assistance to KEDO subject to the regular notification procedures of the Committees on Appropriations.

Colombia (Section 564)

- Notwithstanding any other provision of law, funds appropriated by this Act that are available for assistance for the **Colombian Armed Forces**, may be made available as follows:

  •• Up to 75 percent of such funds may be obligated prior to a determination and certification (detailed below) by the Secretary of State.

  •• Up to 12.5 percent of such funds may be obligated only after the Secretary of State certifies and reports to the appropriate congressional committees that:

  •• The Commander General of the Colombian Armed Forces is suspending from the Armed Forces those members, of whatever rank, who have been credibly alleged to have committed gross violations of human rights, including extra-judicial killings, or to have aided or abetted paramilitary organizations.

  •• The Colombian Government is prosecuting those members of the Colombian Armed Forces, of whatever rank, who have been credibly alleged to have committed gross violations of human rights, including extra-judicial killings, or to have aided or abetted paramilitary organizations, and is punishing those members of the Colombian Armed Forces found to have committed such violations of human rights or to have aided or abetted paramilitary organizations.

  •• The Colombian Armed Forces are cooperating with civilian prosecutors and judicial authorities in such cases to include providing requested information, such as the identity of persons suspended from the Armed Forces and the nature and cause of the suspension, and access to witnesses, relevant military documents, and other requested information.

  •• The Colombian Armed Forces are severing links; to include denying access to military intelligence, vehicles, and other equipment or supplies, and ceasing other forms of active or tacit cooperation; at the command, battalion, and brigade levels, with paramilitary organizations.

  •• And, the Colombian Armed Forces are executing orders for capture of leaders of paramilitary organizations that continue armed conflict.

  •• The balance of the funding may be obligated after 1 July 2003 if the Secretary of State certifies and reports to the appropriate congressional committees after such date that the Colombian Armed Forces are continuing to meet the conditions contained in the above earlier report. This second report is to also include that the Colombian Armed Forces are conducting vigorous operations to restore government authority and respect for human rights in areas under the effective control of paramilitary and guerrilla organizations.

  •• At least ten (10) days prior to making the required certifications, the Secretary of State shall consult with internationally recognized human rights organizations regarding progress in meeting the conditions outlined in the reports.

  •• "Aided or abetted" is defined to mean providing any support to paramilitary groups, including taking actions which allow, facilitate, or otherwise foster the activities of such groups.

  •• "Paramilitary groups" is defined to mean illegal self-defense groups and illegal security cooperative.

- This year's report and certification requirements are similar but stricter than last year.

Prohibition on Assistance to the Palestinian Broadcasting Corporation (Section 566)

- As was the case in previous years, no appropriated or otherwise made available funding may be used to provide equipment, technical support, consulting services, or any other form of assistance to the **Palestinian Broadcasting Corporation.**

Iraq (Section 567)

- Also like the previous year, ESF funding may be made available for programs benefiting the **Iraqi people** and to support efforts to bring about a political transition in Iraq. However, none of this year's ESF may be made available to any organization to reimburse or pay for costs incurred in prior years. Funds available under this Section are subject to the regular notification procedures of the Committees on Appropriations.

West Bank and Gaza Program (Section 568)

- Like last year, during FY2003, thirty (30) days prior to the initial obligation of funds for the bilateral **West Bank and Gaza Program**, the Secretary of State shall certify to the appropriate congressional committees that procedures have been established to assure the U.S. Comptroller General will have access to appropriate U.S. financial information in order to review the uses of U.S. assistance for the this Program under the heading *Economic Support Fund.*

- However, unlike last year, a pre-assistance vetting process must be implemented. Prior to obligation of ESF funding for the Program, the Secretary of State shall take all appropriate steps to ensure that such assistance is not provided to or through any individual or entity that the Secretary knows or has reason to believe advocates, plans, sponsors, engages in, or has engaged in, terrorist activity.

  •• The Administrator of USAID shall ensure that Federal or non-Federal audits of all contractors and grantees, and significant subcontractors and subgrantees, under this Program, are conducted at least on an annual basis to ensure, among other things, compliance with this Section.

  •• Of the ESF funds made available for the West Bank and Gaza Program, up to $1,000,000 may be used by the Office of the Inspector General of USAID for audits, inspections, and other activities in furtherance of the requirements of this Section. These funds are in addition to funds otherwise available for such purposes.

Indonesia (Section 569)

- FMFP funding may be made available for assistance for **Indonesia** and export licenses may be issued for the export of lethal defense articles for the Indonesian Armed Forces, only if the President certifies to the appropriate congressional committees that:

  •• The Indonesia Minister of Defense is suspending from the Armed Forces those members, of whatever rank, who have been credibly alleged to have committed gross violations of human rights, or to have aided or abetted militia groups.

  •• The Indonesian government is prosecuting those members of the Indonesian Armed Forces, of whatever rank, who have been credibly alleged to have committed gross violations of human rights, or to have aided or abetted militia groups, and is punishing those members of the Indonesian Armed Forces found to have committed such violations of human rights or to have aided or abetted militia groups.

  •• The Indonesian Armed Forces are cooperating with civilian prosecutors and judicial authorities in such cases including providing access to witnesses, relevant military documents, and other requested information.

  •• And, the Minister of Defense is making publicly available audits of receipts and expenditures of the Indonesian Armed Forces.

- The conference report indicates that both houses were in agreement with the reporting and certification requirements and that the Senate proposal for commercial licensing of lethal equipment exports be included.

Restrictions on Assistance to Governments Destabilizing Sierra Leone (Section 570)

• No funds appropriated by this Act may be made available for assistance for the government of any country for which the Secretary of State determines there is credible evidence that the government has aided or abetted, within the previous six (6) months, in the illicit distribution, transportation, or sale of diamonds mined in **Sierra Leone**. Whenever this prohibition on assistance is exercised, the Secretary of State shall notify the Committees on Appropriations in a timely manner.

Central Asia (Section 574)

• Funding appropriated by this Act may be available for assistance for the Government of **Uzbekistan** only if the Secretary of State determines and reports to the Committees on Appropriations that the Government of Uzbekistan is making substantial and continuing progress in meeting its commitments under the "Declaration on the Strategic Partnership and Cooperation Framework between the Republic of Uzbekistan and the United States of America."

• Funds appropriated by this Act may be made available for assistance for the Government of **Kazakhstan** only if the Secretary of State determines and reports to the Committees on Appropriations that the Government of Kazakhstan has made significant improvements in the protection of human rights during the preceding six (6) months.

•• This requirement may be waived by the Secretary if he determines and reports to the Committees on Appropriations that such a waiver is in the U.S. national security interests.

• Not later than 1 October 2003, the Secretary of State shall submit a report to the Committees on Appropriations describing the following:

•• The defense articles, defense services, and financial assistance provided by the U.S. to the countries of Central Asia during the six-month period ending thirty (30) days prior to submission of each such report.

•• The use during such time of defense articles, defense services, and financial assistance provided by the U.S. by units of the armed forces, border guards, or any other security forces of such countries.

•• For the purposes of this report, the countries of Central Asia include **Uzbekistan, Kazakhstan, Kyrgyz Republic, Tajikistan, and Turkmenistan.**

Commercial Leasing of Defense Articles (Section 575)

• As with the last several years, notwithstanding any other provision of law, and subject to the regular notification procedures of the Committees on Appropriations, FMFP may be used to provide financing to Israel, Egypt, NATO, and major non-NATO allies for the procurement by leasing, including leasing with an option to purchase, of defense articles from U.S. commercial suppliers. This is not to include major defense equipment, other than helicopters and other types of aircraft having possible civilian application, if the President determines that there are compelling foreign policy or national security reasons for those defense articles being provided by commercial lease rather than by government-to-government sale.

War Criminals (Section 576)

• None of the funds appropriated or otherwise made available pursuant to this Act may be made available for assistance to any country, entity, or municipality whose competent authorities have failed, as determined by the Secretary of State, to take necessary and significant steps to implement its international legal obligations to apprehend and transfer to the **International Criminal Tribunal for the former Yugoslavia.**

• The Secretary of the Treasury shall instruct the U.S. executive directors to the international financial institutions to vote against any new project involving the extension by such

institutions of any financial or technical assistance to the same aforementioned uncooperative country, entity, or municipality.

- The Secretary of State may waive the application of this restriction with respect to projects within a country, entity, or municipality upon written determination to the Committees on Appropriations that such assistance directly supports the implementation of the Dayton Accord.

- Country for this Section means **Bosnia and Herzegovina, Croatia, and Serbia.** Entity refers to the **Federation of Bosnia and Herzegovina, Kosovo, Montenegro and the Republika Srpska**. Municipality means a city, town or other subdivision within the above defined country or entity.

Prohibition on Taxation of U.S. Assistance (Section 579)

- None of the funds appropriated by this Act may be made available to provide assistance to a foreign country under a new bilateral governing the terms and conditions under which such assistance is to be provided unless such agreement includes a provision stating that **U.S. assistance shall be exempt from taxation**, or reimbursed, by the foreign government. The Secretary of State shall expeditiously seek to negotiate amendments to existing bilateral agreements, as necessary, to conform to this requirement.

- An amount equivalent to 200 percent of the total taxes assessed during FY2003 by a foreign government or entity against commodities financed under U.S. assistance programs for which funds are appropriated by this Act, either directly or through grantees, contractors, and subcontractors, as of the date of enactment of this Act, shall be withheld from obligation from funds appropriated for assistance for FY2004 and allocated for the central government of that country and for the West Bank and Gaza Program to the extent that the Secretary of State certifies and reports in writing to the Committees on Appropriations that such taxes have not been reimbursed to the U.S. government.

  - Foreign taxes of a "de minimus" nature [so insignificant or minimal that a court may overlook it in deciding an issue or case] are not subject to these reimbursement provisions.

- The Secretary of State shall issue rules, regulations, or policy guidance, as appropriate, to implement the prohibition against the taxation of U.S. assistance.

- Not later than 1 February 2004, the U.S. Comptroller General shall submit a report to the Committees on Appropriations which assess the following:

  - The extent to which existing bilateral agreements provide exemption from taxation.

  - The status of negotiations of new framework bilateral agreements or modifications of existing framework bilateral agreements.

  - The reasons why new framework bilateral agreements or modifications of existing bilateral agreements, entered into within the previous five (5) years, have (as appropriate) failed to include exemption from taxation.

  - And, the administrative procedures that foreign governments use to ensure that U.S. assistance commodities are not taxed or, if they are, that such taxes are reimbursed to the U.S. government, and the adequacy of those procedures.

- The terms "taxes" and "taxation" refer to value added taxes and customs duties imposed on commodities financed with U.S. assistance for programs for which funds are appropriated by this Act.

Training Program Evaluation (Section 581)

- Not later than 30 June 2003, the Secretary of State, in consultation with the Secretary of Defense, shall submit a report to the Committees on Appropriations describing in detail the steps that the Departments of State and Defense are making to improve performance evaluation

procedures for the **IMET program** and the progress that the Departments are making in implementing Section 548, FAA.

- Section 548, FAA, was added to the FAA by Section 202, *Security Assistance Act of 2000,* P.L. 106-280, 6 October 2000. It requires the Secretary of Defense to develop and maintain a database containing records on each foreign military or defense ministry civilian participant in the IMET program beginning after 31 December 2000.

Community-Based Police Assistance (Section 582)

- ESF funding may be used, notwithstanding Section 660 of the FAA which forbids the use of FAA authority funding for police support and training, to enhance the effectiveness and accountability of civilian police authority in **Jamaica and El Salvador**. This assistance can include training and technical assistance in human rights, the rule of law, strategic planning, and through assistance to foster civilian police roles that support democratic governance including assistance for programs to prevent conflict and foster improved police relations with the communities they serve.

- Assistance provided under this Section shall be subject to the regular notification procedures of the Committees on Appropriations.

- Beginning with the *FY2004 Congressional Budget Justification Document* and annually thereafter, the Administrator of USAID shall submit a report to the Committees on Appropriations describing the progress these programs are making toward improving police relations with the communities they serve and institutionalizing an effective community-based police program.

Transparency and Accountability (Section 585)

- Congress finds that there is a lack of transparency in the revenues and expenditures of national budgets of many developing countries that receive U.S. assistance. Official revenues, particularly from natural resource extraction, are often unreported, under-reported, or inaccurately reported by the governmental agencies of these countries. Such inefficiencies, which in some instances mask outright theft, result in the failure of the governments to adequately provide their citizens with social, political, economic, and legal benefits and opportunities, and undermine the effectiveness of assistance provided by the U.S. and other international donors to these countries. Good governance and respect for the rule of law are critical to a nation's development.

- Not more than ninety (90) days after enactment of this Act, the Secretary of State shall submit a report to the Committees on Appropriations describing in detail:

  - Those countries whose central governments receive foreign assistance from the U.S.

  - Relevant laws and regulations to such countries governing the public disclosure of revenues and expenditures in national budgets.

  - The adequacy of those laws and regulations, to the extent to which are implemented and enforced.

  - Those countries receiving such assistance where no such laws or regulations exist, and the extent to which such revenues and expenditures are publicly disclosed.

  - And, programs and activities sponsored by the U.S. government to promote accurate disclosure of revenues and expenditures in the national budgets of such countries, and the results of those programs and activities.

***Security Assistance Act of 2002*, Division B, P.L. 107-228, 30 September 2002.**

- Enacted as Division B of the *Foreign Relations Authorization Act, Fiscal Year 2003,* P.L. 107-228, 30 September 2003 (HR1646). The original HR 1646 was reported out of the House International Relations Committee (HIRC) on 4 May 2001 with H.Rpt. 107-57 intended as the authorization act for fiscal years 2002 and 2003. The House passed HR1646 on 16 May 2001.

•• The Senate Foreign Relations Committee (SFRC) reported its own bill S1803 on 11 December 2001 entitled *An original bill to authorize appropriations under the Arms Export Control Act and the Foreign Assistance Act of 1961 for security assistance for fiscal years 2002 and 2003, and for other purposes,* with S.Rpt. 107-122. The Senate passed the bill on 20 December 2001.

•• On 1 May 2002, the Senate finally acted on and passed HR1646 incorporating S1803 as an amendment.

•• The Conference reported out HR1646 on 23 September 2002 with H.Rpt. 107-671 resulting in the bill being the foreign relations authorization act for just FY2003. The House and Senate passed the new HR1646 on 25 and 26 September 2002, respectively. The President enacted the legislation on 30 September 2002 as the *Foreign Relations Authorization Act, Fiscal Year 2003,* P.L. 107-228. The law has two parts – Division A providing for Department of State authorizations for FY2003, and Division B providing for the *Security Assistance Act of 2002.*

Division B – *Security Assistance Act of 2002*

• Section 1201 authorizes the appropriation of $4,107,200,000 in **FMFP funding authorized** by Section 23, AECA, as FY2003 grant assistance and for any subsidy costs of direct loans. After rescission, P.L. 108-7 appropriated $4,045,532,000 in FMFP funding.

• Section 1202 amends the first sentence of Section 4, AECA, which provides the purposes for sale or lease of defense articles and services to friendly countries. The second purpose of **"legitimate self-defense"** is amended to read ". . . legitimate self-defense for preventing or hindering the proliferation of weapons of mass destruction and of the means of delivering such weapons, . . ."

• Section 1203 amends Section 43(c), AECA, pertaining to the ceiling amount of FMS administration funds that may be used each fiscal year for **official reception and representation expenses** by inserting $86,500 in place of $72,500.

• Section 1204 amends Section 40(d), AECA, pertaining to the prohibition of AECA, FAA, or any other law assistance to countries supporting acts of **international terrorism** by adding "or willfully aid or abet the efforts of an individual or group to use, develop, produce, stockpile, or otherwise acquire chemical, biological, or radiological weapons." Before this amending language, the section only applied to acquiring nuclear weapons and material.

• Section 1205(a) significantly amends Section 36(c), AECA, pertaining to congressional notification dollar thresholds for direct commercial sales (DCS) by requiring congressional notification before the Department of State can license the commercial export of **USML category I small arms** (.50 caliber or less) valued $1,000,000 or more. This does not apply to Section 36(b), AECA, FMS transfers.

•• Section 1205(b) amends Section 40A(c), AECA, pertaining to annual end-use monitoring (EUM) reports to Congress by requiring the report to include "and the numbers, range, and findings of end-use monitoring of United States transfers of small arms and light weapons."

•• Section 1205(c) amends Section 655(b)(3), FAA, pertaining to annual reporting of licensed USML exports for the fiscal year by adding ". . . including, in the case of defense articles that are firearms controlled under category I of the United States Munitions List, a statement of the aggregate dollar value and quantity of semiautomatic assault weapons, or spare parts for such weapons, the manufacture, transfer, or possession of which is unlawful under 18, U.S.C. 922, that were licensed for export during the period covered by the report."

•• Section 1205(d) requires not later than 30 June 2003, a report from the Secretary of State to the appropriate congressional committees on activities of registered arms brokers, which will include:

- The role of such brokers in the U.S. and other countries;
- U.S. law, regulations, and policy regarding arms brokers;
- Violations of the AECA;
- U.S. resources and personnel devoted to the monitoring of arms brokers;
- Any needed changes in law, regulation, policy, or resources, and
- Any implications for the regulation of arms brokers in other countries.

• Section 1206 requires that for the purposes of any law, **Taiwan** be treated as though it were designated a major non-NATO ally as defined in Section 644(q), FAA.

• Section 1211 authorizes the appropriation of $85,000,000 in **IMET funding authorized** by Part II, Chapter 5, FAA, as FY2003 grant assistance. After rescission, P.L. 108-7 appropriates $79,480,000 in IMET funding.

• Section 1212 provides for a new Section 549, FAA, regarding an annual human rights report for Section 116(d), FAA, **human rights violations by IMET program foreign military or defense ministry civilian participants**. The report is to be submitted not later than 1 March of each year by the Secretary of State.

•• Amends Section 548, FAA, regarding DoD records database of foreign IMET participants after 31 December 2000, that the Secretary of State may annually request the Secretary of Defense to provide information from the database containing the names of foreign personnel or military units for preparing the report required by the new Section 549.

•• Also, if the Secretary of State determines and reports to Congress under Section 549 that a foreign person in the maintained IMET database was involved in a violation of internationally recognized human rights, the Secretary of Defense shall ensure that the database is updated to reflect this fact with all relevant information.

• Section 1213 amends Section 544, FAA, with a new Section 544(c) regarding exchange programs for **post-graduate flying training and tactical leadership programs.** The change authorizes the President to enter into cooperative arrangements for participation of foreign and U.S. military and civilian defense personnel in post-graduate flying training and tactical leadership programs at locations in Southwest Asia without charge to participating countries and without charge to the IMET program. The training must satisfy common requirements with the U.S. for this training.

•• The cooperative arrangement shall require an equitable contribution of support and services from each participating country. The President may waive the equitable contribution requirement if he determines that it is in the U.S. national security interests to do so.

•• Costs incurred by the U.S. shall be charged to the current applicable appropriations accounts or funds of the participating U.S. government agency**.**

• Section 1221(a) amends Section 513(b) and (c), *Security Assistance Act of 2000,* P.L. 106-280, 6 October 2000, regarding the authorizing of ESF and FMFP appropriations for **Israel**.

•• For fiscal years 2002 and 2003, Israel is authorized to receive an amount of ESF funding each year that is $120,000,000 less than the preceding fiscal year. Additionally, the funding is authorized to be made available on a grant basis as a cash transfer. After rescission, the FY2003 allocation was $596,100,000.

•• Also, Israel is authorized to receive an additional $200,000,000 in ESF grant funding only during FY2003 for defensive, non-lethal, antiterrorism assistance as an amount appropriated by an act making supplemental appropriations.

•• For fiscal years 2002 and 2003, Israel is authorized to receive an amount of FMFP funding each year that is $60,000,000 more than the preceding fiscal year. The fiscal years 2002 and 2003 funding shall be disbursed not later than thirty (30) days after enactment of the appropriations or 31 October of the respective fiscal year, whichever is later. After rescission, the FY2003 allocation was $2,086,350,000. The amount of FMFP funds, as agreed upon by Israel and the U.S., shall be available for advanced weapons systems, of which not less than $535,000,000 in FY2002 and $550,000,000 in FY2003 shall be available for the procurement in Israel, including research and development. P.L. 108-7 provided for $550,000,000 during FY2003.

• Section 1221(b) amends Section 514, *Security Assistance Act of 2000*, P.L. 106-280, 6 October 2000, regarding the authorizing of ESF and FMFP appropriations for **Egypt**.

•• For FY2002 and FY2003, Egypt is authorized to receive an amount of ESF funding each year that is $40,000,000 less than the preceding fiscal year. After rescission, the FY2003 allocation was $611,002,000.

•• For fiscal years 2002 and 2003, Egypt is authorized to receive each year $1,300,000,000 in FMFP grant funding. After rescission, the FY2003 allocation was $1,291,550,000. FMFP funds estimated to be outlayed for Egypt during FY2002 and FY2003 shall be disbursed to an interest bearing account for Egypt in the Federal Reserve Bank of New York not later than thirty (30) days after enactment of the appropriations or by 31 October of the respective fiscal year, whichever is later. However, withdrawal of funds from such account shall be made only on authenticated instructions from the Defense Finance and Accounting Service (DFAS). In the event the account is closed, the balance shall be transferred promptly to the FMFP appropriations account.

•• After rescission, Egypt was also allocated $1,200,000 in IMET funding for FY2003.

• Section 1222 authorizes FY2003 IMET funding to be appropriated for **Greece and Turkey.**

•• Greece is authorized to receive $1,120,000 during FY2003 in IMET. After rescission, the allocation was $600,000.

•• Turkey is authorized to receive $2,800,000 during FY2003 in IMET. After rescission, the allocation was $2,800,000.

•• For FY2003, $500,000 from both country programs should be available for purposes of professional military education (PME). It is the sense of Congress that this funding for PME should be used for joint training of Greek and Turkish officers.

• Section 1223(a) authorizes the appropriation of grant **FMFP funding** during FY2003 for the following countries as listed, to also include the FY2003 allocations after rescission:

•• The Baltic States (Estonia, Latvia and Lithuania): $22,000,000 authorized with each being allocated $6,500,000.

•• Bulgaria: $11,000,000 authorized with $9,000,000 allocated.

•• Czech Republic: $11,000,000 authorized with $10,900,000 allocated.

•• Georgia: $7,000,000 authorized with $6,900,000 allocated.

•• Hungary: $11,000,000 authorized with $10,900,000 allocated.

•• Jordan: $198,000,000 authorized with $198,000,000 allocated.

•• Malta: $1,150,000 authorized with $5,000,000 allocated.

•• Philippines: $25,000,000 authorized with $19,870,000 allocated.

•• Poland: $16,000,000 authorized with $12,900,000 in grants allocated and $3,800,000,000 in direct loans authorized.

•• Romania: $12,000,000 authorized with $9,900,000 allocated.

•• Slovakia: $9,000,000 authorized with $8,000,000 allocated.

•• Slovenia: $5,000,000 authorized with $4,000,000 allocated.

• Section 1223(b) authorizes the appropriation of grant **IMET funding** during FY2003 for the following countries as listed, to also include the FY2003 allocations after rescission:

•• The Baltic States (Estonia, Latvia, and Lithuania): $3,300,000 authorized with each being allocated $1,100,000.

•• Bulgaria: $1,370,000 authorized with $1,350,000 allocated.

•• Czech Republic: $1,900,000 authorized with $1,900,000 allocated.

•• Georgia: $1,200,000 authorized with $1,200,000 allocated.

•• Hungary: $1,900,000 authorized with $1,900,000 allocated.

•• Jordan: $4,000,000 authorized with $2,400,000 allocated.

•• Malta: $350,000 authorized with $300,000 allocated.

•• Philippines: $2,000,000 authorized with $2,400,000 allocated.

•• Poland: $2,000,000 authorized with $2,000,000 allocated.

•• Romania: $1,500,000 authorized with $1,500,000 allocated.

•• Slovakia: $950,000 authorized with $950,000 allocated.

•• Slovenia: $950,000 authorized with $950,000 allocated.

• Section 1224 addresses FY2003 and any subsequent fiscal year ESF funding for **Lebanon**. $10,000,000 of any allocated ESF for Lebanon may not be obligated unless the President certifies to the appropriate congressional committees that:

•• The armed forces of Lebanon have been deployed to the internationally recognized border between Israel and Lebanon, and

•• The Government of Lebanon is effectively asserting its authority in the area in which such armed forces have been deployed.

•• Any funds withheld pursuant to this Section may not be reprogrammed in order to be used for a purpose other than for assistance to Lebanon until the last moth of the fiscal year in which the authority to obligate such funds lapses.

•• After rescission, Lebanon was allocated $34,772,000 in FY2003 ESF funding.

• Section 1231 authorizes FY2003 DoD funds to be used for **packing, crating, handling, and transportation (PCH&T)** of Section 516, FAA, grant excess defense articles (EDA) for Albania, Bulgaria, Croatia, Estonia, Former Yugoslavia Republic of Macedonia, Georgia, India, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Mongolia, Pakistan, Romania, Slovakia, Slovenia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

•• It is the sense of Congress that this authority should be used only for those countries demonstrating a genuine commitment to democracy and human rights.

• Section 1232 amends Section 25(a), AECA, to expand the annual foreign operations budget justification report due not later than 1 February to also include a list of weapons systems that are significant military equipment, and numbers thereof, that are believed likely to become available for transfer as **excess defense articles** during the next twelve (12) months.

•• Defense Security Cooperation Agency (DSCA) Memorandum I-02/015721-P2 of 12 November 2002 to the military departments provides a change to the *Security Assistance*

Management Manual (SAMM), DoD 5105.38-M, Paragraphs 80303A and 80303B, for procedures in generating this report.

- Section 1233 amends Section 61(b), AECA, changing the maximum period of time for a **defense article lease agreement**. The previous period of five (5) years is expanded to include five (5) years and a specified period of time required to complete major refurbishment work of the leased article(s) to be performed prior to delivery. "Major refurbishment work" is defined to mean work for which the period of performance is six (6) months or more.

- Section 1234 amends Section 516(c)(2), FAA, regarding priority countries for the transfer of grant excess defense articles to include the **Philippines** along with the member countries of NATO on the southern and southeastern flank of NATO and major non-NATO allies on southern and southeastern flank.

- Section 1241 authorizes up to $10,000,000 to be appropriated in FY2003 as development assistance to carry out Part I, Chapters 1 and 10, FAA, for the **destruction of surplus stockpiles** of small arms, light weapons, and other munitions.

- Section 1251 amends Section 574(a), FAA, to authorize the appropriation of $73,000,000 for FY2002 and $64,200,000 for FY2003 as **Antiterrorism Assistance.**

- Section 1261 amends Section 514(b)(2), FAA, authorizing up to $100,000,000 in additions during FY2003 to the War Reserve Stockpiles for Allies (WRSA). Of this additional authority, not more than $100,000,000 may be made available during FY2003 for **WRSA in Israel**.

- Section 1262(a) amends Section 656(a), FAA, regarding the **annual *Foreign Military Training Report*** required not later than 31 January. Unless one of the appropriate congressional committees requests in writing otherwise not later than ninety (90) days prior to the required submission date, training programs for NATO countries, Australia, Japan, or New Zealand do not have to be included in the annual report.

- Section 1262(b) amends Section 655, FAA, by deleting the requirement within the **annual *Military Assistance Report*** for the reporting of military items manufactured outside the U.S. that were imported into the U.S. during the fiscal year.

- Section 1262(c) amends Section 36(a), AECA, by deleting the requirement within the **quarterly report on government-to-government arms exports** for the reporting the estimate of number of U.S military and civilian personnel and contract personnel who were in each country at the end of that quarter, or anytime during that quarter.

- Section 1263 requires a detailed briefing and consultation every 180 days after enactment of this Act to the appropriate congressional committees regarding U.S. security assistance to **Taiwan** to include the provision of defense articles and services.

- Section 1301 amends Section 585, FAA, regarding the authorization of appropriations during FY2003 for **Nonproliferation and Export Assistance**. The FY2003 figure is $162,000,000. Additionally, $2,000,000 of this FY2003 funding is authorized for carrying out Section 584, FAA, and $65,000,000 of this FY2003 funding is authorized to be available for science and technology centers in the independent states of the former Soviet Union.

  •• During FY2003, $382,400,000 is also authorized to be appropriated for **Nonproliferation, Anti-terrorism, Demining, and Related Programs.** After rescission, $304,408,000 was appropriated and allocated for FY2003.

- Section 1302 authorizes the Secretary of State to make available $5,000,000 under Section 585, FAA, for the procurement and provision of **nuclear, chemical, and biological detection systems**, including spectroscopic and pulse echo technologies. $10,000,000 is also authorized to be made available during FY2003 for the procurement and provision of x-ray systems capable of imaging sea-cargo containers.

•• Not later than 31 March 2003, and every year thereafter for the next three (3) years, the Secretary is to provide a report to the appropriate congressional committees setting forth his plans and budget for a multiyear training program for foreign personnel in the use of these systems. The subsequent year reports are to describe the progress, current status, and budget of these this training program and of the provision of the systems.

• Section 1303 amends the FAA by renumbering Sections 584 and 585 regarding nonproliferation and export control assistance to new Sections 585 and 586, respectively.

•• A new Section 584, FAA, entitled **International Nonproliferation Export Control Training** is inserted authorizing the Secretary of State to furnish the subject education and training to appropriate military and civilian personnel of foreign countries, but whenever feasible on a reimbursable basis.

• Section 1304 amends the *Soviet Scientists Immigration Act of 1992,* P.L. 102-509, 24 October 1992, regarding the relocation of scientists by extending the authority of the Act for the period beginning on the date of enactment of the *Security Assistance Act of 2002* and ending four (4) years after such date. This Section also amends the same Act by increasing the number of scientists eligible for visas from "750" to now "950." Additionally, Section 4(a) of the Act is amended to state that a scientist is not eligible for designation under this subsection if the scientist has previously been granted the status of an alien lawfully admitted for permanent residence as defined in 8 U.S.C. 1101(a)(20).

• Section 1305 communicates many findings by Congress regarding the **International Atomic Energy Agency** budget assessments and voluntary contributions and authorizes the use of $60,000,000 of the FY2003 funding appropriated for NADR for the U.S. voluntary contribution to IAEA including for the purpose of implementing the Protection Against Nuclear Terrorism Program adopted by the IAEA Board of Governors in March of 2002. The U.S. IAEA voluntary contribution allocation from FY2003 NADR funding was $52,900,000.

• Section 1306 amends Section 2, *Iran Nonproliferation Act of 2000,* P.L. 106-178, 14 March 2000, regarding the reporting of foreign personnel who transfer weapons goods and technologies to **Iran** by adding a new Section 2(e) requiring a brief description of the type and quantity of the goods, services, or technology transferred by that person to Iran to include the circumstances surrounding the transfer, the usefulness of the transfer to Iranian weapons programs, and the probable awareness or lack thereof of the transfer on the part of the government with primary jurisdiction of the person.

• Section 1308 establishes the requirement for annual reports on the **Proliferation of Missiles and Essential Components of Nuclear, Biological, Chemical, and Radiological Weapons**. Beginning not later than 1 March 2003, and annually thereafter, the President shall transmit a report to the House Committees on Appropriations, on Armed Services, and on International Relations, and the Senate Committees on Appropriations, on Armed Services, and on Foreign Relations on the transfer by any country of weapons, technology, components, or materials that can be used to deliver, manufacture (including research and experimentation), or weaponize nuclear, biological, chemical or radiological weapons (NBC weapons) to any country [see the below exemptions] that is seeking to possess or otherwise acquire such weapons, technology, or material, or other system that the Secretary of State or the Secretary of Defense has reason to believe could be used to develop, acquire, or deliver NBC weapons. Australia, Belgium, Canada, Czech Republic, Denmark, France, Germany, Greece, Hungary, Iceland, Italy, Japan, Luxembourg, Netherlands, New Zealand, United Kingdom, and the U.S. are exempted as recipient countries. This Section provides great detail of required information to be within this report.

• Section 1309 provides for the submission by the Secretary of State, not later than 180 days after enactment of this Act, to the appropriate congressional committees a **three-year international arms control and nonproliferation strategy**. It is to include a three-year plan for

the reduction of existing nuclear, chemical, biological weapons and ballistic missiles and for controlling the proliferation of these weapons. It is to identify the U.S. goals and objectives with respect to arms control and nonproliferation of weapons of mass destruction and their delivery systems. It is also to provide a description of the programs, projects, and activities of the Department of State intended to accomplish the outlined U.S. goals and objectives.

- Sections 1311 through 1321 provide the new law entitled ***Russian Federation Debt for Nonproliferation Act of 2002.***

- Sections 1331 through 1339 provide the new law entitled ***Nonproliferation Assistance Coordination Act of 2002.*** It directs the President to establish a mechanism to coordinate the efforts of the U.S. government departments and agencies engaged in formulating policy and carrying out programs for achieving nonproliferation and threat reduction. This mechanism amounts to a committee with representatives designated by the Secretaries of State, Defense, Energy, Commerce, and Homeland Security, the Attorney General and any other executive branch officials as the President may select. To the maximum extent possible, the representatives shall be an official of that department or agency who has been appointed by the President with the advice and consent of the Senate. The President shall designate an official to direct the coordination mechanism. The law provides the purposes, responsibilities, authorities, and administrative support for the mechanism. And, finally, direction is provided for reporting and consultation by the President with the appropriate congressional committees regarding the effectiveness of the established coordinating mechanism in achieving its objectives.

- Sections 1341 through 1345 provide the new law entitled ***Iran Nuclear Proliferation Prevention of 2002.*** It amends the FAA with a new Section 307(d)(1) requiring the Secretary of State, if determined that the **IAEA programs and projects in Iran** are inconsistent with the U.S. nuclear nonproliferation and safety goals, to provide Iran with training or expertise relevant to the development of nuclear weapons, or are being used as cover for the acquisition of sensitive nuclear technology, to provide a notification to the appropriate congressional committees. The Secretary of State shall undertake a comprehensive annual review of all IAEA programs and projects in the countries proscribed in Section 307(a) which includes Iran, FAA, and report annually of this review to Congress. A second annual report regarding IAEA programs and projects specifically in Iran is also required.

- Section 1401 authorizes the FY2003 appropriation of $10,000,000 to be available for salaries and expenses of the State Department Office of Defense Trade Controls (PM/DTC). This office has recently been retitled to the **Directorate of Defense Trade Controls**. Effective 1 January 2003, the Secretary of State shall assign a sufficient number of license review officers to ensure that the average weekly caseload for each officer does not routinely exceed forty (40). The Secretary of Defense should ensure that ten (10) military officers are continuously detailed to the Office on a nonreimbursable basis.

- Section 1402 authorizes the FY2003 appropriation of $4,000,000 to be available to the PM/DDTC for the modernization of information management systems.

  •• By below Section 1403(b), $3,000,000 of this funding is authorized to be available to fully automate the Defense Trade Application System.

  •• By below Section 1404(a), $250,000 of this funding is also authorized to be available for the purpose of providing full access to the Commerce Department **Automated Export System.**

- Section 1403 directs the establishment of a secure, internet-based system for the filing and review of **USML export license applications**. This DTAS is to be accessible by U.S. companies for the purpose of filing and tracking their USML license applications. It is also to be capable of exchanging data with the Commerce Department Export Control Automated Support System, the Defense Department Foreign Disclosure and Technology Information System and USXPORTS

Systems, the CIA Export Control System, and the Energy Department Proliferation Information Network System.

• Section 1404 directs the Secretary of Commerce, with the concurrence of the Secretaries of State and Treasury, to publish regulations in the *Federal Register* to require that all persons who are required to file **export information** under Chapter 9 of Title 13, U.S.C., to file such information through the automated export system (AES). This Section also amends 13 U.S.C. 304 and provides for financial penalties for failure to do such filing. A new 13 U.S.C. 305 entitled *Penalties for Unlawful Export Information Activities* is also provided for assessing criminal and civil penalties for failure to file, submission of false or misleading information, or for the furtherance of illegal activities any information through the Shippers Export Declaration (SED) or the automated export system.

• Section 1405 amends the AECA in several places increasing congressional review notification dollar value thresholds regarding the transfer of defense articles and services to **NATO countries, Australia, Japan, and New Zealand**. In every case, the congressional review period of the standard fifteen (15) days remains unchanged.

•• New Section 3(d)(5), AECA, for the advance notification to Congress regarding U.S. approval of the third country transfer of U.S.-origin defense articles and services in terms of its original acquisition cost of $25,000,000 or more (vice $14,000,000) for major defense equipment of other U.S.-origin defense articles or services transfers in terms of its original acquisition cost of $100,000,000 or more (vice $50,000,000) to NATO countries, Australia, Japan, or New Zealand.

•• New Section 36(b)(6), AECA, for the advance notification to Congress regarding the approval of a FMS sale, or for the enhancement or upgrade thereof, of MDE at a cost of $25,000,000 or more (vice $14,000,000); of other defense articles or services, or for the enhancement or upgrade thereof, at a cost of $100,000,000 or more (vice $50,000,000); or of design and construction services, or for the enhancement of upgrade thereof, at a cost of $300,000,000 or more (vice $200,000,000) to NATO countries, Australia, Japan, or New Zealand.

•• New Section 36(c)(5), AECA, for the advance notification to Congress regarding the approval of a commercial license DCS of MDE at a cost of $25,000,000 or more (vice $14,000,000) or of other defense articles or services at a cost of $100,000,000 or more (vice $50,000,000) to NATO countries, Australia, Japan, or New Zealand.

•• New Section 63(a)(2), AECA, for the advance notification to Congress regarding the approval of a lease or loan exceeding one year or longer of MDE in terms of its replacement cost, less any depreciation, of $25,000,000 or more (vice $14,000,000) or of other defense articles in terms of its replacement cost, less any depreciation, of $100,000,000 or more (vice $50,000,000) to NATO countries, Australia, Japan, or New Zealand.

•• The new third country transfer, FMS, and DCS notification values include the transfer proviso "that does not authorize a new sales territory that includes any country other than such countries . . ." The new Section 47(11), AECA, defines **"sales territory"** to mean a country or group of countries to which a defense article or service is authorized to be reexported.

•• The conference managers further elaborate by stating that "the one exception [to the new thresholds] will be sales to one or more of those countries that incorporate a new or increased sales territory that includes a country outside of that group. The managers believe that approval of such a sales territory is tantamount to approving future sales to the listed countries, and sometimes such third-country sales pose security or policy concerns. The managers note that discussions on the issue of notification thresholds with the Departments of State and Defense will continue in the coming year."

•• The dollar thresholds for "other countries" of $14,000,000, $25,000,000, and $200,000,000 remain unchanged. It must be noted though that while the countries of NATO were provided the higher notification thresholds, the NATO organization itself was not included.

• Section 1405(b) amends Section 9001(e), *Department of Defense Appropriations Act, 2000*, P.L. 106-79, 25 October 1999, regarding the national security interest waiver of Sections 101 and 102, AECA, to provide, inter alia, military assistance to **India or Pakistan** regardless of their 1999 use of nuclear explosive devices. The amending language requires that any issuance of an export license DCS to India or Pakistan be subject to the Section 36(c), AECA, specified dollar thresholds ($14,000,000 and $50,000,000) for any advance notifications to Congress.

• Section 1406 amends Section 38(f)(1), AECA, stating that the President **may not remove any item from the USML** until thirty (30) days after the date the President has provided notice to the Senate Foreign Relations Committee and the House International Relations Committee of the proposed removal. The notice shall describe the nature of any controls to be imposed on that item under any other provision of law. The conference managers trust that continued consultation with the Department of State over the ongoing review of and changes to the USML will allow any alterations to the list to occur without undue delay, controversy, or diminution of U.S. national security.

• Section 1501 requires that, not later than 31 March 2003, officials of the Departments of State and Defense brief the appropriate congressional committees regarding their plans in formulating and implementing a **national security assistance strategy.** This strategy was initially required by Section 501, *Security Assistance Act of 2000*, P.L. 106-280, 6 October 2000.

•• Section 1502 indicates the Secretary of State should use security assistance surveys in preparation of this strategy and authorizes the use of $2,000,000 of FY2003 FMFP funding for these surveys. Authority is also provided to the Secretary of State to request such surveys, on a cost reimbursable basis, by the Department of Defense or other U.S. government agencies.

• Section 1701 authorizes the transfer of the following fourteen (14) ships:

•• By Section 516, FAA, grant EDA transfer, ex-USS WADSWORTH (FFG-9) to **Poland**.

•• By Section 516, FAA, grant EDA transfer, ex-USS CAPODANNO (FF-1093), ex-USS THOMAS C. HART (FF-1092), ex-USS DONALD B. BEARY (FF-1085), ex-USS MCCANDLESS (FF-1084), ex-USS REASONER (FF-1063), and ex-USS BOWEN (FF-1079) to **Turkey**.

•• By Section 21, AECA, FMS sale, ex-USS FREDERICK (LST-1184) to **Mexico**.

•• By Section 21, AECA, FMS sale, ex-USS KIDD (DDG-993), ex-USS CALLAGHAN (DDG-994), ex-USS SCOTT (DDG-995), and ex-USS CHANDLER (DDG-996) to the Taipei Economic and Cultural Representative Office in the U.S. (for **Taiwan**).

•• By Section 21, AECA, FMS sale, ex-USS ESTOCIN (FFG-15) and ex-USS SAMUEL ELIOT MORISON (FFG-13) to **Turkey**.

•• The value of the grant transfers shall not be counted in the Section 516(g)(1), FAA, annual ceiling of $425,000,000.

•• Any expenses incurred by the U.S. during the grant transfers shall be charged to the recipient country.

•• For any leasing of the ships authorized for grant transfer to Turkey, the President may waive reimbursement charges for the lease for a period of one year before the date of the transfer of that ship.

•• To the maximum extent practicable, the President shall require, as a condition of the transfer, that the country have such repair or refurbishment as needed before the ship joins the

naval forces of the country, performed at a shipyard located in the U.S., including a US. Navy shipyard.

•• The authority for these fourteen (14) transfers shall expire at the end of the two-year period beginning on the date of enactment of this Act.

***Department of State Authorization Act, Fiscal Year 2003,* Division A, P.L. 107-228, 30 September 2002**

• Enacted as Division A of the *Foreign Relations Authorization Act, Fiscal Year 2003,* P.L. 107-228, 30 September 2002, authorizing FY2003 appropriations for the Department of State. Division B is the *Security Assistance of 2002.*

Division A – *Department of State Authorization Act, Fiscal Year 2003*

• Section 111 authorizes appropriations of $4,030,023,000 for Diplomatic and Consular Programs of which $564,000,000 is for worldwide security programs.

•• $200,000,000 is authorized for appropriations for the Capital Investment Fund.

•• $555,000,000 is authorized for appropriations for Embassy Security, Construction and Maintenance.

•• $11,000,000 is authorized for appropriations for Protection of Foreign Missions and Officials to remain available through 30 September 2004.

•• $15,000,000 is authorized for appropriations for Emergencies in the Diplomatic and Consular Service.

•• $18,817,000 is authorized for appropriations for payment to the **American Institute in Taiwan**.

• Section 113 authorizes appropriations of $891,378,000 FY2003 contributions to the international organizations. Of this total, for FY2003 or for fiscal years thereafter, such sums may be necessary are authorized for the U.S. assessment for the civil budget of NATO.

•• $725,981,000 is also authorized for appropriations for Contributions for **International Peacekeeping Activities**.

•• None of these funds made available for the 2002-2003 biennium budget for U.S. contributions to the regular budget of the U.N. may be available for the U.S. proportionate share of any framework treaty-based organization, including the Framework Convention on Global Climate Change, the International Seabed Authority, and the International Criminal Court.

• Section 115 authorizes the appropriation of $820,000,000 for Migration and Refugee Assistance. Of this amount:

•• $60,000,000 is authorized to be available for the resettlement of refugees in **Israel**.

•• $2,000,000 is authorized to be available for humanitarian assistance, including food, medicine, clothing, and medical and vocational training, to **Tibetan refugees** in India and Nepal who have fled Chinese-occupied Tibet.

•• $2,000,000 is authorized to be available for humanitarian assistance, including food, medicine, clothing and medical and vocational training to persons displaced as a result of civil unrest in **Burma**, including persons still within Burma.

• Section 214 advances Congress' commitment to relocating the U.S. Embassy in Israel to **Jerusalem** and urges the President pursuant to the *Jerusalem Embassy Act of 1995,* P.L. 104-45, 8 November 1995, to immediately begin the process of relocating the embassy.

•• None of the funds authorized to be appropriated by this Act may be expended for the operation of a U.S. consulate or diplomatic facility in Jerusalem unless the facility is under the supervision of the U.S. Ambassador to Israel.

•• None of the funds authorized to be appropriated by this Act may be available for the publication of any official government document which lists countries and their capital cities unless the publication identifies Jerusalem as the capital of Israel.

•• For the purposes of the registration of birth, certificates of nationality, or issuance of a passport of a U.S. citizen born in the city of Jerusalem, the Secretary of State shall, upon the request of the citizen or citizen's legal guardian, record the place of birth as Israel.

• Section 323 requires not later than 180 days of the date of the enactment of this Act, a report from the Secretary of State containing a plan for the Department to improve the recruitment of veterans for career Foreign Service.

• Section 402 amends Section 404(b)(2) of the *Foreign Relations Authorization Act, Fiscal Years 1994 and 1995,* P.L. 103-236, 30 April 1994, regarding the reduction in the U.S. share of assessed contributions for **U.N. Peacekeeping Operations** to include the following annual assessments:

•• Calendar year 2001; 28.15 percent.

•• Calendar year 2002; 27.90 percent.

•• Calendar year 2003; 27.40 percent.

•• Calendar year 2004; 27.40 percent.

• Section 408 directs that the U.S., in connection with its voice and vote in the U.N. General Assembly and the U.N. Economic and Social Council, make every reasonable effort to:

•• Secure a seat for the U.S. on the U.N. Commission on Human Rights;

•• Secure a seat for a U.S. national on the U.N. International Narcotics Control Board;

•• Prevent membership on the Human Rights Commission by any member nation the government of which, in the judgment of the Secretary of State, based on the Department's Annual Country Reports on Human Rights and the Annual Report on International Report on Religious Freedom, consistently violates internationally recognized human rights or has engaged in or tolerated particularly severe violations of religious freedom in that country.

• Sections 601 through 604 are entitled *Middle East Peace Commitments Act of 2002.* Recognizing the 1993 exchange of letters between the **Palestinian Liberation Organization (PLO)** and the Prime Minister of Israel regarding, inter alia, the right of the State of Israel to exist in peace and security, acceptance of the U.N. Security Council Resolutions 242 and 338, the renunciation of terrorism and all other acts of violence, and the formation of the Palestinian Authority, the President shall submit a report to the appropriate congressional committees addressing the compliance by the PLO or the Palestinian Authority regarding the 1993 agreement with Israel. The first report shall be submitted not later than sixty (60) days after the enactment of this Act with subsequent submissions to coincide with the annual report required by Title VIII of the *PLO Commitments Compliance Act of 1989,* P.L. 101-246, 16 February 1990.

•• Section 604 authorizes the President once he determines noncompliance by the PLO, to impose any of the following sanctions:

•• Denial of visas to PLO or Palestinian Authority officials;

•• Downgrade in status of PLO offices in the U.S;

•• Designate the PLO or any of its constituent groups as a foreign terrorist organization;

•• Prohibit U.S. assistance to the West Bank and Gaza.

•• The President may waive any sanction if he determines to be in the U.S. national security interest. The determination shall be reported to the appropriate congressional committees.

• Section 692 forwards the sense of Congress that the **American Institute in Taiwan** and the residence of its Director should publicly display the U.S. flag in the same manner that U.S. embassies, consulates, and official residences throughout the world.

• Section 699 states if the President determines that a foreign person or entity has knowingly transferred proscribed weapons to Palestinian entities in the **West Bank or Gaza,** no assistance may be provided to the person or unity under Part II of the FAA and no sales of defense articles or services may be made to that person or entity under Section 23, AECA. The prohibition period is two (2) years from when the determination is submitted to the appropriate congressional committees. "Proscribed weapons" are to mean arms, ammunition, and equipment the transfer of which is not in compliance with the Agreement on the Gaza Strip and the Jericho Area of 4 May 1994, its annexes, or subsequent agreements between Israel and the PLO or Palestinian Authority.

***Department of Defense Appropriations Act, 2003,* P.L. 107-248, 23 October 2002**

• Reported out of the House Appropriations Committee as HR5010 on 24 June 2002 with H. Rpt. 107-532. Passed in the House on 27 June 2002. Reported out the Senate Appropriations Committee on 18 July 2002 with S. Rpt. 107-213. Passed the Senate on 1 August 2002. Conference was held and reported out on 9 October 2002 with H. Rpt. 107-732. Passed the House and Senate on 10 and 16 October 2002, respectively, and forwarded to the White House for enactment.

• This bill and the related military construction appropriations bill were the only two FY2003 appropriations bills that were enacted into law before the start of calendar year 2003.

Title II, Operation and Maintenance

• $58,400,000 appropriated for expenses related to the Overseas Humanitarian, Disaster, and Civic Aid programs of DoD to remain available until 30 September 2004.

• $416,700,000 appropriated for assistance to the **republics of the former Soviet Union** for facilitating the elimination and the safe and secure transportation and storage of nuclear, chemical and other weapons. This is also for establishing programs to prevent the proliferation of weapons, weapons components, and weapons-related technology. This is also for programs relating to the training and support of defense and military personnel for demilitarization and protection of weapons, weapons components and weapons technology and expertise, and for defense and military contacts. Of this amount, $10,000,000 shall be available only to support the dismantling and disposal of nuclear submarines and submarine reactor components in the Russian Far East.

Title VI, Other Department of Defense Programs

• $14,843,542,000 for DoD medical and health care programs. Not less than $7,000,000 of this funding shall be available for HIV prevention educational activities undertaken in connection with U.S. military training, exercises, and humanitarian assistance activities conducted primarily in **African nations**.

Title VIII, General Provisions

• Section 8002, as in prior years, states that during FY2003, provisions of prohibiting the payment of compensation to, or employment of, any person not a citizen of the U.S. shall not apply to personnel of the DoD.

•• Salary increases granted to direct or indirect hire foreign national DoD employees funded by this Act shall not be at a rate in excess of the percentage increase authorized by law for DoD civilians whose pay is computed under the provisions of 5 U.S.C. 5332, or at a rate in excess

of the percentage increase provided by the appropriate host nation to its own employees, whichever is higher. This does not apply to DoD foreign national employees of the DoD in the **Republic of Turkey**. This also does not apply to DoD foreign service national employees serving at U.S. diplomatic missions whose pay is set by the Department of State under the *Foreign Service Act of 1980.*

- Section 8009 authorizes the use of operation and maintenance funds to be obligated for humanitarian and civic assistance costs pursuant to 10 U.S.C. 401 and these obligations are to be reported to Congress as of 30 September of each year.

  •• These funds shall be available for providing humanitarian and similar assistance by using civic action teams in the **Trust Territories of the Pacific Islands (TTPI) and freely associated states of Micronesia** pursuant to the Compact of Free Association as authorized by P.L. 99-239.

  •• Upon determination by the Secretary of the Army that such action is beneficial for graduate medical education programs conducted by the Army medical facilities located in Hawaii, the Secretary may authorize the provision of medical services at such facilities and transportation to the facilities on a nonreimbursable basis for civilian patients from **American Samoa, Commonwealth of the Northern Mariana Islands, Marshall Islands, Federated States of Micronesia, Palau, and Guam.**

- Section 8027 authorizes DoD during FY2003 to incur obligations not to exceed $350,000,000 for purposes specified in 10 U.S.C. 2350j(c), in anticipation of receipt of contributions only from **Kuwait** to be credited to the appropriations or fund which incurred such obligations.

- Section 8052 states that none of the funds appropriated or otherwise made available by this Act, may be obligated or expended for assistance to the Democratic People's Republic of **North Korea** unless specifically appropriated for that purpose.

- Section 8066 states that none of the funds available for DoD during FY2003 may be obligated or expended to **transfer defense articles or services** (other than intelligence services) to another nation or international organization for specified activities unless the congressional defense committees, the Senate Foreign Relations Committee, and the House International Relations Committee are notified fifteen (15) days in advance of the transfer.

  •• The specified activities include any international peacekeeping, peace-enforcement or humanitarian assistance operation.

  •• This notification shall include a description of the transfer, value of the transfer, a statement whether the inventory requirements of all elements of the Armed Forces for the type of transfer have been met, and whether the items to be transferred will have to be replaced. If replacement is required, how does the President propose to provide the funds for such a replacement?

- Section 8067 authorizes the Secretary of Defense to issue loan guarantees of up to $15,000,000,000 in support of U.S. defense exports not otherwise provided for. The exposure fees charged and collected for guarantee shall be paid by the country involved and shall not be financed as part of a loan guaranteed by the U.S. Section 1321, *Defense Authorization Act, Fiscal Year 1996,* P.L. 104-106, 10 February 1996, first authorized this program as the **Defense Export Loan Guarantee (DELG) Program.**

- Section 8073 authorizes the Secretary of Defense during the current fiscal year and hereafter to waive reimbursement of the cost of conferences, seminars, courses of instruction, or similar educational activities of the **Asia-Pacific Center for Security Studies** for military officers and civilian officials of foreign nations if the Secretary determines that attendance by such personnel, with reimbursement, is in U.S. national security interest. The waived costs shall be paid from appropriations available for the Center.

• Section 8077, as in prior years, states that none of the funds made available in this Act may be used to approve or license the **sales of the F-22** advanced tactical fighter to any foreign government.

• Section 8078 allows the Secretary of Defense, on a case-by-case basis, to waive with respect to a foreign country each limitation on the procurement of **defense items from foreign sources** provided in law if the Secretary determines that the application of the limitation with respect to that country would invalidate **cooperative programs** entered into between the DoD and the foreign country, or would invalidate **reciprocal trade agreements** for the procurement of defense items entered into under 10 U.S.C. 2531, and the country does not discriminate against the same or similar defense items produced in the U.S. for that country.

•• This applies to contracts and subcontracts entered into on or after the date of enactment of this Act, and

•• For options for the procurement of items that are exercised after such date under contracts that are entered into before such date if the option prices are adjusted for any reason other than the application of a waiver granted under this Section.

• Section 8080 states that none of the funds made available by this Act may be used to support any training program involving a unit of the **security forces of a foreign country** if the Secretary of Defense has received credible information from the Department of State that the unit has committed a gross violation of human rights, unless all necessary corrective steps have been taken.

•• The Secretary of Defense, in consultation with Secretary of State, shall ensure that prior to a decision to conduct any training program involving a security force unit, full consideration is given to all credible information available to the Department of State relating to human rights violations by foreign security forces.

•• The Secretary of Defense, after consultation with the Secretary of State, may waive this prohibition if he determines that such a waiver is required by extraordinary circumstances. Not more than fifteen (15) days after exercising such a waiver, the Secretary shall submit a report to the congressional defense committees describing the extraordinary circumstances, the purpose and duration of the training program, the U.S. and foreign security forces involved in the program, and the information relating to the human rights violations that necessitates the waiver.

• Section 8093 states that during FY2003 under regulations prescribed by the Secretary of Defense, the **Center of Excellence for Disaster Management and Humanitarian Assistance** may also pay, or authorize payment for, the expenses of providing or facilitating education and training for appropriate military and civilian personnel of foreign countries in disaster management, peace operations, and humanitarian assistance.

• Section 8095 directs that $136,000,000 of the funds appropriated under FY2003 Research, Development, Test, and Evaluation shall be made available for the **Arrow Missile** Defense Program. FY2002 funding for this program was $131,700,000. $66,000,000 of this funding shall be available for continuing the Arrow System Improvement Program, and $70,000,000 shall be available for producing Arrow missile components in the U.S. and Arrow missiles and components in **Israel,** consistent with each country's laws, regulations, and procedures.

Bob Stump National Defense Authorization Act for Fiscal Year 2003, **P.L. 107-314, 2 December 2002**

• Reported out of the House Armed Services Committee as HR4546 on 3 May 2002 with H. Rpt. 107-436. Passed the House on 10 May 2002. A separate bill was reported out of the Senate Armed Services Committee as S2514 on 15 May 2002 with S. Rpt. 107-151. On 27 June 2002, the Senate approved S2514 and placed it as an amendment into HR4546. A conference was held and HR4546 was reported out on 12 November 2002 with H. Rpt. 107-772. The House and the

Senate approved the final HR4546 on 12 and 13 November 2002, respectively. The bill was presented to the President on 26 November 2002 for enactment.

- Section 225 directs the amendment of any provision of law, regulation, etc., to replace the title of Ballistic Missile Defense Organization (BMDO) with the already implemented title of **Missile Defense Agency (MDA).**

- Section 310 authorizes the FY2003 appropriation of $58,400,000 for overseas humanitarian, disaster, and civic aid programs.

- Section 513 authorizes up to ten (10) percent of overseas humanitarian, disaster, and civic aid programs funding may be used for reserve component members of special operations command engaged in activities relating to clearance of landmines.

- Section 901 provides for the new position of **Under Secretary of Defense for Intelligence** to be appointed from civilian life by the President, by and with the advice and consent of the Senate.

- Section 902 provides for a new **Assistant Secretary of Defense for Homeland Security** to be placed within the Under Secretary of Defense for Policy (USDP) organization.

- Section 921 requires a report from the Secretary of Defense regarding an implementation plan for the 1 October 2002 establishment of the **United States Northern Command**.

- Section 931 provides authority for the Secretary of Defense to accept, hold, administer, and spend any gift, including a gift from an international organization and a foreign gift or donation, as defined by 10 U.S.C. 2611 (f), that is made on the condition that it is used in connection with the operation or administration of the **National Defense University (NDU)**.

- Section 932 provides authority for the Secretary of Defense, on behalf of the **Western Hemisphere Institute for Security Cooperation**, to accept foreign gifts or donations in order to defray the costs of, or enhance the operation of, the Institute. The Secretary shall notify Congress if this total exceeds $1,000,000 in any fiscal year.

- Section 1064 authorizes the Secretary of Defense to establish a **National Foreign Language Skills Registry** to register those who have proficiency in one or more critical languages and are willing to provide linguistic services to the U.S. in the interests of national security during war or national emergency. The individual must be a national of the U.S. or an alien lawfully admitted for permanent residence.

- Section 1202 provides authority to pay for certain travel expenses of defense personnel of a developing country not a member of NATO and that is participating in the **Partnership-for-Peace (PfP)** program of NATO. This may be paid in connection with travel of personnel to the territory of any of the countries participating in the PfP program or the territory of any NATO country.

- Section 1206 requires not later than 15 March 2003 a detailed report from the President to Congress describing in detail **Russian proliferation** of weapons of mass destruction and ballistic missile goods, technology, expertise, and information, and dual-use items that may contribute to the development of weapons of mass destruction and ballistic missiles, to Iran and to other countries of proliferation concern during the year preceding the year in which the report is submitted.

- Section 1210 requires not later than 180 days after enactment of this Act the President to submit a report to Congress regarding the conduct of combined operational training with **Taiwan**, exchange of general and flag officers, and progress being made in meeting U.S. commitments to the security of Taiwan.

- Section 1302 authorizes the FY2003 appropriation of funding for the **Cooperative Threat Reduction** programs (sometimes referred to as the Nunn-Lugar program) as follows:

•• Strategic offensive arms elimination in Russia: $70,500,000 (note).

•• Strategic nuclear arms elimination in Ukraine: $6,500,000 (note).

•• Nuclear weapons transportation security in Russia: $19,700,000 (note).

•• Nuclear weapons storage security in Russia: $40,000,000 (note).

•• Activities designated as "other assessments/administrative support": $14,700,000.

•• Defense and military contacts: $18,900,000.

•• WMD infrastructure elimination activities in Kazakhstan: $9,000,000.

•• WMD infrastructure elimination activities in Ukraine: $8,800,000.

•• Chemical weapons destruction in Russia: $50,000,000 (note).

•• Biological weapons proliferation prevention in the former Soviet Union: $55,000,000.

•• WMD proliferation prevention in the States of the former Soviet Union: $40,000,000.

Note: An additional $83,600,000 is authorized to be appropriated for the above noted programs.

•• Not more than fifty (50) percent of this funding may be obligated or expended until thirty (30) days after the date of the submission of the report required by Section 1308(a) of the *Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001,* P.L. 106-398, 30 October 2000, and the update for the multiyear plan required to be submitted for FY2001 by Section 1205 of the *National Defense Authorization Act for Fiscal Year 1995,* P.L. 103-337, 5 October 1994.

•• No funds appropriated for the Cooperative Threat Reduction programs for any fiscal year may be used for the design, planning or construction of a second wing for a storage facility for Russian missile material.

• Section 3151 transfer the DoD Cooperative Threat Reduction program relating to the elimination of **weapons grade plutonium production in Russia** to the Administrator for the National Nuclear Security Administration to also include, inter alia, the transfer of the program's records and any unexpended funds from fiscal years 2000 through 2002.

• Section 3159 directs the Secretary of Energy, in coordination with the Secretary of State, to pursue in the region of the former Soviet Union and other regions of concern options for accelerating programs that assist the countries in such regions in **improving their domestic export control programs** for materials, technologies, and expertise relevant to the construction or use of a nuclear or radiological dispersal device. Of the amount authorized to be appropriated for the Department of Energy for the National Nuclear Security Administration for defense nuclear nonproliferation, up to $5,000,000 may be available for this program.

Afghanistan Freedom Support Act of 2002, P.L. 107-327, 4 December 2002

• Reported out the Senate Foreign Relations Committee on 12 September 2002 as S2712 with S. Rpt. 107-278. Passed the Senate on 14 November 2002. Considered directly for passage by the House on 15 November 2002 and presented on 22 November 2002 to the President for enactment.

• Section 104 strongly urges the President to designate within the Department of State, a coordinator with the rank and status of ambassador who shall be responsible for:

•• Designing an overall strategy to advance U.S. interests in Afghanistan.

•• Ensuring program and policy coordination among U.S. government agencies in carrying out the policies set forth in this Act.

•• Pursuing coordination with other countries and international organizations with respect to assistance to Afghanistan.

•• Ensuring that U.S. assistance programs for Afghanistan are consistent with this Act.

•• Ensuring proper management, implementation, and oversight by agencies responsible for assistance programs with respect to U.S. assistance for Afghanistan.

•• Resolving policy and program disputes among U.S. government agencies with respect to U.S. assistance for Afghanistan.

• Section 108 authorizes the appropriations of $425,000,000 for each fiscal years 2003 through 2006 for economic and democratic development assistance for Afghanistan.

• Section 202 authorizes the Section 506, FAA, **drawdown of $300,000,000** in defense articles and services and military education and training for the Government of Afghanistan to expire 30 September 2006. Other countries and international organizations are eligible for this drawdown if:

•• They are participating in military, peacekeeping, or policing operations in Afghanistan aimed at restoring or maintaining peace and security in Afghanistan, and such assistance is provided specifically for such operations in Afghanistan.

•• No country the government of which has been determined by the Secretary of State to have repeatedly engaged in gross violations of human rights, or provided support for acts of international terrorism shall be eligible for this drawdown.

• This drawdown authority value shall not count toward any limitation contained in Section 506, FAA.

• This drawdown shall be available without reimbursement to the DoD except to the extent that funds are appropriated pursuant to an authorization of appropriation. Subsequent language authorizes the appropriation of such sums as may be necessary to reimburse the drawdown.

• The President may provide this assistance to any eligible country or international organization if he determines such assistance is important to the U.S. national security interest. This determination must be notified to the Committees on Appropriations and the Senate Foreign Relations Committee and the House International Relations Committee at least fifteen (15) days in advance of providing the assistance.

•• Presidential Determination 2003-15 of 13 February 2003 directed the drawdown under this authority of $158,000,000 for the Transitional Islamic State of **Afghanistan** and $7,000,000 for **Jordan** for its assistance in operations in Afghanistan.

• Section 206 directs not later than sixty (60) days after enactment of this Act, a report to the Committees on Appropriations, the Senate Foreign Relations Committee, and the House International Relations Committee with:

•• A strategy for meeting the immediate and long-term security needs of Afghanistan in order to promote safe and effective delivery of humanitarian and other assistance throughout Afghanistan, further the rule of law and civil order, and support the formation of a functioning, representative Afghan national government, including an update to the strategies submitted pursuant to *2002 Supplemental Appropriations Act for Further Recovery from and Response to Terrorist Attacks on the United States*, P.L. 107-206, 2 August 2002.

•• And, a description of the progress of the Government of Afghanistan toward the eradication of poppy cultivation, the disruption of heroin production, and the reduction of the overall supply and demand for illicit narcotics in Afghanistan in accordance with the provisions of this Act.

•• Every six (6) months after the enactment of this Act, through 1 January 2007, a report shall also be submitted regarding the implementation of this strategy.

• Section 206(e)(1) urges the President to take all appropriate measures to assist Afghanistan in establishing a secure environment throughout the country to include:

•• Sponsoring a U.N. Security Council resolution authorizing an expansion of the **International Security Assistance Force (ISAF)** or the establishment of a similar security force.

•• And, enlisting the European and other allies of the U.S. to provide forces for an expansion of the ISAF or the establishment of a similar force.

• Section 206(e)(2) authorizes the annual appropriation of $500,000,000 for FY2003 and FY2004 to support the ISAF or similar established force. These funds may be pursuant to Part II, Chapter 4, FAA (ESF), Section 551, FAA (PKO), or Section 23, AECA (FMFP).

***2002 Supplemental Appropriations Act for Further Recovery from and Response to Terrorist Attacks on the United States,* P.L. 107-206, 2 August 2002**

• Reported out of the House Appropriations Committee on 20 May 2002 as HR4775 with H. Rpt. 107-480. Passed by the House on 24 May 2002. Amended and reported out the Senate Appropriations Committee on 29 May 2002 as S2551 with S. Rpt. 107-156. Passed the Senate on 7 June 2002. The Conference was convened and reported out on 19 July 2002 as HR4775 with H. Rpt. 107-593. The conference bill then was passed by the House and Senate on 23 July and 24 July 2002, respectively, and forwarded to the White House for enactment.

Title I, Supplemental Appropriations, Chapter 6, Bilateral Economic Assistance

International Disaster Assistance

• $134,000,000 for emergency expenses for activities related to combating international terrorism, including repairing homes of Afghan citizens that were damaged as a result of military operations, to remain available until 30 September 2003.

• An additional amount of $50,000,000 for assistance for the **West Bank and Gaza** to remain available until 30 September 2004. None of this funding is to go to the Palestinian Authority. This can only be provided if the President designates the funding as an emergency requirement as defined in the *Balanced Budget and Emergency Deficit Control Act of 1985.* This was never done and the funds were never made available.

Other Bilateral Economic Assistance

Economic Support Fund

• $665,000,000 for emergency expenses related to combating international terrorism to remain available until 30 June 2003.

•• $1,000,000 should be made available for programs and activities which support the development of independent media in **Pakistan**.

•• $10,000,000 should be made available for the establishment of a pilot academic year youth exchange program for secondary school students from countries with significant Muslim populations. This funding is not meant for similar already established and funded programs.

•• $200,000,000 shall be made available assistance for **Israel** with all or a portion of which may be transferred to the Nonproliferation, Anti-Terrorism, Demining, and Related Programs (NADR) for defensive, non-lethal anti-terrorism assistance. This can only be provided if the President designates the funding as an emergency requirement as defined in the *Balanced Budget and Emergency Deficit Control Act of 1985.* This was never done and the funds were never made available to Israel.

- Table 7 displays how this remaining $465,000,000 of the FY2002 supplemental ESF was allocated.

Assistance for the Independent States of the former Soviet Union

- $110,000,000 for emergency expenses for activities related to combating international terrorism to remain available until 30 June 2003.

International Narcotics Control and Law Enforcement

- $117,000,000 for emergency expenses for activities related to combating international terrorism to remain available until 30 September 2003.

•• The funds appropriated should be made available to train and equip a **Colombian Armed Forces** unit dedicated to apprehending the leaders of paramilitary organizations.

•• Not to exceed $6,000,000 may be available for assistance for the Colombian Armed Forces for purposes of protecting the Cano Limon pipeline.

•• Prior to the obligation of these funds, the Secretary of State shall submit a report to the Committees on Appropriations describing:

•• Estimated oil revenues collected by the Government of Columbia from the pipeline for the previous twelve (12) months.

•• Amounts expended during the twelve (12) months by the Government of Colombia and private companies owning a financial interest in the pipeline for primary health care, basic education, micro-enterprise and other programs and activities to improve the lives of the people of Arauca department.

•• Steps that are being taken to increase and expand support for these programs and activities.

•• Mechanisms that are being established to adequately monitor such funds.

- Funds not to exceed $4,000,000 should be made available for law enforcement training for **Indonesian police forces**.

- The Secretary of State shall inform the Committees on Appropriations at least fifteen (15) days prior to the obligation of these funds.

- $3,000,000 of this funding can only be provided if the President designates the funding as an emergency requirement as defined in the *Balanced Budget and Emergency Deficit Control Act of 1985*. This was never done and the funds were never made available.

Migration and Refugee Assistance

- $40,000,000 for emergency expenses for activities related to combating international terrorism to remain available until 30 June 2003.

- The entire amount can only be provided if the President designates the funding as an emergency requirement as defined in the *Balanced Budget and Emergency Deficit Control Act of 1985*. This was never done and the funds were never made available.

Nonproliferation, Anti-Terrorism, Demining, and Related Programs

- $88,000,000 for emergency expenses for activities related to combating international terrorism to remain available until 30 September 2003.

•• Funding not to exceed $12,000,000 should be made available for assistance for **Indonesia**.

•• Funding up to $1,000,000 may be made available for small arms and light weapons destruction in **Afghanistan**.

•• Funding up to $1,000,000 may be made available for the Nonproliferation and Disarmament Fund.

• All of this funding shall be subject to the regular notification procedures of the Committees on Appropriations.

• $5,000,000 of this funding can only be provided if the President designates the funding as an emergency requirement as defined in the *Balanced Budget and Emergency Deficit Control Act of 1985*. This was never done and the funds were never made available.

Military Assistance

Foreign Military Financing Program

• $387,000,000 for emergency expenses for activities related to combating international terrorism to remain available until 30 June 2003.

•• Funds made from this Act for assistance for the Government of **Uzbekistan** may be made available if the Secretary of State determines and reports to the Committees on Appropriations that the Government of Uzbekistan is making substantial and continuing progress in meeting its commitments under the Declaration on the Strategic Partnership and Cooperation Framework between the Republic of Uzbekistan and the United States of America.

•• $2,000,000 may be obligated for necessary expenses, including the purchase of passenger motor vehicles for use outside of the U.S. for the general cost of administering military assistance and sales.

• $30,000,000 of this funding for the **Philippines** can only be provided if the President designates the funding as an emergency requirement as defined in the *Balanced Budget and Emergency Deficit Control Act of 1985*. This was never done and the funds were never made available to the Philippines.

• Table 3 displays how this remaining $357,000,000 of the FY2002 supplemental ESF was allocated.

• The Secretary of State shall inform the Committees on Appropriations at least fifteen (15) days prior to the obligation of this funding.

Peacekeeping Operations

• $20,000,000 for emergency expenses for activities related to combating international terrorism to remain available until 30 June 2003. This funding shall only be available for **Afghanistan**.

• Table 9 reflects the allocation of this FY2002 supplemental PKO funding.

***Title II, American Service-Members' Protection Act of 2002,* P.L. 107-206, 2 August 2002**

• On 17 July 1998, the U.N. Diplomatic Conference of Plenipotentiaries on the Establishment of an International Criminal Court met in Rome and adopted the *Rome Statute* of the International Criminal Court. The U.S. voted against final adoption of the statute. The statute is to enter into force on the first day of the month after the 60th day following the date on which the 60th country deposits an instrument ratifying the statute. This date is 1 July 2003.

• Since the adoption in Rome, a preparatory commission has been regularly meeting to draft up documents for implementation of the *Rome Statute*.

•• During testimony to Congress, Ambassador David Scheffer, the lead U.S. negotiator, has stated that the U.S. cannot sign the *Rome Statute* because certain critical U.S. objectives had not been achieved leaving the U.S. "with consequences that do not serve the cause of international justice."

•• The Ambassador further stated, ”Multinational peacekeeping forces operating in a country that has joined the treaty can be exposed to the Court’s jurisdiction even if the country of the individual peacekeeper has not joined the treaty. Thus, the treaty purports to establish an arrangement whereby United States armed forces operating overseas could be conceivably prosecuted by the international court even if the United States has not agreed to be bound by the treaty. Not only is this contrary to the most fundamental principles of treaty law, it could inhibit the ability of the United States to use its military to meet alliance obligations and participate in multinational operations, including humanitarian interventions to save civilian lives. Other contributors to peacekeeping operations will be similarly exposed.”

•• The President of the previous administration directed that the U.S. sign the *Rome Statute* on 31 December 2000. He stated that in view of the unremedied deficiencies of the *Rome Statute*, he will not, and does not recommend his successor submit the treaty to the Senate for advice and consent ratification until the U.S. fundamental concerns are satisfied.

• Section 2003 provides the President with a variety of waiver authorities all requiring determinations and notifications with reports to the appropriate congressional committees.

•• Section 2003(e) terminates all prohibitions and authorities of this Act if the U.S. becomes a party to the International Criminal Court pursuant to a treaty made under Article II, Section 2, Clause 2 of the Constitution.

• Section 2004 prohibits any cooperation with the International Criminal Court by any U.S. court, agency, or entity of any State or local government including any court. This does not apply to cooperating with an ad hoc international criminal tribunal established by the U.N. Security Council to investigate and prosecute war crimes committed by a specific country or during conflict.

•• There will be no providing of support to the Court.

•• There will be no extradition of a U.S. citizen or permanent resident alien to the Court.

•• No funds appropriated under any provision of law may be used to assist the Court.

•• The U.S. shall exercise its right to limit the use of assistance provided under all treaties and executive agreements for mutual legal assistance in criminal matters, multilateral conventions with legal assistance provisions, and extradition treaties to prevent the transfer to or other use by the Court.

•• No agent of the Court may conduct any investigative activity in the U.S. or its territories relating to a preliminary inquiry, investigation, prosecution, or other proceeding at the Court.

• Section 2005 directs that the President should use the voice and vote of the U.S. in the U.N. Security Council to ensure each resolution authorizing any peacekeeping operation or peace enforcement operation under the Charter of the U.N. permanently exempts, at a minimum, members of the U.S. armed forces participating in such operations any action by the Court for actions undertaken by such U.S. personnel in connection with operation. Members of the U.S. armed forces may not participate in any of these operations unless the President has submitted to the appropriate congressional committees of this exemption and that U.S. national interests justify such participation.

• Section 2006 prohibits the direct or indirect transfer of classified national security information and law enforcement information to the Court for the purpose of facilitating an investigation, apprehension, or prosecution.

• Section 2007 **prohibits the providing of military assistance** to any country that is a party to the Court.

•• The President may waive this prohibition if he determines without prior notice to Congress that it is important to U.S. national interest. This determination must be reported to the appropriate congressional committees.

•• This prohibition of assistance shall not apply to the governments of NATO countries, a major non-NATO ally including Australia, Egypt, Israel, Japan, Jordan, Argentina, South Korea, and New Zealand, and Taiwan.

•• The President may, without prior notice to Congress, also waive this prohibition for military assistance with respect to a particular country if he determines and reports to the appropriate congressional committees that such country has entered into an agreement with the U.S. pursuant to Article 98 of the *Rome Statute* preventing the court from proceeding against U.S. personnel present in such country.

•• Article 98 of the Statute is entitled *Cooperation with respect to waiver of immunity and consent to surrender.*

Section 1.

> The Court may not proceed with a request for surrender or assistance which would require the requested State to act inconsistently with its obligations under international law with respect to the State or diplomatic immunity of a person or property of a third State, unless the Court can first obtain the cooperation of that third State for the waiver of the immunity.

Section 2.

> The court may not proceed with a request for surrender which would require the requested State to act inconsistently with its obligations under international agreements pursuant to which the consent of a sending State is required to surrender a person of that State to the Court, unless the Court can first obtain the cooperation of the sending State for the giving of consent for the surrender.

•• The Department of State is presently working through diplomatic channels to obtain the individual **"Court Article 98 agreements"** with each country before the Statute effective date of 1 July 2003.

• Section 2008 authorizes the President to use all means necessary and appropriate to bring about the release of any U.S. military, elected or appointed U.S. government personnel, or other persons working for or employed by the U.S. government who is being detained or imprisoned by, on behalf of, or at the request of the Court. This also applies to the same named individuals with NATO countries, major non-NATO allies, and Taiwan. And this also applies to individuals detained or imprisoned for official actions taken while one of the above mentioned eligible individuals.

***Gerald B. H. Solomon Freedom Consolidation Act of 2002,* P.L. 107-187, 10 June 2002**

• Reported out of the House International Relations Committee on 5 November 2001 as HR3167 with H. Rpt. 107-266. Passed by the House on 7 November 2001. Reported out the Senate Foreign Relations Committee on 12 December 2001 without any amendments. Not passed by the Senate until 17 May 2002 and presented to the President on 29 May 2002 for enactment.

• Some of the findings noted by Congress in Section 2 of the legislation include:

•• In the *NATO Enlargement Facilitation Act of 1996*, P.L. 104-208, 30 September 1996, Congress called for the prompt admission of Poland, Hungary, Czech Republic, and Slovenia into NATO. Three of the four countries subsequently were invited during the Madrid Summit in July 1997 to become members of the NATO Alliance.

•• In the *European Security Act of 1998*, P.L. 105-277, 21 October 1998, that Poland, Hungary, and Czech Republic should not be the last emerging democracies in Central and Eastern

Europe invited to join NATO and that Romania, Estonia, Latvia, Lithuania, and Bulgaria would make an outstanding contribution to furthering the goals of NATO . . . and upon complete satisfaction of all relevant criteria should be invited to become full NATO members at the earliest possible date. Romania, Bulgaria, Slovakia, Lithuania, Slovenia, Estonia, and Latvia were invited during the Prague Summit in November 2002 to become members of the NATO Alliance. They are to become members in May 2004 upon ratification of the treaties by their respective parliaments.

- On 10 April 2003, the President presented to the Senate for its advice and consent for the ratification of the Protocals of Accession to the NATO Treaty of 1949 for the admission of the seven (7) countries into the alliance.

- Section 4 designates **Slovakia** as eligible to receive priority in delivery of Section 516, FAA, grant EDA in accordance with Section 203(a) of the *NATO Participation Act of 1994*. Poland, Hungary, Czech Republic, and Slovenia were initially eligible for this type of assistance in 1996, with Romania, Estonia, Latvia, Lithuania, and Bulgaria becoming eligible in 1998.

- Section 5 authorized FY2002 Section 23, AECA, FMFP assistance to be available on a grant basis as follows:

  - $6,500,000 for **Estonia**. The final allocation was $6,250,000.
  - $7,000,000 for **Latvia.** The final allocation was $6,250,000.
  - $7,500,000 for **Lithuania**. The final allocation was $6,593,000.
  - $8,500,000 for **Slovakia**. The final allocation was $7,750,000.
  - $4,500,000 for **Slovenia**. The final allocation was $4,000,000.
  - $10,000,000 for **Bulgaria**. The final allocation was $8,500,000.
  - $11,500,000 for **Romania**. The final allocation was $9,000,000.

- Table 3 provides the FY2002 allocations, FY2003 request, and FY2003 initial FMFP allocation for the above countries.

Conclusion

This year's article includes the description and analysis of eight (8) separate pieces of enacted security assistance related legislation. The Administration's request for FY2003 security assistance funding was generally met, especially with a fourteen (14) percent growth in IMET funding. Most of the deficit in requested versus appropriated funding was absorbed by the ESF program with a $209,918,000 difference and the directed 0.65 percent across-the-board rescission costing the FY2003 security assistance program an overall $42,654,000. For the first time in several years, this article was also able to provide the initial country and program funding allocations for ESF, FMFP, IMET, and PKO.

The security assistance funding focus continues for the countries in Eastern and Central Europe preparing to enter the NATO alliance and in the Middle East and Southwest Asia to especially those supporting the GWOT and U.S. military efforts in Iraq. The urgency of both situations can be demonstrated by the rapid consideration by Congress of the President's FY2003 emergency appropriations supplemental request for $75,000,000,000. Formal legislative efforts began on 1 April with the Senate appropriations report regarding S762 to the final 16 April enactment of HR1559 by the President. While the overall emergency appropriation is nearly $80,000,000,000, the portion for security assistance funding or authorities totaled $2,422,000,000 in ESF grants, authority for up to $19,500,000,000 in ESF loan guarantees, $2,059,100,000 in FMFP grants, and $100,000,000 for the PKO program.

Other than funding, the FY2003 foreign operations appropriations act provided no significant changes in security assistance. The major changes were within the *Security Assistance Act of*

2002, Division B, P.L. 107-228, 30 September 2002. In addition to providing the authorization of security assistance appropriations for the third fiscal year in a row, it included significant items such as higher dollar thresholds for FMS, DCS, third country, and lease transfer to NATO countries, Australia, Japan and New Zealand and a new annual report requirement identifying SME likely to become available during the year for transfer as EDA.

The U.S. security assistance program continues to be one of the principal tools for building and reinforcing alliances. U.S. foreign assistance will likewise continue to be a principal resource for humanitarian aid, reconstruction, establishment and strengthening of democratic governments with good human rights standards, and building export control infrastructures to combat the proliferation of both conventional weapons and weapons of mass destruction.

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U.S. Policy on China and North Korea

By
James A. Kelly
Assistant Secretary of State for East Asian and Pacific Affairs

[The following speech was presented to the World Affairs Council, Washington, D.C., January 30, 2003.]

Before I speak about China, a subject so dynamic and important that it is never far from the minds of Asian specialists, I would like to make a few remarks on North Korean issues, which in recent weeks have dominated the news from East Asia. Rather than attempting a comprehensive overview of our East Asian relations in the short time allotted to me, I would like to convey a snapshot of where we are in our relations with North Korea and China.

North Korea

North Korea's pursuit of a nuclear weapons program, in clear violation of its international obligations, presents both a challenge and an opportunity to the international community. The challenge the North poses is self-evident: its pursuit of nuclear weapons which we know has gone on for many years flouts the global nuclear non-proliferation regime established by the *Nuclear Nonproliferation Treaty* (NPT). With 190 signatories, no country has ever resigned from the NPT. The North's program also threatens the incipient reconciliation between North Korea and South Korea and the security of the entire Asia-Pacific Region.

Despite the attempt to put the nuclear issue in a U.S. and D.P.R.K. focus, the issue is inherently multinational. And, the international community has made clear that North Korea must reverse its course or risk further isolation and condemnation. The United States will not be pressured or blackmailed into providing the North with quid pro quos to meet its existing obligations. But, if North Korea is willing to return to its obligations, we will talk with them about how to do so. And, if the North abides by its obligations, we are prepared to work with it for a different and better future for its people. Therein lies the opportunity for a revitalized process of reconciliation between North Korea and South Korea, a new relationship between the U.S. and North Korea, and a new and more solidly founded era of peace, stability, and prosperity in Northeast Asia.

Certainly, the most serious challenge from North Korea is its nuclear program, but this is not the only problem the North poses. Production and export of ballistic missiles, broad disregard of human rights, and a tolerance for starvation and death from disease are other serious challenges.

One such is the failure of North Korea to reform its economy. This is both a threat and a challenge to North Korea's own future, to neighbors who fear the consequences of a collapsing state, and to the world community that is already bearing much of the burden of the North's economic policies. First of all, resources are misallocated in an "army first" official policy. The small and insufficient, but nevertheless significant steps, which the North undertook last summer to reform its collapsed economy, seem to be doing very poorly, with inflation and worthless currency playing a role.

North Korea remains a threat and a problem. As the President said, we need to work with others; South Korea, Japan, China, Russia, and the European Union to begin slow change. But, stepping back from nuclear weapons is essential.

I do not want to leave the impression that the U.S. is fixated on North Korea, so let me also take a moment to review our relationship with the vibrant democracy and growing economic partner just to its south. The Republic of Korea is one of our leading partners in Asia, not simply or even primarily because of our alliance and security relationship. The South is a growing diplomatic and military partner that is making an impact around the world, as witnessed by its

support of Operation Enduring Freedom. South Korea is an engine of growth in East Asia and one of the top ten U.S. economic partners.

The election of Mr. Roh Moo-Hyun in December confirms South Korea as a shining example of liberal democracy in Asia and represents a generational change that creates opportunities to reinforce this alliance for many decades to come. The exemplary partnership between the Republic of Korea and the United States, countries both built upon open societies of free and empowered citizens, will be deep and lasting. President Bush has invited President-elect Roh to come to Washington as early as he can comfortably do so in his presidency. We look forward to working closely with South Korea and the Roh Administration in the years ahead. We face together the immediate challenge of North Korea's nuclear weapons program, the larger challenges posed by North Korea, and many other complex questions confronting democracies. Our relationship will be based on mutual respect and a profound understanding of our interdependence. This relationship will continue to strengthen and to deepen. Together, I am confident that we will meet the challenges ahead of us.

China

Let me now leave the Korean Peninsula and turn to China. Many have tried to sum up the United States' relationship with China in a catch phrase. I don't believe such characterizations are useful or accurate. Our relationship with the Peoples Republic of China (P.R.C.). and its 1.3 billion citizens is too complex, varied, and fast changing to be reduced to soundbites. President Bush, Secretary Powell, and all of us in the Administration have worked over the last two years to forge a candid, constructive and cooperative relationship with China. In the spirit of dealing straightforwardly with our differences and building on common interests the President paid an unprecedented two visits to China in his first 13 months in office, and hosted President Jiang Zemin in Crawford last October.

While not minimizing the differences that remain over human rights, nonproliferation, and Taiwan, I can report to you that the administration's approach to China has resulted in a U.S.-China relationship marked by close cooperation on a broad range of issues: the war on terrorism, our economic and trade agenda, and critical regional security issues are just three examples.

Both China and America understand that what we need what is in both of our interests is a relationship that is pragmatic, based on mutual respect, and focused on furthering peace and stability in the world.

By pragmatic, I do not mean that we sacrifice our core interests or values. We have real and important differences with China regarding its human rights record, proliferation activities, and the nature of its political system. We must continue to encourage China's evolution as a responsible global power that respects the rights of all its citizens. But it is possible to have a relationship with the Peoples Republic of China that furthers cooperation on critical issues that affect us both and that also stays true to U.S. ideals and principles.

When I was recently in Beijing, I had the chance to speak with a number of P.R.C. officials. On the most pressing issue in the East Asia region, the situation in North Korea, I held lengthy and productive discussions with my Chinese counterparts. All of them stressed their disapproval of the D.P.R.K.'s announcement of its intention to withdraw from the Nuclear Non-Proliferation Treaty, their concerns over North Korea's nuclear activities, and China's desire to see a non-nuclear environment maintained on the Korean peninsula.

Some have said China is not doing enough in this regard. Certainly, we need to keep urging China to use its relationship and leverage with the North Koreans to impress upon them just how worrisome and potentially destabilizing their nuclear activities are. But it bears remembering that fifty years ago the U.S. and the Peoples Republic of China were fighting on opposite sides of a conflict on the Korean peninsula. Today, by contrast, we share a common goal in preventing North Korea's development of weapons of mass destruction. China's appreciation of the need to bring North Korea back into compliance with its international commitments is significant indeed.

China's diplomatic support in the war on terrorism and in ensuring Iraqi disarmament has been of great value. The P.R.C. voted in support of both United Nations (U.N.) Security Council resolutions after the September 11, 2001 attacks. Within two weeks of September 11, 2001, we initiated a U.S. and China counterterrorism dialogue to improve practical cooperation. China also publicly supported the coalition campaign in Afghanistan and contributed to Afghan reconstruction following the defeat of the Taliban and our successes in disrupting and setting back al Qaeda. Beijing lent its good offices to counsel restraint on the part of Pakistan and India over Kashmir over the past thirteen months.

In addition, China voted for *U.N. Resolution 1441* authorizing renewed weapons inspections in Iraq, and has publicly decried Baghdad's attempts to play games with the U.N. Security Council.

Clearly, China and the U.S. do not have identical perspectives on world affairs. Our differences on Taiwan are an example of this. However, we can say that on some of the most important international issues of the day, China and the United States have overlapping, if not identical, interests, and that the areas of shared interest and cooperation are growing in both scope and intensity.

I want to highlight today the profound importance of China's extraordinary, on-going economic transformation. Discarding a bankrupt communist economic system, China implemented market-oriented reforms over the past two decades and unleashed individual initiative and entrepreneurship. The result? The largest reduction of poverty and one of the fastest increases in income levels ever seen.

China's economic relations with the United States and the world have also been transformed. Largely closed to foreign firms until 1980, China is now the world's fourth-largest trading nation with total trade near $300 billion. Trade between the U.S. and China has led the way, reaching more than $130 billion through November of last year. China is now America's fourth-largest trading partner, seventh-largest export market and fourth-largest source of imports. I should note that China is also the largest contributor to the U.S. trade deficit, an aspect of our trade relationship that we will insist become more balanced as China implements its World Trade Organization market opening commitments. Our deficit with China is now approaching $100 billion annually.

Foreign investment in China has soared in recent years. When the final statistics are calculated for 2002, China is slated to emerge as the world's largest recipient of foreign direct investment (FDI). China received over $50 billion from foreign investors in 2002, including more than $5 billion from U.S. firms. As recently as 1990, China barely received $3 billion of FDI from all investors.

China's World Trade Organization membership, following more than 15 years of negotiations, marked both the final step in normalizing U.S.-China trade relations and the first step in working constructively with China to help it implement fully its World Trade Organization commitments on trade liberalization. We support China's World Trade Organization implementation not only because it will accelerate China's economic reform through the creation of a more institution-based and market-driven economy. Just as significantly, it means more export and investment opportunities for U.S. companies and ultimately more jobs for American farmers and workers.

Since joining the World Trade Organization in December 2001, China has taken important steps to improve market access, including lowering tariffs on a range of products important to U.S. exporters. For example, the information technology industry reports that lower tariffs have already resulted in $500 million in savings. In addition to increasing market access, China has agreed to undertake broad reforms that will foster greater transparency, providing for notice and comment on regulations, permitting judicial review, and applying laws uniformly. All of these steps make it easier for U.S. companies to do business in China, as well as provide a "rule of law" model for other areas in China.

I want to emphasize that monitoring and enforcing China's implementation of its World Trade Organization commitments are top priorities for the U.S. government. We still have some serious concerns with China's World Trade Organization compliance in certain areas and are working closely with the Chinese to address these concerns.

Some of our most serious disputes with China today relate to the nature of China's political system and its internal policies. Growing access to information from outside China, and the imperative of economic reform have made it impossible for the Communist Party to completely control social and political thought or activities, and Chinese citizens today have greater personal freedom than at any time since 1949. Over the past year, China has taken some limited, but still unprecedented, steps that demonstrate that the P.R.C. knows that its human rights record is a stumbling block to a better relationship with the U.S. and the international community and that it wants to take steps to address those concerns.

Yet China remains a one-party system where the people who rule and who make the rules are by and large not accountable to the general population. The abuses that such a system invites are manifest in China's lack of respect for the rights of its citizens. Any individual or group the regime sees as threatening whether they be democracy activists, Falun Gong practitioners, Christians, Tibetans, Muslim Uighurs, journalists investigating corruption, laid-off workers protesting, or even university students venting on the internet, any of these people run the risk of detention or worse if they cross an ill-defined line, with few of the protections of due process or a fair and transparent legal system. There is simply no other way to put it, ongoing gross violations of human rights are a serious impediment to better relations and undermine the goodwill generated by individual releases or other steps. An example of non-transparency was the execution this week of a Tibetan. The act was sudden and sooner than we had been led to believe, and it followed a secret trial that cannot be assessed for fairness or concern for the protection of his rights.

There are also steps that need to be taken with regard to nonproliferation. The Chinese have expressed their desire to stem the proliferation of missiles and weapons of mass destruction, and we are heartened by recent steps taken in the right direction. Under Secretary for Arms Control and International Security, John Bolton, was just in Beijing for the inaugural round of a semi-annual security dialogue aimed at moving forward on among other key issues, halting the spread of these deadly weapons and technologies. China recently issued updated regulations on the export of chemical and biological agents in addition to missile-related export controls. Getting these commitments on paper is important, but full implementation and effective enforcement are even more critical. We still see disturbing trends in the proliferation activities of certain Chinese firms, and China must realize that this kind of proliferation not only damages its relationship with the U.S., but also ultimately hurts its own interests and security.

The U.S.-China relationship is a work in progress; but we have withstood some rocky moments notably the accidental bombing of China's embassy in Belgrade, and the EP-3 crisis--and recovered quickly to resume building constructive relations.

Contrast those difficult moments with where we are today three presidential meetings in a little over a year, a common stand on some of the most pressing matters of the day, and a relationship that across a number of different dimensions is enormously robust. I do not underestimate the complexities and challenges of our relations with China, and we must continue to speak frankly and forcefully on issues that concern us. A U.S.-China relationship that is candid, cooperative, and constructive, is both necessary and possible today.

Ending the Tragedy of Landmines Through Innovation and Cooperation

By

Colin L. Powell
Secretary of State

[The following is an extract of the speech presented to The Rotary International and U.S. Department of State International Landmine Conference, Seattle, Washington, September 30, 2002.]

The Rotary International is doing tremendous, life-saving work with its worldwide campaign against polio. Polio is often called the "hidden killer." Landmines, too, are hidden killers that lie in wait to strike innocent people. This Seattle meeting can help to forge powerful public-private partnerships that save lives and bring new hope to men, women and children who live in mine-affected countries all across the globe.

Some of you are already involved in mine action. A number of you come from countries where the dangers from landmines are ever present. Many more of you have come to raise your awareness about the global problem of landmines. By the end of the conference, I hope that all of you will have learned more about the components of mine action, mine clearance, and mine risk education for threatened communities and assistance to survivors of mine accidents.

In over sixty countries across the globe, from Afghanistan to Angola, from Bosnia to Cambodia, the United States and many other governments, private organizations and the United Nations are working in partnership to provide humanitarian demining assistance.

Such concerted international action over the past decade has reduced landmine casualties worldwide from 26,000 per year to approximately 10,000 annually. Thousands of square kilometers have been cleared one square meter at a time, and hundreds of thousands of mine survivors have been fitted with prosthetic devices.

Yet, the fact remains that millions of deadly landmines still remain buried, waiting to kill. Men and women and children in many countries still cannot go about their daily lives without risk to life and limb. Casualties still occur at a terrible rate and hundreds of thousands of landmine accident survivors still need help.

By creating and supporting mine action partnerships, you can make a big difference in the lives of people all over the world. You can help parents send their children out to play, free from the fear that they won't come home. You can help villagers put food on their tables by reclaiming their fields for agriculture. You can help the survivors of landmine accidents become fully engaged in their communities. You can help develop new technologies to make demining more effective and less dangerous. You can teach people at risk how to protect themselves and how to protect their families. You can help heal shattered lives. You can help heal torn societies. In short, you can help create a secure and stable environment where freedom and opportunity thrives.

I hope that this conference will heighten public understanding of the landmine danger and will give you an opportunity to exchange ideas and insights. Most importantly, I hope that you will return to your communities with the determination to build strong public-private partnerships that can help make the world mine safe.

Sri Lanka Prospects for Peace

By
Richard L. Armitage
Deputy Secretary of State

[The following are excerpts from the speech given to the Center for Strategic and International Studies, Washington, D.C., February 14, 2003.]

The last couple of months and indeed weeks have been a busy time of high-stakes diplomacy for our Department of State. Secretary of State Colin Powell and I have been to Capitol Hill six times together in the last two weeks, with three testimonies apiece. Of course, we have been talking about such things as Iraq and its biological and chemical weapons and its nuclear intentions; about North Korea's self-inflicted deprivation and desperation, as millions of people are in danger of starving to death from mismanagement and bad luck; and about the high risk of terrorist attacks. But we have also been talking about the horrible terrorist bombing in downtown Bogot over the last weekend and the implications for the counter-narcotics efforts in the region, as well as the rockets fired at international forces in Kabul on Monday, which narrowly missed the visiting Defense Minister of Germany. It certainly did underscore the importance of our reconstruction efforts in that blighted land.

Given these priorities, I think it is important to start today's discussion on Sri Lanka with baseline questions:

- Why should the United States invest significant attention and resources to Sri Lanka, especially at a time when we have such overwhelming competing interests?
- Should the United States play a role in this peace process?

Now, I believe the right answer is that the United States should play a role. And there are many credible explanations as to why. There is the pull of opportunity, of ending years of death and years of destruction and bolstering a multiethnic democracy. In the more direct bilateral sense, Sri Lanka is already a solid exporter to the United States and has the potential with peace and the right reforms to become a significant trade partner. And then there is the push of danger. As we have found out far too often, terror and human misery generally will not ebb away on their own or stay neatly within borders if we look at them as someone elses problem.

I have no doubt that the many experts Tezi Schaffer has assembled in this audience could provide more answers to my baseline questions. And when taken together, these answers may even add up to a compelling justification. But the problem is that these answers do not really constitute a clear strategic impetus for the United States or for other nations outside of Sri Lanka's immediate neighborhood, particularly in a time of war and economic uncertainty. It would be tough to make a truly convincing case by sticking to the terms of strict self-interest.

For me, the bottom line in this instance is simple. The United States should be playing a role, in concert with other nations, committing our human and financial resources to settling this conflict because it can be done. And because it is the right thing to do. Because the parties to the conflict appear to be ready to reach a resolution, more so than at any other time in the past twenty years. And because it may well be that it is a resolution that can only be reached with the help of multilateral resources, both moral and material.

Indeed, this may be a key moment, when an infusion of such international support can add momentum to the peace process, helping to stop twenty years of abject human suffering and to smooth the ripples of grief and terror that have spread from this tiny island nation through the region and even around the world. This may be the moment when international support can help to spring this country into prominence as a recovering victim of conflict, terrorism, and human rights abuses, but also as a respected participant in the global community. And while I would not want to oversell Sri Lanka as a model; this brew of caste, class, religion and race has its own

unique flavor; perhaps this is a nation with lessons to offer the world about how to move from despair to hope, from intractable conflict to workable concord, and, indeed, about how the international community can engage and support such conflict resolution.

So, with your permission, I will share with you a few thoughts about the direction I see Sri Lanka heading in, and the more promising developments as well as the more problematic challenges, and how I believe the United States and the international community can most usefully participate.

Sadly, I have had the chance to see the costs of war up close. Last summer, I traveled to the Jaffna Peninsula. We first flew over the area in a helicopter and saw below us a blasted landscape, pockmarked with thousands of bomb craters and shell craters. For me, that view reminded me strongly of my time in the service in Vietnam. I really do not think I have seen anything quite like it since. And I am talking both about the physical devastation and the sense of futility that was unmistakable on the ground. We ventured into one of the cities that had been largely destroyed, where people were nonetheless starting to return, trying to reclaim lives many may have hardly remembered. Today, some 300,000 internally displaced people have returned to the northern and eastern parts of the country, even though these areas lack sanitation, clean water, and other basic amenities. This is, to some extent, a demonstration of confidence in the current cease-fire, but it also confirms something else I saw when I was there. We spoke with a cross-section of Tamil society in the area and the mixture of hope and wariness in their words was an unmistakable reminder that in Jaffna, and across Sri Lanka, a whole generation has grown up knowing little other than war, but is now ready for a change.

It was clear to me at the time that the solution had to start there, in the shattered people and bombed-out villages, in the universal longing for a better life. Because while it is clearly taking a firm decision from the parties to this fight to be partners and to act in the interests of peace, it is also going to take a commitment from all the people of Sri Lanka, including Muslims and Buddhists, Christians and Hindus, Sinhalese and Tamils from all parts of the country, if agreements made around the negotiating table are going to take hold on the ground.

Now, the challenge for the government of Sri Lanka and the Liberation Tigers of Tamil Eelam (LTTE) is going to be taking that universal longing and that national commitment and giving people tangible signs of progress and a way to participate in the process. I think they have done a good job to date. First, they have set a powerful foundation. Keeping to the cease-fire for the past year has, as I noted, allowed the public to reach a basic level of confidence. And it is critical that both parties continue to honor and keep this cease-fire. From my point of view, a loss of confidence at this point would be extraordinarily devastating.

December was also a watershed. The negotiators issued a common statement that called for internal self-determination based on a federal structure within a united Sri Lanka, which created a shared vision for the future of the state, and dealt with many disagreements that destroyed past efforts at a negotiated solution. And in this latest round of talks, which just concluded last week in Berlin, the negotiators turned to concrete issues of humanitarian relief and human rights, including the LTTE s pledge to end child recruitment.

To me, this is all very encouraging. Indeed, two years ago, no one would have believed so much could happen so quickly. But to some extent, the steps taken to date have been the easy ones. And so the negotiations have entered a critical stage, a point at which both sides will have to show the courage to stay the course as they address more difficult issues and make real compromises.

Although the apprehension of an arms-laden trawler during the last round of negotiations and the self immolation by its LTTE crew were most remarkable for failing to derail peace talks, it also called into question the LTTE's commitment to the process. The LTTE is going to have to take a number of difficult steps to demonstrate that it remains committed to a political solution. The Tigers need to honor the restrictions and conditions that the cease-fire and future negotiations

set on their arms supply. Logically, down the road, this is going to include disarmament issues themselves. Internal self-determination, within the framework of one Sri Lanka, is not going to be consistent with separate armies and navies for different parts of the country. For that matter, the LTTE has often pledged to stop the recruitment of child soldiers, but this time, they will have to prove they can carry through and will carry through on the pledge. The LTTE will also have to respect the rights of Muslims and Sinhalese living in areas under its control. And if the Tigers really want to join Sri Lanka's democratic society on a federal basis, they will also have to accept pluralism within the Tamil community.

Finally, the U.S. government is encouraged by the vision of the LTTE as a genuine political entity. But for that to happen, we believe the LTTE must publicly and unequivocally renounce terrorism and prove that its days of violence are over. The U.S. will never accept the tactics of terror, regardless of any legitimate Tamil aspirations. But if the LTTE can move beyond the terror tactics of the past and make a convincing case through its conduct and its actual actions that it is committed to a political solution and to peace, the United States will certainly consider removing the LTTE from the list of Foreign Terrorist Organizations, as well as any other terrorism-related designations.

At the same time, the Government of Sri Lanka must institute reforms that address the legitimate aspirations of the Tamil people. This means allowing Tamils the simple right to stay in their own homes and to pursue a living, such as fishing in coastal waters, without prejudice or harassment. But it also means protecting the full range of human rights for all the people of Sri Lanka. In particular, the burden will be on the government, military and civilian officials alike, to prove that they can accord these rights to residents of the northern and the eastern parts of the nation, including the refugees returning to the area. And that they will hold officials accountable for their conduct.

The government obviously also must tackle key economic reforms. Because ultimately, the people of Sri Lanka, not just Tamils but also the Muslim and Sinhalese communities, particularly in the south, will judge the efficacy of the peace process by how it affects their livelihood. Reaching this vision of prosperity will require a strong and sustained commitment from the Government of Sri Lanka. We should all give due credit to President Kumaratunga. She knew this was the only answer for her country long ago. And her peace plan of 1995 was an important precursor to the progress we see now. Of course today, we owe much of that progress to the Government of Prime Minister Ranil Wickremesinghe, who continues to take bold steps in the direction of peace. But it is clear that if Sri Lanka is to continue moving forward, the government must move together as one. No individual, no single political party can carry this burden alone. This must be a concerted effort by the President, the Prime Minister, and the parties.

There are those in Sri Lanka who remain skeptical, and truthfully, many come to their doubts honestly. The President, for one, is understandably cautious. But she also has unusual moral authority when it comes to one of the most difficult challenges facing both the government and the LTTE. As the head of state and inheritor of a powerful political dynasty, she is in a unique position to speak on behalf of everyone who serves or who has served in the government and to ask that those who committed atrocities in the past be forgiven. But she is also a victim of this conflict. She has not only lost loved ones to the violence but will personally bear the scars for the rest of her life. And so her forgiveness of those who have caused her pain is equally important.

In such a close community, every one of the 65,000 lives lost in the last two decades is a burden of memory the whole society will have to carry. Indeed, perhaps it is too much to ask for forgiveness, but the people of Sri Lanka must somehow find a way to move forward. This may be the most significant challenge. It will require a concept of justice that falls somewhere between retribution and impunity, which will be absolutely necessary if the country is to reconcile with the past and reclaim the future. I believe President Kumaratunga must play a spiritually significant part in this search for truth and for reconciliation.

These are tremendous challenges. But these are also largely questions of the political will of the parties involved, something that must come largely from within Sri Lanka. The Government of Norway does deserve tremendous credit for catalyzing this political will and ushering the parties to the negotiating table. And the Norwegians deserve even more credit for going one step further.

Today, Sri Lanka has pressing humanitarian needs, as well as longer-term reconstruction, rehabilitation, and reintegration needs. Consider, for example, that there are an estimated 700,000 landmines in the country, and that alone is a nearly insurmountable challenge. Yet this is precisely where the government and the LTTE need to show progress and ways for ordinary people to participate. And they have to do this right away if the peace process is to attract the kind of public backing it requires. But the scale and scope of these needs are simply beyond Sri Lanka's means in the near term. And that is one reason international support is so absolutely critical at this time.

In November, Norway hosted a conference to orchestrate this international support, and where the Norwegians led and where they lead, we, the United States, are delighted to follow. I was pleased to attend on behalf of the U.S. and to pledge $8 million in support of programs that meet immediate humanitarian needs, as well as a little over $1 million for demining. In June, it is my intention to return for the follow-on meeting of donors, which Japan has graciously agreed to host. And at that time, I believe, with a certain assurance that I will be able to announce significant further assistance to Sri Lanka for both humanitarian and economic aid.

Of course, such international involvement will come at a cost for Sri Lanka. The price tag for sustaining such interest will be progress, a clear demonstration that all parties to the negotiations have the determination to see this through. As I said at the outset, the fundamental attraction for this outpouring of international interest and certainly for my nation, is that we are not dealing in fantasy but firmly in the art of the possible. By June, both the government, all elements of the government, and the LTTE will need to have made some hard choices and compromises that demonstrate the political will to proceed if they want to meet their ambitions for international support.

Of course, Sri Lanka is hardly the only nation that struggles in the shadow of looming ethnic, racial and religious divides. From Kosovo to Kabul, there are places all over the world that are engaged in a similar fight, many of which have far less going for them in terms of physical infrastructure, in terms of human resources, and in terms of the institutions of democracy. And as Ambassador Schaffer recently wrote, there are other nations, from Northern Ireland to South Africa that have already dealt with such challenges with some measure of success. From my point of view, and from my government's point of view, it is reasonable to hope that Sri Lanka will not only be able to add to the legacy of optimism of such past success but will also be able to build a model for peace and prosperity in a multifaceted society.

PERSPECTIVES

Is Expanded International Military Education and Training Reaching the Right Audience?

By
Dr. Ronald H. Reynolds
Defense Institute of Security Assistance Management

A key measure of success of any governmental program is in its reaching the target audience. This is no different for an international grant aid program such as Expanded International Military Education and Training (E-IMET) which, as a segment of a broader International Military Education and Training (IMET) program is managed by the Department of Defense (DoD) with coordination and guidance from the Department of State (DoS). The program is authorized by the *Foreign Assistance Act of 1961* (as amended) with annual appropriations requested by the President and approved by the Congress.

The ratification of the *Government Performance and Results Act in 1993* provided the impetus for many government agencies to document the effectiveness of their programs. Heretofore many were counted as successful based on their efficiency of getting the job done, longevity, or perceived (but quantitatively undocumented) success. While the impetus is there, the mechanism of establishing performance measures with which to quantify effectiveness is both tedious and time consuming, especially for programs which are regarded as difficult to quantify at the outset.

In the case of IMET, it was determined that the DoD would be able to best start documentation with an evaluation of the "Expanded" arm of the program as a smaller, and more easily handled facet, whose performance measures may be proven and then implemented in the context of the entire IMET design. The General Accounting Office (GAO) proposed "the implementation of a mechanism to evaluate the Expanded IMET program."[1]

It is within that context that this researcher attempted to provide solid data as to the success of E-IMET through review of various reports already compiled by U.S. governmental and non-governmental organizations, along with a survey of students who previously attended courses of study within the program. The area of concentration was Central America, more particularly the countries of El Salvador, Guatemala, and Nicaragua. The following information is derived from that study.

What is IMET and E-IMET?

IMET has historically provided grant education and training to members of foreign militaries from the U.S. government. Although going through various forms, grant military training has been around since 1949, being termed IMET in 1976. The primary traditional goal of grant

1 U.S. General Accounting Office, *Security Assistance: Observations on Post-Cold War Program Changes*, September 1992, p 27.

training has been to give "U.S. friends and allies knowledge and skills to improve their military forces and to promote self-sufficiency."[2]

A sidelight is the importance of the personal and professional relationships that are established between individuals, U.S. and international, as they attend training together. It is easy to see, tougher to quantify, how such relationships can impact policy issues and ties between the international community and the U.S. as those students attain higher levels of responsibility within their governments in the succeeding years.

The traditional goal, intact but evolving with the post-Cold War period, has been supplemented with the E-IMET scheme. Subjects such as human rights and democratization have become more important over the years, actually stipulated as early as the *Mutual Security Act of 1954*. These areas received more attention during the Carter Administration, and have been even more prominent over recent years. The E-IMET program has provided the arm to emphasize human rights and improved military justice systems, effective defense resource management, and civilian control of the military, these being its three specific goals. E-IMET began in 1991, and has broadened and enlarged the audience for such courses. In addition to military personnel and civilian personnel assigned within Ministries of Defense, it now permits and actually desires attendance by government civilians from other ministries as well as those serving in non-governmental organizations within other countries. A major program thrust is establishing a greater dialogue and understanding between the military establishment and other agencies.

In terms of courses, literally hundreds open to international participation throughout the U.S. military, there are currently approximately 117 courses approved by the DoD as substantially furthering those three specific goals. These courses, some conducted in the United States, some conducted by mobile teams within requesting countries, have been specified as E-IMET. Stressing civilian attendance, approximately 42 of those 117 can be paid for by E-IMET funds only if it is a civilian attendee. In its application, the U.S. security assistance establishment generally seeks to use approximately 30 percent of a country's IMET allocation for E-IMET courses. Some countries may use less; others may use considerably more.

It is important to note that the DoD and DoS may recommend and/or Congress may choose to legislate limitations for the usage of IMET funds, making them only available for the country to use on E-IMET courses, or not include a particular country within the IMET budget for a period of time (the ultimate sanction). Sometimes this period can extend over several years. This has been the case, at one time or another, over the last twelve years within El Salvador, Guatemala, and Nicaragua. For example El Salvador had to exclusively commit its funds to E-IMET courses in fiscal years 1993-1995. This has been the case for Guatemala for a number of years, and is true at the present time. Nicaragua received no IMET funding at all between fiscal years 1990-1996.[3] Keep in mind that all three of these countries concluded violent civil wars during the decade of the 1990s.

IMET has not been a substantial part of the U.S. national budget since 1990; it has been less than one-third of one percent of the budget. Between 1950 and 1989, it was .0169, not even two-tenths of one percent of the budget over time.[4] However, even with such a small percentage and

2 Defense Institute of Security Assistance Management, "Overview: Fiscal Year 1992 Security Assistance budget Request," *The DISAM Journal* Volume 13, No 3 (Spring, 1991), p 18.

3 Information derived from U.S. Federal budget figures within annual *Congressional Budget Justification Foreign Operations,* documents from 1990-2002.

4 Information derived from United States Federal Budget for those years.

overall dollar figure over the years, since 1950 over 600,000 international students have received training through IMET.[5]

The Target Audience

As previously alluded, the guidelines of E-IMET specify the audience as civil service members not associated with Ministries of Defense, for example Justice, Budget/Finance, Interior, etc., civilians involved with non-governmental organizations, in addition to defense-related civilians and uniformed military. However, to pinpoint the real target, it is more specifically the civilian and military personnel from each of those components with upward mobility, those who will have the opportunity to impact civil-military, human rights, rule of law, resource management policies in the coming years.

During the defense of the dissertation study of this subject, a committee member asked this researcher if, in the context of Nicaragua, should the U.S. not exercise sanctions against a government or military establishment deemed detrimental to democratic principles, such as the Sandinista regime? Although, this brings up a separate issue, not discussed within this article, it does note that the personnel liable to be trained as junior members of the military or the government establishment may be the ones that will be in power after the current establishment is out of office. Thus, the major impact of such training may not be felt for a number of years down the road.

It has been generally accepted in the military community that the IMET program does reasonably well in gaining access to future military leaders based on tracking of which professional military education students subsequently become chiefs of staff or serve in higher governmental positions later in their careers. However, this could barely scratch the surface of other senior leadership positions, which are not as easily tracked, and says nothing regarding the upward mobility of civilian participants in E-IMET.

The Research

Although this researcher keyed in particularly on human rights issues, reviewing countless reports by the State Department and a variety of non-governmental organizations, much of that is inconsequential to the question initiating this report is it reaching the right folks? It is easy to see that the goals of E-IMET are very much related to the overall topic of democratization, and that it is hard to specifically target any one factor, negating the others, as this study attempted to do. Although the primary research question targeted human rights implications, the impact of upward mobility over the initial ten years of E-IMET is not very apparent compared to what the next ten years may be.

In fact, the real finding of the study was that amid positive indicators, the IMET/E-IMET was so small a portion of the overall U.S. aid package that its impact could not be successfully split out from that overall aid package to determine its role in the successes. A GAO study concluded in 1999 that there were "no instances of duplication of activities and efforts among U.S. agencies."[6] This would assist in indicating that IMET/E-IMET at least touches an audience not necessarily participating in other programs. While this indicates some level of viability, it is still not the quantifiable type of data that would be most beneficial in substantiating program effectiveness.

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5 Defense Security Cooperation Agency, *DSCA Facts Book - Foreign Military Sales, Foreign Military Construction Sales and Military Assistance Facts*. Retrieved December 16, 2000, from the world wide web: http//web.deskbook.osd.mil/reflib/DDOD/001EN/001Endoc.htm.

6 United States General Accounting Office, *Foreign Assistance: U.S. Rule of Law Assistance to Five Latin American Countries,* August 1999.

A key element of the study was a survey of previous students from eight courses designated as E-IMET having a human rights emphasis. The survey was unscientific in the fact that the entire student population (of 1178) was sought, not just a random sample. This was due to the fact that this researcher did not have access to student identities. To protect confidentiality of the students and eliminate initial direct contact, the surveys were routed via U.S. training personnel to host government personnel to be answered by students and then brought through the same chain in their return. Although the survey response was not overwhelming, overall 9.8 percent, much was learned and each country contributed to the study's overall conclusions. Table 1 shows the survey response rate by country and overall.

Table 1
E-IMET Course Student Response Rate

Country	Total Student Pool	Total Respondents	Percentage of Response
El Salvador	801	66/68	8.5
Guatemala	231	9/12	5.2
Nicaragua	146	26/35	24.0
Totals	1178	101/115	9.8

Note: First number in Total Respondents Column reflects actual respondents; second number reflects the number of courses attended (allowing for some students attending multiple courses). Multiple attendees were not delineated within the Total Student Pool; therefore percentage of response is acurate for total number of students.

El Salvador's significance lies in the number of non-military (civilian) respondents; only 8 of the 66 persons were confirmed military. Of the 58 other respondents only 5 (7.6 percent) did not disclose their military/civilian status while an additional 30 (45 percent) disclosed that they were assigned within the Ministry of Defense. Regardless, almost a third of the respondents from El Salvador were either non-Defense Ministry civil servants (16.7 percent), affiliated with non-government organizations (9 percent) or elected officials in government (6 percent).

Although Guatemalan officials fared the worst, in terms of overall response rate, they did help "round out the field" in terms of locating students that had attended courses held in the United States, as opposed to mobile teams teaching in-country. Generally, because of imposed limitations over the years, the number of students attending resident courses was small (i.e., Nicaragua's first student to attend a course held in the U.S. since 1991 was attending during 2001.)

While a solid number of respondents from El Salvador were civilian, this was not the case for Nicaragua as 81 percent identified themselves as military members. Only one person identified him or herself as affiliated with a non-governmental organization, while two were civilians not associated with the Defense Ministry.

The most telling data from the student survey came from very few questions, while others provided additional support. The data will be displayed in Table 2, and elaborated upon in dialogue below. The table not only shows relevant survey questions by number and basic question content, but also provides the ability to compare the cumulative frequency of response regardless of home country of the respondent. This demonstrates that in a number of cases, the responses did not differ substantially between countries, making the results more comprehensive than this researcher envisioned at the outset of the conduct of the survey.

Note that 91 percent overall were still with the same organization (with only slight variation between countries); while in each of the three countries about one-third, or more, had already moved to a higher-level position since attending their course. Combined with the fact that virtually two-thirds from each country anticipated a future move to a higher-level position, a good number within the next five years, it would appear that the upwardly mobile are attending the courses.

Table 2
Survey Target Audience Survey Data Cumulative and Individual Country Variation

Survey Question and Description	Consolidated Survey Response (All Respondents)	Variation of Responses
1. Respondent still in same organization.	91% still in same organization	El Salvador - 89% Guatemala - 88.9% Nicaragua - 96%
2. Respondent moved to higher-level position since attending course.	38% moved to a higher-level position since attending the course	El Salvador - 36.4% Guatemala - 66.7% Nicaragua - 30.8%
3. Respondent anticipates a move to higher-level position.	67% anticipate moving to a higher-level position; 38% within the next 5 years	El Salvador - 66.7/25.8% Guatemala - 66.7/55.6% Nicaragua - 65.4/61.5%
4. Does the respondent currently have the opportunity to impact policy?	75% currently can impact policy; 61% impact in the areas of human rights, general military or military justices	El Salvador - 72.7/56% Guatemala - 77.8/77.8% Nicaragua - 80.8/73.1%
5. Respondent expects to be in a position to influence policy in the future.	63% expected to be in a position to influence policy in the future 54% in areas noted in question 5	El Salvador - 66.7/54% Guatemala - 55.6/44.4% Nicaragua - 57.7/57.7%
6 and 7. Respondent recalls human rights discussions during the course.	81% recall human rights discussions; 86% consider personal freedom and human rights more than previously.	El Salvador - 0.3/81.8% Guatemala - 100/88.9% Nicaragua - 76.9/92.3%
8. Course discussions have been helpful for student's leadership abilities or duty performance?	80% believed that their course had been helpful in providing leadership capabilities or enhanced duty performance	El Salvador - 71.2% Guatemala - 88.9% Nicaragua - 96.2%
9. Rating course aspects using Likert Scale (0-5):		
9a. Knowledge of U.S. Systems	77% rated helpful to very helpful	El Salvador - 71.7% Guatemala - 100% Nicaragua - 80.8%
9b. Informational Program	91% rated helpful to very helpful (Only rated by those attending CONUS courses.)	El Salvador - 87.5% Guatemala - 100% Nicaragua - N/A
9c. Interaction with U.S. Personnel	76% rated helpful to very helpful	El Salvador - 74.2% Guatemala - 100% Nicaragua - 73.1%
9d. Interaction with Other personnel from home country	77% rated helpful to very helpful	El Salvador - 74.2% Guatemala - 100% Nicaragua - 76.9%
9e. Interaction with personnel from other countries	64% rated helpful to very helpful	El Salvador - 59.1% Guatemala - 88.9% Nicaragua - 69.2%
9f. Professional skills enhanced	76% rated helpful to very helpful	El Salvador - 71.2% Guatemala - 100% Nicaragua - 80.7%

In a related question, approximately three-fourths of the respondents across the board see themselves as having the ability to influence policy. Similarly, over half of them impact in the areas of general military, military justice or human rights issues. Over half from each country, and 63 percent overall, envision future positions that influence policy as well. Again, reaching the audience of those that can have an impact on future governmental decisions appears to be on target.

Other questions are important in relating the impact and quality of the training they received as they recall and use the topics of discussion in their daily activities. Over three out of four, regardless of country, stated that they recalled human rights discussions during their course. Even better than that, four of five, considered the concepts of human rights and personal freedom more than they had previously. A similar percentage concluded that the course they attended had brought a positive impact on their personal leadership abilities or duty performance.

In broad scope, the answers also relay that interaction with personnel from the U.S., their own country, as well as potentially other countries was extremely positive. If we perceive that these students will advance in their organizations over the years, they may indeed have the opportunity to deal with each other professionally. This dialogue, which could be very initial or preliminary, may provide an opportunity for policy-related dividends in the future.

Conclusion

In short, it does appear that E-IMET is making a conscious effort and doing an effective job of reaching the student that can make the most effective use of its education and training programs. Even with the small survey response, the positive indicators cannot be ignored, especially as they are overwhelmingly favorable.

A question could surface addressing the possibility that persons who were less than enthusiastic about the program did not respond to the survey, thereby skewing the response of those that did. That generalization could not be made on the surface of the data collected, even though it may have happened. We must take the response we get and attempt to draw the best conclusions. Even if that were the case, would or should the U.S. desire to scrap a program that potentially is favorably reaching a significant percent of the future leadership of countries around the world.

While this study was limited to three countries in a very narrow geographic region, the program is fundamentally run the same way universally. It is feasible to expect that similar results could be shown within the worldwide connotation of E-IMET, and other U.S. foreign aid programs. To generalize it further throughout the whole of IMET, with a broader range of courses could be considered a stretch, but it does indicate a bona fide opportunity for further research.

Author Notes

The content/context of this article comes from a doctoral dissertation entitled *E-IMET: Is It Accomplishing Its Human Rights Focus in Latin America*? completed in August, 2001 at the University of Alabama in Tuscaloosa. For more details on military assistance, the IMET/E-IMET program, data collection methodology, or actual data collected, refer to the original dissertation. The views in this paper are the author's and do not necessarily reflect those of the Department of Defense.

About the Author

Dr. Ron Reynolds began service as the DISAM Commandant in September, 2001, after retiring from the U.S. Air Force with over 25 years of service. His international training background comes as a result of serving for two years (1996-98) as a Training Security Assistance Officer with the United States Military Training Mission, Saudi Arabia, followed by three years at the International Officer School, Air University, Maxwell Air Force Base (1998-2001). His civilian education, which includes a bachelor of General Studies from the University of Nebraska-Omaha, an M.A. from Webster University and a Master of Public Administration from the

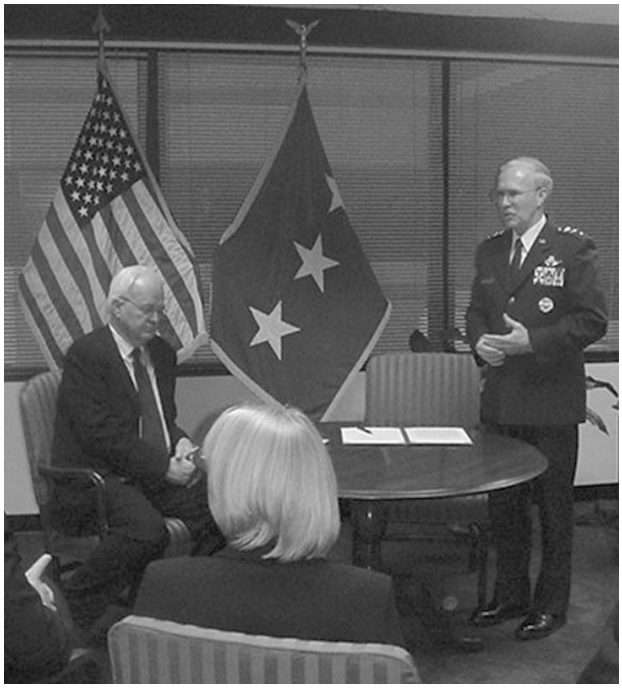
University of North Carolina-Charlotte, culminated with a Doctorate of Public Administration from the University of Alabama in 2001. This article comes as a result of his dissertation research. He may be contacted by phone at (937) 255-6538 or by e-mail at ronald.reynolds@disam.dsca.mil.

EDUCATION AND TRAINING

Global Masters of Arts Program II

By
Lieutenant Colonel Mary J. Street, USAF
Defense Institute of Security Assistance Management

On 27 September 2001, the Defense Security Cooperation Agency (DSCA) announced a series of initiatives to improve the professional skills of security cooperation workforce members. Included in these initiatives is a graduate degree program for mid-career international affairs personnel.



DSCA Director presenting opening remarks for the signing of the Memorandum of Understanding.

In November 2001, the Director of DSCA accepted the Foreign Military Sales (FMS) Reinvention Training and Career Development Integrated Process Team recommendation to adopt the Tufts University Global Master of Arts Program (GMAP II) as the graduate studies program of choice for the international affairs community. The program was endorsed by senior Military Department (MILDEP) representatives at their November 26, 2001 Security Cooperation 5 meeting. In March 2002, the Director, DSCA, Lieutenant General Tome H. Walters and the Dean, Fletcher School, Tufts University, Stephen Bosworth signed a Memorandum of Understanding (MOU) acknowledging their joint venture and officially recognizing GMAP II.

GMAP II is a twelve-month course of study in international affairs leading to a Master of Arts degree in International Relations from the Fletcher School of Law and Diplomacy at Tufts University located in Medford, Massachusetts. GMAP II is specifically designed for mid-career level professionals. The program combines three two-week residency sessions with state-of-the-art internet-based courses of study. The one-year program is presented in trimester form with three courses presented the first and second trimesters, and two courses plus a thesis in the third trimester.

The graduate studies program is intended to enhance the skills of selected civilian and military personnel working in international affairs positions. By participating with other U.S. government agencies, defense industry personnel and international FMS customer representatives, as well as international affairs professionals from various organizations, backgrounds, and cultures; Department of Defense (DoD) international affairs personnel will improve their knowledge, skills and personal networks leading to quick, effective solutions to the challenges of an ever-changing world.

The official signing of the Memorandum of Understanding.

While anyone may apply for this program, it is desired that the primary audience targeted by DoD will have the following qualifications:

- A minimum of eight years of professional experience (not necessarily all in international affairs);
- Current mid-career professional in a position with international affairs responsibilities;
- Bachelors degree (or equivalent) required;
- Demonstrated intellectual ability.

Additionally, the Fletcher School also has a specific foreign language competency requirement (Reading 2/Speaking 1). This competency requires each student to pass the language test prior to graduating from the program, not upon, or as a qualification, for admission. Matriculation for the first class will be March 2004.

The Defense Institute of Security Assistance Management (DISAM) has been appointed by the Director, DSCA to serve as the executive agent for the GMAP II. The Directorate of Research is DISAM's focal point with the MILDEPs and other DoD organizations for day-to-day management and oversight of the graduate studies program. Additional information about this program can be found at the DISAM website http://disam.dsca.mil/gmapII/gmapII.htm or the Fletcher School website fletcher-gmap@tufts.edu.

About the Author

Lieutenant Colonel Mary J. Street, USAF is an instructor of Security Assistance Management at the Defense Institute of Security Assistance Management. She is the Deputy Director of Research. She holds a Bachelor of Science in Education from Western Michigan University and a Masters in Education from Boston University. She has served 26 years in numerous logistical, educational and command positions throughout the Air Force.

Case Execution Management Information System and Security Cooperation Information Portal Updates

[Reprinted from the Defense Security Assistance Management System's, *Security Cooperation Information Portal Newsletter*, Volume VII, Issue No. 3, March 31, 2003, https://dsams.dsca.osd.mil/logon/logo.asp.]

The Case Execution Management Information Systems (CEMIS) Team met at the Defense Security Cooperation Agency (DSCA) Headquarters on 19 through 21 March 2003, in their continuing effort to support CEMIS requirements development and the ongoing analysis of alternatives (AOA) study being performed by DSCA in conjunction with the Standard Systems Group (SSG) at Maxwell-Gunter Air Force Base, Alabama. They are the only CEMIS team actively meeting at this time. Primarily, the System's Team is concentrating on the completion of two products which have been in development for several months.

- The Master Data Table Inventory – The team is developing a comprehensive file of all the following legacy system records file sizes and total data storage/working storage requirements.

  - Centralized Integratey System for International Logistics (CISIL)
  - Management Information System for International Logistics (MISIL)
  - Security Assistance Management Information System (SAMIS)
  - Case Management Control System (CMCS)
  - Defense Integrated Financial System (DIFS)

This information will be used to: "size" the future CEMIS database, estimate the cost of conversion program software development and estimate the conversion duration (i.e., downtime).

- The Interface Master Table – The team is developing a comprehensive file of all existing legacy system interfaces, a list of all current interfaces not addressed in the current CEMIS ORD requirements version, and a list of all interfaces that may not exist today, but are necessary to accommodate CEMIS requirements for the future.

In addition, the team also met with the U.S. Customs Service and Department of Commerce who provided an introductory brief on a new systems development effort entitled Automated Commercial Environment - International Trade Data System (ACE-ITDS). ACE-IDTS will be developed as the single Federal system for the entry of all data/information relating to imports and exports. ACE is essentially the commercial part of the system, whereas ITDS is the interagency piece of the puzzle. The combined systems will contain information for all "border" (import/export) data, and agency participants (like DSCA) will be allowed to enter "filters" which would enable the Customs Service to provide better enforcement of export regulations. Software related to imports (eventual inbound reparable impact for us) will be developed first, with the export module (which is more applicable to us) scheduled for fielding in 2007. The Customs Service stressed the need for the security cooperation community to get involved in the ACE-ITDS requirements development process now, which we intend to do by first meeting with our major suppliers (e.g., Defense Logistics Agency, etc.). What we now consider "voluntary" behavior (e.g., participation in the freight tracking program) may become mandatory in the future, due to the need to improve export controls, and to support Homeland Security program efforts.

Security Cooperation Information Portal (SCIP) - The Security Cooperation Information Portal development effort continues, as the expanded DSADC/User Test Team continues to "shake out" the release of 1 and 2 software deliveries provided by our contractor, Lockheed Martin. Program trouble reports have been written, problems are being resolved, and a formal software "fix" release was slated to arrive at DSADC on 2 April, for review and installation on the production environment at DECC-Columbus. Based upon successful testing, and the

establishment of user accounts, we expect the first two releases to be available to users during April.

On 2 April, we also expect the contractor to deliver Portal Releases 3 and 4, which will provide additional user functionality. A new System Authorization Access Request (SAAR) form/package has recently been developed, and must be completed by all users seeking portal access. More information regarding user registration will be released shortly. The point of contact concerning this article is Tom Sippel, DSN 430-9295.

Impact of Foreign Military Sales Case Payment Schedule Improvements on Defense Security Assistance Management System

By

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The Defense Security Cooperation Agency (DSCA) continues to move ahead with improvements to the foreign military sales (FMS) program. DSCA Policy Memorandum 01-22 of 19 September 2001 represented the culmination of months of work by a multi-service finance Integrated Process Team (IPT) involving the Military Departments (MIL-DEPS) and Defense Finance Accounting Service-Denver (DFAS). Led by DSCA, the finance IPT policy package announced implementation of the Standby Letter of Credit (SBLC), and made several fundamental changes in payment schedules. The underlying payment schedule objective was to improve their usefulness and accuracy as a cash management tool while continuing to comply with the requirements of the *Arms Export Control Act of 1976*, as amended.

The Defense Security Assistance Management System (DSAMS) has now been modified to accommodate the policy changes prescribed in DSCA Memorandum 01-22. This article describes the changes in Letter of Offer and Acceptance (LOA) documents generated in DSAMS and provided to customers. For additional background information, readers are encouraged to review DSCA Memorandum 01-22 (including all attachments), which is posted on the DSCA website at http://www.dsca.mil under the Publications and Policy link. A separate DSCA policy memorandum amplifying key points from DSCA Policy Memorandum 01-22 and providing additional clarification, was scheduled for issuance in May 2003. DSAMS users should review the "What is New" section of the on-line *DSAMS User's Guide* (DSAMS Help) for guidance on the new functionality.

The basic DSAMS response document for countries without a SBLC is unchanged from the previous format. The term "Initial Deposit" is now used only on Letters of Intent, basic Leases, and basic cases without a Letter of Intent. While the format of the document has not changed, the calculations behind the payment schedule have changed significantly. These changes (Termination Liability and Line Level calculations) should result in payment schedules that are more closely aligned with actual cash requirements during the execution phase. A summary of those revised calculation methodologies is discussed below.

Termination liability is now calculated only against the base unit price for price element contract cost (CC). This change will adjust the dollar value subject to termination liability calculations in DSAMS. The use of contractor termination schedules is the preferred baseline document for calculating the termination liability that would apply at a given point in time for a specific FMS case. DSAMS now provides the user full capability to manually enter these termination liability values down to the subline level.

DSCA Memorandum 01-22 also calls for a fundamental shift in payment schedule construction baselines from Case to Line Level. Implementing agencies now have the ability to enter line-specific expenditure forecasts with or without termination liability, and to apply line-specific payment curves to lines with a particular execution pattern.

On occasion, the FMS customer may submit a requested payment schedule for a given case. This schedule may be based on the customer's internal budgetary allocation, reflect other

constraints, or may reflect a desire to pay on an accelerated basis. When approved by the appropriate U.S. government policy organization, DSAMS now provides the case manager with the ability to enter a "customer supplied" schedule. The customer supplied schedule must be compared with a U.S. government-developed payment schedule, which means that both schedules must be constructed in DSAMS (although only an approved customer supplied schedule will appear on the response document). If a customer supplied schedule is approved for use in the FMS case, a note will be included immediately following the schedule that identifies the name of the organization approving the schedule and also the comment "The U.S. government reserves the right to bill for additional amounts if, during the execution phase, actual costs materialize at a rate that cannot be supported by the customer-based schedule." **Note:** Both the "Planned Payment Schedule" for Japan and the U.S. government-developed payment schedule will continue to appear on the response document for Japan's FMS cases.

Standby Letter of Credit

Attachment 1 of DSCA Memorandum 01-22 provides policy guidance on implementing and managing SBLCs. For countries with an implemented SBLC, the LOA response document payment schedule will be printed in a five column format as shown in Figure 1. The termination liability amounts, by quarter, represent the amount of U.S. government requirements that are covered by the SBLC. The termination liability amounts are not included in the quarterly payment or in the U.S. government financial requirements values. The columns "Quarterly" and "U.S. Government Financial Requirements" represent the incremental and cumulative values, respectively, due from the customer on that case as of a given payment date.

Figure 1
LOA for SBLC Country

(12) Other (Storage)	675
(13) Total Estimated Cost	$769,970

To assist in fiscal planning, the USG provides the following anticipated cost of this LOA:

Estimated Payment Schedule

Payment Date	Quarterly	Cumulative	Termination Liability	USG Financial Requirements
Initial Deposit	$53,568	$68,198	$14,630	$53,568
15 Sep 2003	$99,679	$165,147	$11,900	$153,247
15 Dec 2003	$57,832	$238,519	$27,440	$211,079
15 Mar 2004	$97,228	$356,179	$47,872	$308,307
15 Jun 2004	$145,605	$506,888	$52,976	$453,912
15 Sep 2004	$172,850	$649,666	$22,904	$626,762
15 Dec 2004	$107,671	$738,241	$3,808	$734,433
15 Mar 2005	$35,537	$769,970	$0	$769,970

LOA Amendments

For payment schedule revisions reflected on LOA Amendments and Modifications, the amount paid by the FMS purchaser is now shown on those documents. Figure 2 is an example of an amendment which increases the total case value, and where customer payments have been made in accordance with the previous (basic LOA) schedule.

Figure 2
Amendment which Increases Total Case Value

Estimated Cost Summary	Previous (B)	Revised
(8) Net Estimated Cost	$1,074,054	$1,269,175
(9) Packing, Crating, and Handling	0	0
(10) Administrative Charge	26,852	31,730
(11) Transportation	93	93
(12) Other	0	0
(13) Total Estimated Cost	$1,100,999	$1,300,998

To assist in fiscal planning, the USG provides the following revised anticipated costs of this LOA:

Estimated Payment Schedule

Payment Date	Quarterly	Cumulative
Previous Payments Scheduled Date (15 March 2003)		$158,238
Current USG Financial Reqirements		$309,713
Amount Received from Purchaser	$158,238	
Due with Amendment Acceptance	$151,475	$309,713
15 Dec 2003	$182,915	$492,628
15 Mar 2004	$247,527	$740,155
15 Jun 2004	$238,471	$978,626
15 Sep 2004	$92,673	$1,071,299
15 Dec 2004	$99,200	$1,170,499
15 Mar 2005	$67,400	$1,237,899
15 Jun 2005	$63,099	$1,300,998

Note: The "Due with Amendment Acceptance" reflected above includes amounts earlier for payments earlier shown as due 15 September 2003 and other requirements for the period through the payment due 15 December 2003 as shown above. Any payments made by the Purchaser that exceeds the "Amount received from Purchaser" as shown above are to be deducted from the "Due with Amendment Acceptance" amount.

Whether collections to date are equal to, exceed, or are less than the financial requirements for the next payment due on the case has a corresponding influence on remaining payments, including the "Amount Due with Amendment Acceptance." The term "Initial Deposit" is no longer used on LOA amendments. Notes immediately following the amendment payment schedule will provide information to the customer regarding the calculation of the "Amount Due with Amendment Acceptance," where appropriate.

LOA Modifications

When a modification increases the total case value, the change in financial requirements will generally be reflected in the next and/or subsequent payments in the billing cycle following implementation of the modification. Changes in active case payment schedules can be expected due to the shift from Case to Line Level calculation and also due to the new method of calculating Termination Liability.

Figure 3 illustrates a modification which decreases the total case value by $70,039. In this illustration, the customer would receive a bill in April with a payment due in June based on the

previously implemented payment schedule. The "Amount Received from Purchaser" reflects payments as recorded in the Defense Integrated Financial System (DIFS) at the time the implementing agency prepared the modification. The majority ($53,208) of the total amount of the reduction is reflected in the "Current U.S. Government Financial Requirements" value. The remainder of the reduction is seen in the 15 September and 15 December payments.

Figure 3 Modification Reducing Total Case Value

Estimated Cost Summary	Previous (B)	Revised
(8) Net Estimated Cost	$2,139,416	$2,071,085
(9) Packing, Crating, and Handling	0	0
(10) Administrative Charge (Notes(s) 23)	53,486	51,778
(11) Transportation	0	0
(12) Other	0	0
(13) Total Estimated cost	$2,192,902	$2,122,863

To assist in fiscal planning, the USG provides the following revised anticipated costs of this LOA.

Estimated Payment Schedule

Payment Date	Quarterly	Cumulative
Previous Paments Scheduled Date (15 Mar 2003)		$1,267,120
Current USG Financial Requirements		$1,213,912
Amount Received from Purchaser	$1,267,120	
15 Sep 2003	688,084	$1,901,996
15 Dec 2003	$220,867	$2,122,863

Summary

Again, the goal of the new payment schedule functionality is to more closely align case payment schedules with the expected expenditure profile for the case. Customers can expect to see adjustments in payment schedules on documents constructed in the new environment (deployment at press time was scheduled for May 5, 2003). We look forward to increased customer satisfaction, and better utilization of payment schedules as an accurate predictor of financial performance, as a result of these changes.

Questions about changes in LOA, LOA Amendment and LOA Modification payment schedules should be directed to DSCA-COMPT/FMS Financial Policy. Questions regarding DSAMS training should be directed to Implementing Agency focal points, and other DSAMS-specific questions, should be forwarded to the DSAMS Help Desk.

About the Authors

David Rude is the Chief of DSCA COMPT/FMS Financial Policy and chaired the Integrated Process Team that addressed payment schedules. He has over seventeen years experience in FMS financial management.

Nels E. Berdahl is employed by Information Systems, Inc (ISI) and has provided training and consulting support to the DSAMS Program Management Office since December 1998. He is a former DISAM instructor and during his Navy career served a tour at NAVICP-OF, then known as the Navy International Logistics Control Office.

The Defense Institute of International Legal Studies Sends a Mobile Education Team to Sierra Leone

By

Captain Felipe Páez, USMC
Defense Institute of International Legal Studies

The Republic of Sierra Leone currently faces tremendous rebuilding and reconciliation challenges after more than ten years of bloody civil strife. Given present plans for drawing down what is still the world's largest United Nations (U.N.) peacekeeping mission, the future stability of the country rests on civilian and military leaders' ability to reestablish mutual trust. This process will not take place overnight, and cannot proceed in a vacuum. In Sierra Leone it is respect for the rule of law alone that can provide credible structure and substance to this tenuous rebuilding process. It is for this reason that U.S. Ambassador Peter Chaveas and Defense Attaché Lieutenant Colonel William Godbout, USA, requested that the Defense Institute of International Legal Studies (DIILS) perform an assessment and follow-on training designed not only to inform, but also to provide a rare and timely forum for the breaking of barriers between civilian and military sectors. Security assistance in this case would take the shape of educating civilians and military together about civil military relations and disciplined military operations under the rule of law. These efforts, in concert with the establishment of Sierra Leone's hybrid Special Court, will reestablish a context of accountability, respect for the rule of law, and respect for human rights upon which Sierra Leone can reconcile its past and build for the future.

During an assessment visit in March of 2002, DIILS helped the U.S. Embassy formulate an action plan, which included two legal training evolutions in Sierra Leone during 2003. The first evolution was designed as a seminar focusing on joint training for Republic of Sierra Leone Armed Forces (RSLAF) and civilian leaders on the role of the military in a democracy, including civilian control of the military, military justice, and domestic operations. The second training evolution was a customized train the trainer package focusing on training junior military officers from units around Sierra Leone as instructors in Disciplined Military Operations and Law of Armed Conflict. This two-step plan ensured that information was understood at high levels and then effectively disseminated throughout the country.

Both training evolutions took place as scheduled during 24-28 February and 3-5 March of 2003. All training was organized with the help of the British members of the RSLAF Joint Command and Sierra Leone's Ministry of Defense, in coordination with the U.S. Embassy. The first week the DIILS team was led by Brigadier General Richard O'Meara, USA(ret.), and included Colonel Richard A.B. Price, USAF (DIILS director), Lieutenant.Colonel Steven A. Folsom, USMC, and Captain Felipe Páez, USMC. The seminar was entitled "Legal Aspects of the Military in a 21st Century Society," and was graciously opened by the Vice President of Sierra Leone, the Honorable Solomon Berewa. Members of the official party also included the Director General of the Ministry of Defense, the RSLAF Chief of Defense Staff, and Ambassador Chaveas, who participated throughout the week of training. Attendees included parliamentarians (including a former Ambassador to the U.N. and U.S), four general officers, other senior military officers including British military members of the RSLAF, members of non-government organizations, representatives of the Sierra Leone Bar Association, and individuals from the offices of the Ministry of Defense, the Director-General, the Solicitor General, and the National Security Advisor.

A special highlight ensuring utmost relevancy for the week's training was the arrangement for Mr. David Crane, the Special Prosecutor for the Special Court of Sierra Leone to take part as a guest speaker. This was the Special Prosecutor's first opportunity to speak to an assembled group comprised of senior military officers and senior civilian officials. The opportunity was taken to

answer questions and clarify the U.N.'s mandate to help Sierra Leone prosecute the most serious war criminals from the recent conflict.

CONCORD TIMES

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March 3, 2003

Special Court to catch many

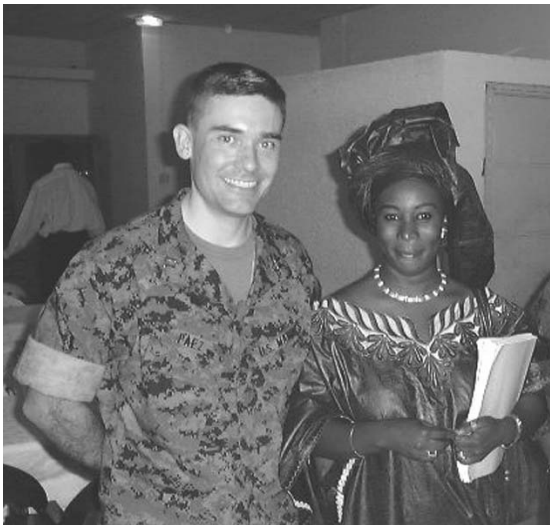
Special Court prosecutor

Gurkhas ready to defend Sierra Leone

The appearance of the Special Prosecutor at the DIILS seminar made headlines around the country.

U.S. Ambassador to Sierra Leone, the presents DIILS plaue to Director General of the Ministry of Defense.

After the departure of Brigadier General O'Meara and Colonel Price, Lieutenant Colonel Folsom and Captain Páez were joined by Major George Cadwalader, USMC, senior instructor at the U.S. Naval Justice School. The second week of Train the Trainer in Law of Armed Conflict (LOAC) instruction then took place under simulated field conditions at Cockerill Barracks in Freetown. Participants ranged from Warrant Officers to Majors, and came from units across Sierra Leone. The DIILS team utilized military mission briefing techniques familiar to all participants in an effort to incorporate LOAC training into every day training for future students. Techniques utilized included flip chart briefing, terrain model briefing, and most effectively, lane role-play training. The lane training proved to be the most useful in involving participants and was clearly the most appropriate for future use by the student instructors considering the high illiteracy rate within the RSLAF.



DIILS team members with participants of the "Legal Aspects of the Military in a 21st Century Society" seminar.

The first week DIILS team was also extremely fortunate in receiving a tour of the active construction site for the Special Court of Sierra Leone hosted.

In post-training meetings with Sierra Leonean participants, senior officers, and government officials, the DIILS team was informed that these training evolutions could not have come at a more appropriate time for the country. In their view, the seminar and discussion between high-level representatives of civilian and military sectors formed vital building blocks for future democratic stability. Furthermore, civilian officials were particularly pleased to see the projection of their national principles of respect for human rights, civilian control of the military, and disciplined operations under the rule of law taken beyond the seminar hall and into the hands of future military instructors. These leaders are convinced that the ability of these DIILS trained officers to pass such principles to the individual soldier is the most effective way of preventing future transgressions of democratic rule. The U.S. Embassy expressed thanks for the role DIILS played in its overall engagement plan as it continues to help Sierra Leone face the challenge of rebuilding the function and reputation of its professional military. These two successful weeks of

training demonstrated DIILS' value to the security assistance community, and its ability to carry out relevant, focused training anywhere in the world.

DIILS team.

About the Author

Captain Felipe Páez, USMC, reported to the Defense Institute of International Legal Studies in January 2002 as a Country Program Manager responsible for 27 countries. Captain Páez has been awarded the Navy and Marine Corps Achievement Medal and the Meritorious Unit Commendation Ribbon. Captain Páez, a native of Bogotá, Colombia, is a 1992 graduate of the University of Michigan, Ann Arbor, Michigan, with a Bachelor of Science in Biology. After graduation he worked as at the United Nations Development Programme until he began his legal studies toward the latter part of 1993. In 1996 he received his Juris Doctorate from Pace University School in White Plains, New York. Prior to graduating from law school, Captain Páez worked at the New York State Bureau of Environmental Enforcement where he helped prosecute violators of the State's environmental regulations. Captain Páez authored Environmental Framework Laws in Latin America, 13 Pace Envtl. L. Rev. 625 (1996). He is a member of the Bar of the State of Maryland. Captain Páez completed Officer Candidate School and was commissioned in December of 1997.

An Unqualified Training Success Story! The Defense Institute of Security Assistance Management Sends a Mobile Education Team to Egypt

By
Forrest "Ed' Smith
Defense Institute of Security Assistance Management

Our Defense Institute of Security Assistance Management (DISAM) Mobile Education Teams (MET) have traveled to Egypt in 1991, 1998, and 2001. After the 2001 classes, the Egyptian Armaments Authority (EAA) requested annual METs. The first "annual" MET was held in February-March 2002. To meet the EAA request for the 2003 class, DISAM sent a MET to Egypt in January-February 2003 to provide both a Foreign Purchaser Course (SAM-F) and a Foreign Executive Seminar (SAM-FE). This year's DISAM team consisted of Mr. Greg Sutton (Team Chief), Lieutenant Colonel Bill Rimpo, USAF, Major Bob Holzhauer, USA, and, for the second year in a row, Mr. Ed Smith.

Once again both courses were conducted at the Egyptian Armaments Authority Headquarters in Cairo, Egypt. Although the courses were primarily for Egyptian Armaments Authority officers involved in foreign military sales (FMS) programs, key officers from other Army, Air Force and Navy units involved in FMS also attended the courses.

DISAM instructor briefing students in the Foreign Purchaser Course.

DISAM instructor seen in the center holding a folder with several members of the Foreign Executive Class.

The Egyptian Armaments Authority had originally planned for forty students for the SAM-F class and twenty students for the SAM-FE class. On opening day the classrooms were packed! The final student tally for the Foreign Purchaser Course was forty-six students, and for the Foreign Executive Seminar, there were twenty-one students. Students in the SAM-F ranged in grade from First Lieutenant to Major General, while the SAM-F consisted of Lieutenant Colonel to Lieutenant General (Retired).

Presenting DISAM certificates during the combined graduation exercises.

Brigadier General Abdel Mohsen Shabrawy, Deputy Chief, Procurement Branch, Egyptian Armaments Authority, opened the courses by stressing the continued importance of FMS to the Egyptian military and the need for continued cooperation between the U.S. and Egyptian military forces. He requested the students study hard and ask lots of questions and they did both.

Of special note, the classrooms had been updated since our last visit. The Executive Conference Room where the SAM-FE was held, boasted a completely new projector, white board and software. Four additional video screens were added in the main auditorium. This allowed students in the rear to see the presentations more clearly. All the new equipment is controlled from a central control room which was continually manned by computer specialists.

Although an examination is optional for METs, the Foreign Purchaser Course students were required by Egyptian Armaments Authority to take and pass a final course exam. The examination we administered was based on the same examination that is given to our continental United States students in the SAM-C course. All the students passed with high marks, a great ending to another successful MET.

Major General Mahfouz El Bassyouni, Assistant Chief, Armaments Authority, presided over the closing ceremonies, along with Major General Khaled Metwaly, Chief, Procurement Branch, Armaments Authority and Brigadier General Abdel Mohsen Shabrawy, Deputy Chief, Procurement Branch, Armaments Authority. In his graduation remarks, Major General Bassyouni noted that this was the largest class ever and congratulated all the students on their accomplishments. He then awarded the students their graduation certificates. Major General Metwaly, Colonel Mohammed Ibrahim Ali Abdalla and the entire administrative staff of the Armaments Authority pulled out all the stops to insure that the DISAM team was supported during the entire visit.

In preparation for the team's arrival, Lieutenant Colonel Garret Grimm (USA) and Major Sean Mahan (USAF), from the Office of Military Cooperation (OMC) Training Division (Cairo),

worked with DISAM and Egyptian Armaments Authority, collecting and delivering the training materials and coordinating the training facilities and arranging billeting and daily transportation. Special thanks to Major Mahan for developing and presenting a lesson on OMC Cairo's role and responsibilities to both classes and participating in the closing ceremonies. As always, the DISAM team appreciated the OMC support for this annual event.

The Egyptian Armaments Authority was enthusiastic with the response from the students. This was the largest class in the history of the program. Student feedback once again indicated that our courses exceeded the educational objective of providing students with a through overview of the security assistance program.

Brigadier General Mohsen, in his role as training coordinator, once again requested DISAM continue to schedule annual METs. The OMC Cairo has already received a formal request from Egyptian Armaments Authority for another MET in fiscal year 2004. DISAM looks forward to fulfilling the requirement, especially since January in Egypt is always a great respite from the winter in Dayton, Ohio.

About the Author

Ed Smith has an extensive background in security assistance programs and training. He is currently an Associate Professor of Security Assistance Management at DISAM as well as the CONUS Course Manager and USAF Seminar Lead. Ed has held positions as a Logistics Analyst for DSAMS Training and Field Support, Chief, Arabian Programs Branch, Air Force Security Assistance Center (AFSAC), Chief, Cost Sharing Branch, ACofS (J-4), Yongsan, Korea, Air Force Logistics Command Security Assistance Program Liaison Officer to PACOM, and Security Assistance Program Manager, International Logistics Center (ILC). He was awarded a Master of Science/Logistics Management from the Air Force Institute of Technology, and a Bachelor of Business Administration/Business and Finance from the University of Massachusetts.

Mexico Hosts the Defense Institute of Security Assistance Management's Mobile Education Team

By
Lieutenant Colonel Andrew P. White, USA
Defense Institute of Security Assistance Management

Following a request for International Mobile Education Team (IMET) training from the Mexican government, a Defense Institute of Security Assistance Management (DISAM) Foreign Purchasers class was recently taught in Mexico City, from January 13-17, 2003 by faculty members, Michael Layton, LTC Andrew White, USA, and Dr. Craig Brandt. All course arrangements were made by Major David Whiddon, USA, Chief, Training Section of the U.S. Military Liaison Office, U.S. Embassy, Mexico.

The class of eighteen Army and Air Force field and company grade officers, and noncommissioned officers, all of from the Mexico Secretariat of National Defense (SEDENA), were eager students and highly motivated in learning both the basics and foreign military sales (FMS) case-specifics of the U.S. foreign military assistance program. The class itself was conducted at the Headquarters, Secretariat of National Defense, or more commonly referred to as "the Mexican Pentagon". Translation of the lectures was provided by instructors from the Center for Language Studies of the Mexican Army and Air Force, specifically, Captains J. Pedro Galindo Macias (Army) and Jose Rodriquez Rosales (Air Force). For many of the students working in FMS, this course followed many of the students initial security assistance training received at the Inter-American Air Forces Academy (IAAFA), Lackland Air Force Base, Texas.

Mexico is an important U.S. foreign policy partner. What happens in Mexico has more direct daily impact on U.S. citizens than events in any other country. This partnership exists between the United States and Mexico based on the many things held in common. These include:

- 2,000-mile border with its migration, crime, and trade issues;
- Economic, environmental, and health interdependence of citizens;
- Domestic political interdependence and common social heritage; and
- Shared concern that the citizens of both countries be able to benefit from economic opportunity and growth.

The U.S. government has a major stake in the joint solution to these shared challenges.

Capitalizing on the purposes of providing IMET funds, the DISAM personnel provided professional and technical FMS training in areas of mutual concern, including: U.S. Legislation and Policy, Security Assistance Operations and Training, Acquisition and Technology Transfer, and the FMS process, to include logistics, and financial management. Such specific focus is an effort to strengthen the SEDENA's command application, understanding and management of the FMS and foreign military financing (FMF) programs as well as the introduction of other various security assistance tools. The end result of such training, and others like it, has its effectiveness measured in part by an increased understanding of our joint regional security relationship; the promotion of U.S. trained officers and civilian personnel to positions of leadership and command; increased interoperability and cooperation in joint military operations, and continued effectiveness in counter-drug and other law enforcement support missions.

Our Mexican allies were pleased with the DISAM team visit and the course presentation, and were engaging students as well as extremely gracious hosts. After a rigorous 40-hour course week, the subsequent graduation ceremonies were presided over by Lieutenant General Fausto Manuel Zamorano Esparza, Director General of Administration in the Secretariat of National Defense. He was assisted by Brigadier General Juan Manuel Castillo Segura, Deputy Director for

Acquisition, and by Colonel Felix O. Gonzalez, USA, Chief, USMLO, who offered remarks on the strong and growing importance of and the continued military security assistance relationship between the United States of America and the United States of Mexico. The class selected Lieutenant Alex Omar Anaya Jurado to speak on its behalf, while Dr. Brandt providing closing DISAM remarks.

Photo of Mexican students and DISAM instructor.

Following the graduation ceremonies, the class treated the DISAM faculty to a home cooked Mexican feast prepared at the family home of one of the students, Lieutenant Alfredo López Rivera, followed by an excursion to a few local cities and fairs in the environs of Mexico City. All-in-all, this MET was outstanding, and the DISAM team left with a stronger impression that security assistance between these two great nations was of significant importance in securing our mutual interests and borders.

About the Author

Lieutenant Colonel Andrew White, USA is an Instructor of Security Assistance Management at the Defense Institute of Security Assistance Management. He is also the Deputy Director of Management Studies. He holds a Bachelor of Science in Business Marketing from the Niagara University, and is working towards completing a Masters of Science Administration with a concentration in Strategic Leadership from Central Michigan University. He has served eighteen years in numerous logistical and command positions in such units as, the 1st Armored Division, the 10th Mountain Division (Light Infantry), and the Logistics Support Activity with the Army Material Command.

Defense Institute of Security Assistance Management Mobile Education Team Travels to Algeria

By
Joanne B. Hawkins
Defense Institute of Security Assistance Management

Located on the Mediterranean coast between Morocco and Tunisia, and also bordering Libya, The People's Democratic Republic of Algeria is the second-largest country in Africa; more than three times the size of Texas. Algeria is a strong supporter of, and an important partner in, the Global War on Terrorism. Since the September 11, 2001 terrorist attacks in the United States, counter-terrorism and law enforcement cooperation have intensified between Algeria and the United States. Algeria has publicly condemned the terrorist attacks on the United States, and is seeking greater ties to the U.S. via military assistance in the form of training and hardware.

DISAM instructor provides security assistance instruction in the multimedia center of the National Preparatory College of Engineering Studies.

It comes as no surprise that the Defense Security Cooperation Agency (DSCA), the European Command (EUCOM), and the U.S. Defense Attaché to Algeria urged the Algerians to host a DISAM Mobile Education Team (MET) to provide instruction in security assistance to members of the Algerian military. Bob Hanseman, Ken Martin and Joanne Hawkins conducted a week-long Foreign Purchaser Course and a half-day Executive Seminar to the Algerians during the last week of February 2003. The courses were conducted in state-of-the-art facilities at the National Preparatory College of Engineering Studies in Rouiba, outside Algiers for 30 mid-career officers and 11 senior officers. The courses were taught in English and translated into French through local interpreters.

A General and U.S. Ambassador addressing the graduates.

U.S. Defense Attaché.

U.S. Ambassador awards diplomas with help from the DISAM team.

Algeria is a cash customer, and receives no foreign military financing (FMF) from the United States. However, in recent years, the U.S. has approved funds to Algeria under the International Military Education and Training (IMET) program. Fiscal year 2003 saw an increase in IMET funding to $550,000 from $67,000 in fiscal year 2002. This funding will be used for professional officer training at the war colleges and at the command and general staff colleges, as well as for English language training and equipment. The U.S. Department of Defense is developing an expanded exercise plan with Algeria, and Algeria has hosted U.S. Naval ship visits and has begun a series of joint naval exercises.[1] The State Department's objective of the security assistance program is to assist Algeria in developing the expertise needed for effective management of its defense forces and to foster Algeria's development of an internal training capability.[2]

The bulk of Algeria's military equipment is of Soviet origin. Algeria is now in the process of diversifying its sources of military material and updating its military forces with new weapons systems. Between 1997 and 1999 Algeria imported about $1.2 billion in arms from Eastern Europe, Russia and the United States. The Algerians are cooperating with the United States in the Global War on Terrorism, and in exchange have requested American weapons systems such as military vehicles, aircraft spare parts, and night vision goggles. Algeria has been buying American military equipment mostly through direct commercial sales (DCS) since the mid-1980s. Major DCS purchases included one hundred high mobility multipurpose wheeled vehicles (HMMWVs) from AM General, a border air surveillance system with TPS-70 radar from Northrop Grumman, and eight Lockheed C-130 transport aircraft.[3]

The DISAM course graduation received high-level attention from both the U.S. and Algerian governments. U.S. Ambassador to Algeria, the Honorable Janet A. Sanderson, and Brigadier General Baaziz, Algerian Chief of Staff for Operations and Training presented diplomas to the 30 military graduates. The U.S. Defense Attaché, Air Force Lieutenant Colonel John Hannon, expressed his enthusiasm for building a strong security assistance relationship with Algeria.

About the Author

Mrs. Joanne Hawkins is the logistics functional coordinator and Army seminar leader at the Defense Institute of Security Assistance Management. A retired Army Quartermaster officer, she has nine years experience in security assistance. Mrs. Hawkins holds a Master of Education degree from Campbell University, North Carolina and a Master of Science degree in Administration from Central Michigan University.

1 U.S. Department of State, *Background Note: Algeria*, February 2002.

2 U.S. Department of State, *Congressional Budget Justification, Foreign Operations*, Fiscal Year 2003.

3 Foreign Military Markets, *Middle East and Africa*, 1st Quarter 2003.

The Defense Institute of Security Assistance Management International Mobile Education Team Visits Estonia

By
Dr. Craig M. Brandt
Defense Institute of Security Assistance Management

Donna Ellenberger, U.S. Army Security Assistance Command (USASAC) case manager for Estonia, joined the DISAM mobile education team of Frank Campanell, Bob Hanseman, and Craig Brandt when it conducted a security assistance course in Tallinn, Estonia, the week of February 10, 2003. This was the first time that USASAC had participated in a DISAM course conducted for a foreign purchaser. This was also the test for a new DISAM overseas offering. The purpose of the course was to focus on the flow of products and information between Estonia and the U.S. It was aimed at developing the skills of those in the Estonian Defense Forces who are dealing directly with American agencies in carrying out their security assistance program. In December, DISAM made a short site visit to discuss the presentations with the course sponsor, Kairi Raudsepp of the logistics department of the Ministry of Defense and to gather an array of foreign military sales (FMS) cases, billing documents, requisition reports and discrepancy reports. The latter were then used in class to teach the principles of the FMS process with specific reference to Estonian situations with which the students were familiar. Training manager Merje Peri of the Office of Defense Cooperation (ODC) coordinated all the preparations for the class and insured its final success.

The head of the logistics department of the Estonia Ministry of Defense, opened the class with comments about the strengthening of relationships with the U.S. as a result of Estonia's accession to NATO.

Classes were conducted at the Border Guard School in Suurupi, a beautiful wooded site on the coast. The course was opened with presentations by Tanel Ringo, head of the logistics department in Ministry of Defense (MOD) and Major Jim Zink, USA, Chief, Office of Defense Cooperation Tallinn. After a one-day overview of the entire process, the students were broken into three seminars on the basis of their daily work: case management, finance, and logistics. Donna assisted DISAM professor Bob Hanseman in teaching the logistics seminar by providing detailed

information on requisition preparation, reading supply and using status, updating the Military Assistance Program Address Directory, and filling out the supply discrepancy report. In all the seminars, the idea was to use actual examples from Estonian cases in the presentations. At the end of the course, an evaluation was conducted through a competition of two teams answering questions about security assistance procedures, a modification of the review and comprehension exercise (RACE) that is used in the resident foreign purchasers' course. Based on the fact that there was only a single question that neither team could answer, the week's course must be deemed a success.

"If it says so in the Green Book it is true!" DISAM instructor points out the intricacies of foreign military sales logistics.

DISAM instructor, The Ministry of Defense, and a USASAC country desk officer, try to solve a logistics problem.

At the graduation ceremonies, Major Zink emphasized how the DISAM course fit into the Estonian goal of promoting professionalism among its defense employees, and he expressed the hope that the training would be valuable as Estonian-American relations increase with Estonia's accession to North Atlantic Treaty Organization.

A representative of the General Staff and a representative of the Ministry of Defense work through an exercise in the case management seminar.

Students follow the lectures on FMS finance.

About the Author

Dr. Craig M. Brandt is the Deputy Commandant of the Defense Institute of Security Assistance Management. A retired Navy Supply Corps Officer, he has 39 years experience in logistics and security assistance. He is the editor of *Military Assistance and Foreign Policy*. He was awarded a Ph.D. in political science from the University of Cincinnati in 1985. Craig was formerly the Chair, Department of Logistics Management, Graduate School of Logistics and Acquisition Management, Air Force Institute of Technology.

DISAM Resident Fiscal Year 2004 Class Schedule

Defense Institute of Security Assistance Management (DISAM
Building 52, 2475 K Street
Wright-Patterson AFB, Ohio 45433-7641

Telephone Numbers for Registrar's Office

DSN:	**785-4144**
Commercial:	**(937) 255-4144**
Data Fax: DSN	**785-3441**
Data Fax: Commercial	**(937) 255-3441**
E-mail:	**registrars@disam.dsca.mil**

1st Quarter

Course	Start Date	End Date
SAM-TO-1-04	20 Oct 03	24 Oct 03
SAM-F-1-04	20 Oct 03	31 Oct 03
SAM-O-1-04	20 Oct 03	07 Nov 03
SAM-C-1-04	27 Oct 03	07 Nov 03
SAM-IT-1-04	03 Nov 03	05 Nov 03
SAM-CF-1-04	17 Nov 03	21 Nov 03
SAM-E-1-04	17 Nov 03	21 Nov 03

2nd Quarter

Course	Start Date	End Date
SAM-C-2-04	26 Jan 04	06 Feb 04
SAM-O-2-04	26 Jan 04	13 Feb 04
SAM-TO-2-04	02 Feb 04	06 Feb 04
SAM-CS-1-04	09 Feb 04	13 Feb 04
SAM-AR-1-04	23 Feb 04	27 Feb 04
SAM-E-2-04	01 Mar 04	05 Mar 04
SAM-CF-2-04	01 Mar 04	05 Mar 04
SAM-O-3-04	01 Mar 04	19 Mar 04
SAM-C-3-04	08 Mar 04	19 Mar 04
SAM-F-2-04	08 Mar 04	19 Mar 04
IPSR(2)-11-04	22 Mar 04	23 Mar 04
SAM-IT-2-04	22 Mar 04	24 Mar 04
SAM-CM-1-04	22 Mar 04	26 Mar 04

3rd Quarter

Course	Start Date	End Date
SAM-O-4-04	19 Apr 04	07 May 04
SAM-C-4-04	19 Apr 04	30 Apr 04
SAM-TO-3-04	10 May 04	14 May 04
SAM-F-3-04	10 May 04	21 May 04
SAM-O-5-04	10 May 04	28 May 04
SAM-C-5-04	17 May 04	28 May 04
SAM-IT-3-04	24 May 04	26 May 04
SAM-CS-2-04	24 May 04	28 May 04
SAM-TA-1-04	07 Jun 04	11 Jun 04
SAM-C-6-04	07 Jun 04	18 Jun 04
SAM-O-6-04	07 Jun 04	25 Jun 04
SAM-AT-1-04	14 Jun 04	18 Jun 04
SAM-CM-2-04	21 Jun 04	25 Jun 04

4th Quarter

Course	Start Date	End Date
SAM-F-4-04	16 Aug 04	27 Aug 04
SAM-O-7-04	16 Aug 04	03 Sep 04
SAM-CF-3-04	23 Aug 04	27 Aug 04
SAM-IT-4-04	30 Aug 04	01 Sep 04
SAM-CS-3-04	30 Aug 04	03 Sep 04
SAM-TO-4-04	13 Sep 04	17 Sep 04
SAM-E-3-04	13 Sep 04	17 Sep 04
SAM-C-7-04	13 Sep 04	24 Sep 04
IPSR(2)-24-04	20 Sep 04	21 Sep 04

DISAM Non-Resident Fiscal Year 2004 Class Schedule

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Telephone Numbers for Registrar's Office

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Data Fax: DSN	**785-3441**
Data Fax: Commercial	**(937) 255-3441**
E-mail:	**registrars@disam.dsca.mil**

1st Quarter

Course	Start Date	End Date
SAM MET-1-04	02 Oct 03	17 Oct 03
SAM MET-2-04	02 Oct 03	17 Oct 03
SAM OS-1-04	07 Oct 03	09 Oct 03
IPSR(2)-1-04	08 Oct 03	09 Oct 03
IPSR(2)-2-04	15 Oct 03	16 Oct 03
SAM OS-2-04	15 Oct 03	17 Oct 03
IPSR(5)-1-04	27 Oct 03	31 Oct 03
IPSR(2)-3-04	05 Oct 03	06 Oct 03
SAM MET-3-04	13 Nov 03	21 Nov 03
IPSR(5)-2-04	17 Nov 03	21 Nov 03
SAM OS-3-04	02 Dec 03	04 Dec 03
SAM OS-4-04	02 Dec 03	04 Dec 03
IPSR(2)-4-04	03 Dec 03	04 Dec 03
IPSR(2)-5-04	09 Dec 03	10 Dec 03

2nd Quarter

Course	Start Date	End Date
IPSR(2)-6-04	06 Jan 04	07 Jan 04
SAM OS-5-04	06 Jan 04	08 Jan 04
SAM MET-4-04	08 Jan 04	23 Jan 04
SAM MET-5-04	08 Jan 04	23 Jan 04
IPSR(5)-3-04	12 Jan 04	16 Jan 04
SAM OS-6-04	13 Jan 04	15 Jan 04
IPSR(2)-7-04	14 Jan 04	15 Jan 04
IPSR(2)-8-04	21 Jan 04	22 Jan 04
SAM OS-7-04	21 Jan 04	23 Jan 04
SAM OS-8-04	27 Jan 04	29 Jan 04
IPSR(5)-4-04	09 Feb 04	13 Feb 04
SAM OS-9-04	10 Feb 04	12 Feb 04
SAM OS-10-04	10 Feb 04	12 Feb 04
IPSR(2)-9-04	18 Feb 04	19 Feb 04
IPSR(2)-10-04	11 Mar 04	12 Mar 04
IPSR(5)-5-04	15 Mar 04	19 Mar 04
SAM MET-6-04	25 Mar 04	09 Apr 04
IPSR(2)-12-04	30 Mar 04	31 Mar 04
SAM OS-11-04	30 Mar 04	01 Apr 04

3rd Quarter

Course	Start Date	End Date
SAM MET-7-04	01 Apr 04	09 Apr 04
SAM OS-12-04	06 Apr 04	08 Apr 04
IPSR(2)-13-04	07 Apr 04	08 Apr 04
IPSR(5)-6-04	12 Apr 04	16 Apr 04
IPSR(2)-14-04	19 Apr 04	20 Apr 04
SAM MET-8-04	29 Apr 04	07 May 04
SAM OS-13-04	04 May 04	06 May 04
IPSR(2)-15-04	05 May 04	06 May 04
IPSR(5)-7-04	17 May 04	21 May 04
IPSR(5)-8-04	21 Jun 04	25 Jun 04
IPSR(2)-16-04	23 Jun 04	24 Jun 04

4th Quarter

Course	Start Date	End Date
SAM MET-9-04	08 Jul 04	23 Jul 04
SAM OS-14-04	13 Jul 04	15 Jul 04
IPSR(2)-17-04	14 Jul 04	15 Jul 04
SAM MET-10-04	15 Jul 04	30 Jul 04
IPSR(5)-9-04	19 Jul 04	23 Jul 04
SAM MET-11-04	22 Jul 04	06 Aug 04
SAM OS-15-04	27 Jul 04	29 Jul 04
IPSR(2)-18-04	28 Jul 04	29 Jul 04
SAM OS-16-04	03 Aug 04	05 Aug 04
SAM OS-17-04	03 Aug 04	05 Aug 04
IPSR(2)-19-04	04 Aug 04	05 Aug 04
IPSR(5)-10-04	16 Aug 04	20 Aug 04
IPSR(2)-20-04	18 Aug 04	19 Aug 04
IPSR(2)-21-04	23 Aug 04	24 Aug 04
IPSR(2)-22-04	01 Sep 04	02 Sep 04
IPSR(2)-23-04	08 Sep 04	09 Sep 04
SAM MET-12-04	09 Sep 04	24 Sep 04
SAM OS-18-04	21 Sep 04	23 Sep 04
SAM OS-19-04	27 Sep 04	29 Sep 04
SAM OS-20-04	27 Sep 04	29 Sep 04
IPSR(2)-25-04	28 Sep 04	29 Sep 04

SECURITY ASSISTANCE COMMUNITY

2003 Security Assistance Points of Contact

The information which follows is the most current information available on "Points of Contact." As in previous listings, only office titles (names of individuals are not shown) are shown. Considerable effort was made to verify the currency and accuracy of the information; however, DISAM welcomes any recommended additions, deletions, or corrections, and these will be published in our quarterly updates.

DEFENSE SECURITY COOPERATION AGENCY (DSCA)

Office of the Director
Defense Security Cooperation Agency (DSCA)
ATTN: (Directorate Division)
2800 The Pentagon

c/o USDP Mailroom 4B687
Washington, D.C. 20301-2800

DSN: 664-6044
Commercial: (703) 604-6604
(Unclassified) Director's DSN Fax: 332-5403
(Unclassified) ERASA's DSN Fax: 664-6539
(Unclassified) MEAN's DSN Fax: 664-6541
(Unclassified) COMPT's Fax: 664-6538
(Unclassified) SP's Fax: 332-0075
(Unclassified) HA/MA's Fax: 332-0075
(Unclassified) GC's Fax: 664-6547
(Unclassified) LPA's Fax: 664-6542
(Unclassified) P3's Fax: 664-6540
Website: www.dsca.mil

DEFENSE INSTITUTE OF SECURITY ASSISTANCE MANAGEMENT (DISAM)

DISAM/(Office Symbol)
2475 K Street, Building 52
Wright-Patterson AFB OH 45433-7641

DSN: 785-5850
Front Office (CC/DC) Commercial: (937) 255-3632 or 255-5850
Front Office (DAA) Data Fax: (937) 255-4391
Registrar (DAS) Commercial: (937) 255-4144
Registrar Commercial Fax: (937) 255-3441
Registrar DSN Fax: 785-3441
Library Commercial (DAL): (937) 255-5567
Library Fax: (937) 255-8258
Library DSN Fax: 785-8258
Directorate of Management Studies (DM) Commercial: (937) 255-5850
Directorate of International Studies (DI) Commercial: (937) 255-5850
Directorate of Research (DR) Commercial: (937) 255-2994
Website: http//disam.dsca.mil
E-Mail Sample: john.smith@disam.dsca.mil

DEFENSE INSTITUTE OF INFORMATION LEGAL STUDIES (DIILS)

Defense Institute of Information Legal Studies
360 Elliot Street
Newport RI 02841-1532

Commercial: (401) 841-1524 x1-175
DSN: 948-1524
(Unclassified) Data Fax: (401) 841-4570

DEFENSE FINANCE AND ACCOUNTING SERVICE (DFAS)

Defense Finance and Accounting Service
DFAS-HQ/ASP
1931 Jefferson Davis Highway, Rm 421
Arlington VA 22240-5291

DSN: 327-5071
Website: http://www.dfas.mil

Defense Finance and Accounting Service-Cleveland Center
1240 East 9th Street
Anthony J. Celebrezze Federal Bldg
Cleveland OH 44199-2055

DSN: 580-5511
Commercial: (216) 522-5511
Data Fax: (216) 522-6055

Defense Finance and Accounting Service-Columbus Center
P.O. Box 182317
Columbus OH 43218-2317

DSN: 869-7716
Commercial: (614) 693-7716
Data Fax: (869) 7601

Defense Finance and Accounting Service-Kansas City Center
1500 East Bannister Road
Security Manager, DFAS-KC/CO

DSN: 465-5350/3708
Commercial: (816) 926-5350/3708
Data Fax: DSN 465-1675

Defense Finance and Accounting Service Denver Center (DFAS-DE/ADY)
6760 East Irvington Place
Denver CO 80279-2000

DSN: 926-6391
Commercial: (303) 676-7383
Data Fax: (DSN) 926-7369
Commercial Fax: (303) 676-7394

DEFENSE LOGISTICS AGENCY (DLA)

Director
Defense Logistics Agency
ATTN: International Programs Office, J-347
8725 John J. Kingman Road
Ft. Belvoir VA 22060-6220

Commercial: (703) 767-7565
DSN: 427-7565
Commercial Fax: (703) 767-7510
Website:http//www.supply.dla.mil

DEFENSE LOGISTICS INFORMATION SERVICE (DLIS)

Defense Logistics Information Service
ATTN: DLIS-KI
74 Washington Avenue North, Suite 7
Battle Creek MI 49017-3084

DSN: 932-4310/4328
Commercial: (269) 961-4310/4328
Website: http://www.dlis.dla.mil
E-Mail: fms@dlis.dla.mil

DEFENSE REUTILIZATION AND MARKETING SERVICE (DRMS)

Defense Reutilization and Marketing Service
74 Washington Avenue North
Federal Center
Battle Creek MI 49016-3412

DSN 932-5927
Commercial: (269) 961-5927
http://wex.drms.dla.mil

DEFENSE LANGUAGE INSTITUTE ENGLISH LANGUAGE CENTER (DLIELC)

Commandant
Defense Language Institute English Language Center
2235 Andrews Avenue
Lackland AFB TX 78236-5259

DSN: 473-3540
Commercial: (210) 671-3540
Date Fax: DSN 473-2890

NATIONAL IMAGERY AND MAPPING AGENCY (NIMA)

National Imagery and Mapping Agency (NIMA)
4600 Sangamore Road
Bethesda MD 20816-5033

Commercial: (301) 227-2029
Website: http://164.214.2.59/nimahome.html

OFFICE OF THE DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR DEFENSE EXPORTS AND COOPERATION (DASA-DE&C)

Office of the Assistant Secretary of the Army - Acquisitions,
Logistics and Technology ASA(ALT)
ATTN: SAAL-ZA, RM 2E672
103 Army Pentagon
Washington DC 20310-0103

Commercial: (703) 697-5075
DSN: 227-5075
(Unclassified) Data Fax: (703) 614-7369
Website: https://webportal.saalt.army.mil/saalt/depdefensecoop.htm

Deputy Assistant Secretary of the Army for
Defense Exports and Cooperation

ATTN:DASA-DE&C
1777 North Kent Street, Suite 8200
Arlington VA 22209

DSN: 425-8070
Commercial: (703) 588-8070
(Unclassified) Data Fax: (703) 588-8490
(Classified) Data Fax: (703) 588-8765
Website: https://webportal.saalt.army.mil/saalt/depdefensecoop.htm

UNITED STATES ARMY SECURITY ASSISTANCE COMMAND (USASAC)

Commander
U.S. Army Security Assistance Command
5701 21st Street
Ft. Belvoir VA 22060-5940

DSN: 656-2200
Commercial: (703) 806-2200
Data Fax: (703) 806-2203
Website: www.usasac.army.mil

Operations and Logistics Directorate (AMSAC-OL)
54 M Avenue, Suite 1
New Cumberland PA 17070-5096

DSN: 771-6800
Commercial (717) 770-6800
DSN Fax: 771-7909
Data Fax Commercial: (717) 770-7909

SECURITY ASSISTANCE TRAINING FIELD ACTIVITY (SATFA-TRADOC)

Director
TRADOC-SATFA
173 Bernard Rd., Bldg 139
Attn: ATFA-11
Ft. Monroe VA 23651-1003

DSN: 680-3800
Commercial: (757) 788-3800
(Unclassified) Data Fax: (757) 757-4142/3014
Website: http://www-satfa.monroe.army.mil

ARMY FREIGHT FORWARDER ASSISTANCE

Deputy for Operations
U.S. Army Security Assistance Command
Attn: AMSAC-OL-LS-CS
54 M Avenue, Suite 1
New Cumberland PA 17070-5096

Commercial: (717) 770-6843
DSN: 771-6843

Message: TWX-CDRUSADAC NEW CUMBERLAND PA//AMSAC-OL/T

UNITED STATES ARMY SECURITY ASSISTANCE TRAINING MANAGEMENT ORGANIZATION (USASATMO)

Commander SATMO
Attn: AOJK-SA Building D-2815, Ardennes Street
Ft. Bragg NC 28307-5000

DSN: 239-9108 (x119)
Commercial: (910) 432-9108
Data Fax Unclassified: (910) 432-3695

UNITED STATES ARMY WESTERN HEMISPHERE INSTITUTE FOR SECURITY COOPERATION (WHINSEC)

Western Hemisphere Institute for Security Cooperation (WHINSEC)
7011 Morrison Av., Ridgeway Hall, Room 352
Ft Benning GA 31905-2611

DSN: 835-1631/1722
Data Fax: DSN 835-6964
Website: www.benning.army.mil/whinsec

UNITED STATES ARMY AVIATION AND MISSILE COMMAND (AMCOM)

Commander
U.S. Army Aviation and Missile Command
Attn: AMSAM-SA
Redstone Arsenal AL 35898-5000

DSN: 897-6908
Commercial: (256) 313-6908
Data Fax: (256) 313-6624
Website: http://www.redstone.army.mil/

UNITED STATES ARMY TANK-AUTOMOTIVE AND ARMAMENTS COMMAND (TACOM)

Commander
U.S. Army Tank-Automotive and Armaments Command
Attn: AMSTA-(CM-T)
Warren MI 48397-5000

DSN: 786-6585
Commercial: (810) 574-6585
Data Fax: (810) 574-7874
Website: http://www.tacom.army.mil

UNITED STATES ARMY TANK-AUTOMOTIVE AND ARMAMENT COMMAND ROCK ISLAND (TACOM-RI)

Commander
U.S. Army Tank-Automotive and Armament Command
Attn: AMSTA-LC-TO
1 Rock Island Arsenal
Rock Island IL 61299-7630

Commercial: (309) 782-0927/2360
DSN: 793-0927/2360
Data Fax: (309) 782-2896/7201
E-Mail: amsta-lc.to@ria.army.mil
Website: http://tri.army.mil/sac.index.htm

UNITED STATES ARMY JOINT MUNITIONS COMMAND ROCK ISLAND

Commander
United States Army Joint Munitions Command-Rock Island
ATTN: AMSOS-SA
Rock Island IL 61299-6000

DSN: 793-3372/8576
Commercial: (309) 782-3372/8576
Data Fax: (309) 782-2250/2743
Website: http://www.osc.army.mil/sa/index.htm

UNITED STATES ARMY MEDICAL MATERIEL AGENCY (USAMMA-ILO)

U.S. Army Medical Materiel Agency
Attn: MCMR-MMR-I
1423 Sultan Dr., Suite 100
Ft. Detrick MD 21782

DSN: 343-2058
Commercial: (301) 619-2058

UNIFIED COMMANDS

UNITED STATES EUROPEAN COMMAND (USEUCOM)

HQ USEUCOM (ECJ4)
Unit 30400 Box1000
APO AE G9131

DSN: (Voice Code 314) 430-7455/8445
Commercial: 49-711-680-7455/8445
Data Fax: DSN (314) 430-8025/5969

SA/DCA Policy, Legislative Initiatives and Analysis, Coordination of SA Strategies, Technical Issues, USDR Activities, and Bilateral Working Groups:

SA European Division (ECJ5-E)
Commercial: 49-711-680-8440/5655
Data Fax: DSN (314) 430-7225

SA Middle East Africa Division (ECJ5-M)
Commercial: 49-711-680-7142/7242
Data Fax: DSN 430-5162

UNITED STATES ATLANTIC COMMAND (USACOM)

U.S. Atlantic Command
Headquarters of the Commander in Chief
Attn: JS-5
1562 Mitscher Avenue, Suite 200
Norfolk VA 23551-2488

DSN: 836-5730/5740
Commercial: (757) 322-5739/5740
(Unsecure) Data Fax: (757) 322-5746
(Secure) Data Fax: (757) 322-5737

UNITED STATES PACIFIC COMMAND (USPACOM)

*For Security Assistance and International Logistics Issues
(Including Management, Performance Evaluations, Case Management, Grant Funding Numbers/Justification, SAO Quality of Life, ACSA(MCSA; Logistics Working Groups, PASOLS, OHDACA, Title 10 Issues, DCA, contact.)

Security Assistance & International Logistics Division (J45)
DSN: (315) 477-1557
Commercial: (808) 477-1557
Data Fax: (808) 477-0944

UNITED STATES SOUTHERN COMMAND (USSOUTHCOM)

HQ USSOUTHCOM
Attn: SCJ5-5A
3511 NW 91st Avenue
Miami FL 33172-1217

DSN: Voice Code 312) (503) 567-3922
(Secure) Data Fax Commercial: (305) 437-1853
(Unsecure) Data Fax: (350)1857

UNITED STATES CENTRAL COMMAND (USCENTCOM)

HQ USCENTCOM
7115 South Boundary Boulevard
MacDill AFB FL 33621-5101

DSN: 968:6539
Commercial: (813) 828-6539
Data Fax: (813) 828-6186

UNITED STATES SPECIAL OPERATIONS COMMAND (USSOCOM)

HQ USSOCOM/SOLA-M
Plans Division
7701 Tampa Point Boulevard
MacDill AFB FL 33621-5323

DSN: 299-9495/9433
Commercial: (813) 828-9495/9433
(Unsecure) Data Fax: DSAN 299-9425
(Unsecure) Web: www.socom.mil
(Secure) Web: socweb.socom.smil.mil

U.S. DEPARTMENT OF THE AIR FORCE http://www.af.mil

AIR FORCE SECURITY ASSISTANCE CENTER (AFSAC)

Air Force Security Assistance Center
1822 Van Patton Drive, Building 30210
Wright-Patterson Air Force Base OH 45433-7803

DSN: 787-1510 Ext 4449
Commercial: (937) 257-1510 Ext 4449
Fax: (937) 257-7647
E-mail: afsac.ccx.all@wpafb.af.mil
Website: https://rock.afsac.wpafb.af.mil

DEPUTY UNDER SECRETARY OF THE AIR FORCE FOR INTERNATIONAL AFFAIRS (SAF/IA)

Deputy Under Secretary of the Air Force for International Affairs (SAF/IA)
1080 Air Force Pentagon
Washington DC 20330-1080

DSN: 425-8833
Commercial: (703) 588-8833
Fax: (703) 588-8380
Website: https://www.safia.hq.af.mil

AIR FORCE FREIGHT FORWARDER ASSISTANCE

Headquarters Air Force Materiel Command
Transportation - Policy Division
ATTN: LGTT
Wright-Patterson Air Force Base OH 45433-5006

DSN: 787-3422
Commercial: (937) 257-3422
Commercial: (937) 257-3422
Data Fax: (937) 257-3371
Website: https://www.afmc-mil.wpafb.af.mil

AIR FORCE SECURITY ASSISTANCE TRAINING (AFSAT) SQUADRON

AFSAT/(Office Symbol)
315 J Street West, Building 857
Randolph AFB TX 78150-4354

DSN: 487-5961
Commercial: (210) 652-5961
Fax: (210) 652-4573
Website: https://aetc.af.mil/afsat

AIR FORCE AIR LOGISTICS CENTERS

Oklahoma City Air Logistics Center/LGII
3508 D Avenue Bldg 201 West
Tinker AFB OK 73145-3055

DSN: 336-3929
Commercial: (405) 736-3929
Fax: (405) 734-4651
Website: https://www.tinker.af.mil

Ogden Air Logistics Center/LGMS
6009 Wardleigh Road, Building 1209
Hill AFB UT 84056-5838

DSN: 777-5184
Commercial: (801) 777-5184
Fax: (801) 586-3367
Website: https://www.hill.af.mil

Warner Robins Air Logistics Center/LGF
480 2nd Street, Suite 200
Robins AFB GA 31098-1640

DSN: 468-2502
Commercial: (478) 926-2502
Fax: (478) 926-1725
Website: https://www.robins.af.mil

CRYPTOLOGIC SYSTEMS GROUP (CSG)

CPSG
230 Hall Boulevard, Suite 201
San Antonio TX 78243-7057

DSN: 969-2087
Commercial: (210) 977-2087
Data Fax: (210) 977-3437

HEADQUARTERS AIR COMBAT COMMAND (ACC)

HQ ACC/DOTS
205 Dodd Blvd, Suite 101
Langley Air Force Base VA 23665-2789

DSN: 574-3553
Commercial: (757) 764-3353
Fax: 574-2878
E-mail: acc.dots@langley.af.mil
Website: https://www.acc.af.mil/do/select”DOTS”

HEADQUARTERS PACIFIC AIR FORCES (PACAF)

HQ PACAF/XPXP
25 E Street STE F-207
Hickam AFB HI 96853-5417

DSN: (Voice Code 315) 449-4944
Commercial (808) 449-4944
Fax: (808) 449-4826
E-mail: pacaf.xpzp@hickam.af.mil
Website: https://www.pacaf.af.mil

HEADQUARTERS TWELFTH AIR FORCE (12AF)
USSOUTHAF (612TOG/LAB)
2915 South Twelfth Air Force Drive, Suite 162
Davis-Monthan AFB AZ 85707-4100

DSN: 228-0681
Commercial: (520) 228-0681
Fax: (520) 228-7009
Website: http://www.dm.af.mil/12afweb

INTER-AMERICAN AIR FORCES ACADEMY (IAAFA)

Commandant
Inter-American Air Forces Academy
2431 Carswell Avenue
Lackland AFB TX 78236-5609

DSN: 473-4109/4507
Commercial: (210) 671-4109/4507
Fax: (210)671-4571

UNITED STATES AIR FORCES IN EUROPE (USAFE)

HQ USAFE/LGXP
Unit 3050 Box 105
APO AE 09094-0105
Computer Fax: DSN 480-6937

DSN: (Voice 314) 480-7793
Commercial: 49-6371-47-7793
Data Fax: DSN 480-9768
Fax: DSN 480-9768
Website: https://wwwmil.usafe.af.mil/direct/lg

UNITED STATES DEPARTMENT OF THE NAVY Website: http://www.navy.mil

NAVY INTERNATIONAL PROGRAMS OFFICE (NAVY IPO)

Navy International Programs Office
Nebraska Avenue Complex
4255 Mount Vernon Drive Suite 17100
Washington DC 20393-5445

Commercial: (202) 764-2800
DSN: 764-2800
Data Fax (Unclassified): (202) 764-2835

NAVY AND MARINE CORPS FREIGHT FORWARDER ASSISTANCE

Naval Inventory Control Point (NAVICP)
Attn: Code P753111
700 Robbins Avenue (Bldg. 413)
Philadelphia PA 19111-5090

Commercial: (215) 697-1340
DSN: 442-1340
Fax: (215) 697-0766
Message: TWX-NAVICP PHILADELPHISPA//P75311//

UNITED STATES NAVAL FORCES CENTRAL COMMAND (USNAVCENT)

Deputy Commander
HQ USNAVCENT
Attn: SSO 2707 Zemke Avenue, Building 535
MacDill AFB FL 33621-5105

DSN: 968-5068/5066/5067
Commercial: (813) 828-5068
(Classified) Data Fax: DSN 968-2406
(Classified): (813) 828-2406
(Unclassified): DSN 968-6632
(Unclassified): (813) 828-6632
SIPIR NET: flynnb@cusnctam.navy.smil.mil
JDISS (Intel Link) flynnb@ns2.cusnctam.nav.ic.gov

DEPARTMENT OF THE NAVY, OFFICE OF THE ASSISTANT SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT AND COMPTROLLER)

Department of the Navy
Office of the Assistant Secretary of the Navy (Financial Management and Comptroller)
1000 Navy Pentagon
Washington DC 20350-1000

Operations Division (FMB-1)

DSN: 225-3262
Commercial: (703) 695-3263
Data Fax: (703) 614-7418
FMB E-Mail: FMBcode@NHBS.SECNAV.NAVY.MIL

Financial Management Policy and Systems Division (FMO-1)

DSN: 325-6706
Commercial: (202) 685-6706
Data Fax: (202) 685-6760

Financial Management Division (FMO-2)

DSN: 325-6718
Commercial: (202) 685-6718
Data Fax: (202 685-6700

Management Accountability and Control Division (FMO-3)

DSN: 325-6702
Commercial: (202) 685-6702
Data Fax: (202) 685-6760

NAVY JUDGE ADVOCATE GENERAL (NAVY JAG)

Office of the Judge Advocate General of the Navy (Code 10)
Head, International Programs Branch
2000 Navy Pentagon (Room 2D343)
Washington DC 20350-2000

DSN: 227-9161
Commercial: (703) 697-9161
Data Fax: (703) 695-8073

COMMANDER, NAVALAIR SYSTEMS COMMAND (COMNAVAIRSYSCOM)

International Programs Department (AIR-1.4)
Building 2272, Suite 355
Naval Air Systems Command Headquarters
47123 Buse Road, Unit IPT
Patuxent River MD 20670-1547

DSN: 757-6685
Commercial: (301) 757-6685
Data Fax: (301) 757-6684
Website: http://www.navair.navy.mil

COMMANDER, SPACE AND NAVAL WARFARE SYSTEMS COMMAND (COMSPAWARSYSCOM)

Commander
Space and Naval Warfare Systems Command
FMS Program Office - Code 054-1
4301 Pacific Highway
San Diego CA 92110-3127

DSN: 524-7322
Commercial: (619) 524-7322
Data Fax: DSN: 524-7224

COMMANDER, NAVAL SEA SYSTEMS COMMAND (COMNAVSEASYSCOM)

Naval Sea Systems Command
Security Assistance Program Office (PMS 380 & 333)
2531 National Center, Building 3
Washington DC 20363-5160

DSN: 326-2123
Commercial: (202) 781-2123
Data Fax: (202) 781-2123
Website: http://www.navsea.navy.mil/

COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND (COMNAVFACENGCOM)

Command Officer
Naval Facilities Engineering Service Center
Waterfront Structures Division, Code ESC62
1100 23rd Ave, Bldg 1100
Port Hueneme CA 93043-4370

Commercial: (805) 982-1180
DSN: 551-1180
Data Fax: (805) 982-3491

COMMANDER NAVAL SUPPLY SYSTEMS COMMAND (COMNAVSUPSYSCOM)

Deputy Commander
Security Assistance (SUP07)
Naval Supply Systems Command
700 Robbins Avenue
Philadelphia PA 19111-5098

DSN: 442-3535/3536
Commercial: (215) 3535/3536
Data Fax: (215) 697-4940
Website: www.navsup.navy.mil

COMMANDER NAVAL INVENTORY CONTROL POINT (NAVICP)

Commander
Naval Inventory Control Point (NAVICP)
700 Robbins Avenue
Philadelphia PA 19111-5098

DSN: 442-2101
Commercial: (215) 697-2101
Data Fax: (215) 697-0892
Website: www.navicp.navy.mil

COMMANDER NAVAL INVENTORY CONTROL POINT (NAVICP)

Commander
Naval Inventory Control Point
5450 Carlisle Pike
PO. Box 2020
Mechanicsburg PA 17055-0788

DSN: 430-3701
Commercial: (717) 605-3701
Data Fax: (717) 605-7616

NAVAL EDUCATION AND TRAINING SECURITY ASSISTANCE FIELD ACTIVITY (NETSAFA)

Commanding Officer
NETSAFA
125 West Romana Street, Suite 600
Pensacola FL 32501-5849

DSN: 922-2900
Commercial: (850) 452-2900
Data Fax: DSN 922-2953/3744
Commercial Fax: (850) 452-2953/3744
Website: http://www.netsafa.navy.mil

UNITED STATES ATLANTIC FLEET (CINCLANTFLT)

CINCLANTFLT
U.S. Atlantic Fleet N7
1562 Mitscher Avenue STE 250
Norfolk VA 23551-2487

DSN: 836-3534
Commercial: (757) 836-3534
Data Fax: (757) 836-6794
Website: http://www.lantflt.navy.mil

CINCLANTFLT
Foreign Military Sales (Code 734)
1562 Mitscher Ave. Suite 250
Norfolk VA 23511-2487

DSN: 836-3534
Commercial: (757) 836-3534
Data Fax: (757) 836-0141
Data Fax DSN: 836-0141
Website: www.clf.navy.mil

UNITED STATES PACIFIC FLEET (CINCPACFLT)

CINCPACFLT
Code N403
250 Makalapa Drive
Pearl Harbor HI 96860-7000

DSN: 315-6915/6908
Commercial: (808) 474-6915/6908
Data Fax: (808) 474-6956
Website: http://www.cpfnavy.mil
Message Address: CINCPACFLT PEARL HARBOR HIIIN403H

COMMANDER, NAVAL SURFACE GROUP 2

Commander, Naval Service Group 2
Building 1878
P.O. Box 280003
Mayport NAS FL 32228-0003

DSN: 960-7354
Commercial: (904) 270-7354
Data Fax: DSN 960-7363

RESEARCH AND CONSULTATION

Is there a security assistance procedure, requirement and/or program guidance which is [or has been] presenting a significant problem in accomplishing your security assistance function? If so, DISAM would like to know about it. If you have a specific question, we will try to get you an answer. If it is a suggestion in an area worthy of additional research, we will submit it for such research. If it is a problem you have already solved, we would also like to hear about it. In all of the above cases, DISAM will use your inputs to maintain a current "real world" curiculum and work with you in improving security assistance management.

Please submit pertinent questions and/or comments by completing the remainder of this sheet and return it to:

DISAM/DR
Building 52, 2475 K Street
Wright-Patterson AFB, Ohio 45433-7641
Telephone: DSN 785-3196 or Commercial (937) 255-2994
FAX: DSN 986-4685 or Commercial (937) 656-4685

1. Question/Comment:

2. Any Pertinent References/Sources:

3. Contact Information:
   Name:
   Address:
   Telephone Number

4. Additional Background Information: