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# 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 107<sup>th</sup> 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 108<sup>th</sup> 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)**

<u>Program</u>	<u>FY2002</u>	<u>Request</u>	<u>House</u>	<u>Senate</u>	<u>FY2003</u>
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)	<u>375.000</u>	<u>108.250</u>	<u>125.000</u>	<u>120.250</u>	<u>114.252</u>
<b>Total</b>	<b>\$7,786.000</b>	<b>\$6,785.450</b>	<b>\$6,730.200</b>	<b>\$6,532.250</b>	<b>\$6,519.346</b>

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)**.

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- 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-

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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 107<sup>th</sup> 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 108<sup>th</sup> 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 107<sup>th</sup> 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)

<u>Program</u>	<u>Initial Appropriation</u>	<u>Rescission Final</u>	<u>Appropriation</u>
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	<u>115,000,000</u>	<u>748,000</u>	<u>114,252,000</u>
<b>Total</b>	<b>\$6,562,000,000</b>	<b>\$42,654,000</b>	<b>\$6,519,346,000</b>

### 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)

<u>FY2002</u>	<u>Administration</u>	<u>House</u>	<u>Senate</u>	<u>FY2003</u>
\$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

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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)

<b>Country/Program by Geographical Region</b>	<b>FY2002 FMFP Funding</b>	<b>FY2003 Budget Request</b>	<b>FY2003 FMFP Funding</b>
<b>Near East</b>			
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)

<b>Country/Program by Geographical Region</b>	<b>FY2002 FMFP Funding</b>	<b>FY2003 Budget Request</b>	<b>FY2003 FMFP Funding</b>
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	<u>20.000</u>	<u>0.000</u>	<u>0.000</u>
<b>Subtotal – Near East</b>	<b>\$3,520.50</b>	<b>\$3,630.000</b>	<b>\$3,607.100</b>
<b><u>Europe and Eurasia</u></b>			
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	<u>11.000</u>	<u>0.000</u>	<u>0.000</u>
<b>Subtotal – Europe and Eurasia</b>	<b>\$251.000</b>	<b>\$168.700</b>	<b>\$166.990</b>

Table 3 (continued)

<b>Country/Program by Geographical Region</b>	<b>FY2002 FMFP Funding</b>	<b>FY2003 Budget Request</b>	<b>FY2003 FMFP Funding</b>
<b><u>Western Hemisphere</u></b>			
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	<u>1.000</u>	<u>1.000</u>	<u>0.990</u>
<b>Subtotal – Western Hemisphere</b>	<b>\$11.700</b>	<b>\$115.000</b>	<b>\$110.290</b>
<b><u>Africa</u></b>			
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	<u>6.700</u>	<u>6.000</u>	<u>5.950</u>
<b>Subtotal – Africa</b>	<b>\$33.500</b>	<b>\$18.500</b>	<b>\$17.150</b>
<b><u>Eurasia Asia and the Pacific</u></b>			
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	<u>1.300</u>	<u>2.000</u>	<u>1.990</u>
<b>Subtotal – East Asia and the Pacific</b>	<b>\$48.300</b>	<b>\$25.000</b>	<b>\$24.840</b>
<b><u>South Asia</u></b>			
Afghanistan	\$7.000	TBD	\$21.000

Table 3 (continued)

<u>Country/Program by Geographical Region</u>	<u>FY2002 FMFP Funding</u>	<u>FY2003 Budget Request</u>	<u>FY2003 FMFP Funding</u>
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	<u>75.000</u>	<u>0.000</u>	<u>0.000</u>
<b>Subtotal – South Asia</b>	<b>\$146.000</b>	<b>\$103.000</b>	<b>\$78.450</b>
<b><u>Global</u></b>			
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	<u>0.000</u>	<u>6.000</u>	<u>0.000</u>
<b>Subtotal – Global</b>	<b>\$41.000</b>	<b>\$47.000</b>	<b>\$40.712</b>
<b>Total FMFP Allocated</b>	<b>\$4,052.000</b>	<b>\$4,107.200</b>	<b>\$4,045.532</b>
Rescission (.65 percent)	\$ 0.000	\$ 0.000	\$26.468
<b>Total FMFP Appropriated</b>	<b>\$4,052.000</b>	<b>\$4,107.2000</b>	<b>\$4,072.000</b>

**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

<u>FY2002</u>	<u>Administration</u>	<u>House</u>	<u>Senate</u>	<u>FY2003</u>
\$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)**

<b>Country/Program by Geographical Region</b>	<b>FY2002 IMET Funding</b>	<b>FY2003 Budget Request</b>	<b>FY2003 IMET Funding</b>
<b><u>Near Eurasia</u></b>			
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
<b>Subtotal - Near East</b>	<b>\$7,306</b>	<b>\$9,725</b>	<b>\$9,725</b>
<b><u>Europe and Eurasia</u></b>			
Albania	\$866	\$900	\$900
Armenia	75	750	750
Azerbaijan	377	750	750
Bosnia-Herzegovina	800	900	900

Table 5 (continued)

<b>Country/Program by Geographical Region</b>	<b>FY2002 IMET Funding</b>	<b>FY2003 Budget Request</b>	<b>FY2003 IMET Funding</b>
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
<b>Subtotal - Europe and Eurasia</b>	<b>\$26,818</b>	<b>\$32,050</b>	<b>\$31,750</b>
<b><u>Western Hemisphere</u></b>			
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)

<b>Country/Program by Geographical Region</b>	<b>FY2002 IMET Funding</b>	<b>FY2003 Budget Request</b>	<b>FY2003 IMET Funding</b>
Venezuela	500	700	700
<b>Subtotal - Western Hemisphere</b>	<b>\$12,821</b>	<b>\$13,670</b>	<b>\$13,870</b>
<b>Africa</b>			
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
<b>Subtotal - Africa</b>	<b>\$10,332</b>	<b>\$11,095</b>	<b>\$10,945</b>
<b>East Asia and the Pacific</b>			
Cambodia	\$ 00	\$200	\$ 00
East Timor	43	100	100

Table 5 (continued)

<b>Country/Program by Geographical Region</b>	<b>FY2002 IMET Funding</b>	<b>FY2003 Budget Request</b>	<b>FY2003 IMET Funding</b>
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	<u>00</u>	<u>100</u>	<u>00</u>
<b>Subtotal - East Asia and the Pacific</b>	<b>\$6,413</b>	<b>\$7,410</b>	<b>\$7,110</b>
<b>South Asia</b>			
Afghanistan	\$ 00	TBD	\$330
Bangladesh	648	750	750
India	1,012	1,000	1,000
Maldives	125	150	150
Nepal	377	500	500
Pakistan	894	1,000	1,000
Sri Lanka	<u>259</u>	<u>350</u>	<u>350</u>
<b>Subtotal - South Asia</b>	<b>\$3,315</b>	<b>\$3,750</b>	<b>\$4,080</b>
<b>Global</b>			
E-IMET Schools	\$2,600	\$1,800	\$1,800
General Costs	<u>395</u>	<u>500</u>	<u>200</u>
<b>Subtotal - Global</b>	<b>\$2,995</b>	<b>\$2,300</b>	<b>\$2,000</b>
<b>Total IMET Allocated</b>	<b>\$70,000</b>	<b>\$80,000</b>	<b>\$79,480</b>
Rescission (.65 percent)	\$ 00	\$ 00	\$520
<b>Total IMET Appropriated</b>	<b>\$70,000</b>	<b>\$80,000</b>	<b>\$80,000</b>

**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)**

<u>FY2002</u>	<u>Administration</u>	<u>House</u>	<u>Senate</u>	<u>FY2003</u>
\$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 than 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.

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•• Not less than \$15,000,000 for **Cyprus** to be used only for scholarships, administrative support of the scholarship program, bicomunal 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.

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- 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)**

<b>Country/Program by Geographical Region</b>	<b>FY2002 ESF Funding</b>	<b>FY2003 Budget Request</b>	<b>FY2003 ESF Funding</b>
<b><u>Near East</u></b>			
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	<u>3.000</u>	<u>0.000</u>	<u>0.000</u>
<b>Subtotal – Near East</b>	<b>\$1,802.000</b>	<b>\$1,824.000</b>	<b>\$1,639.072</b>
<b><u>Europe</u></b>			
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	<u>200.000</u>	<u>0.000</u>	<u>0.000</u>
<b>Subtotal – Europe</b>	<b>\$245.000</b>	<b>\$44.000</b>	<b>\$43.200</b>
<b><u>Western Hemisphere</u></b>			
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)

<u>Country/Program by Geographical Region</u>	<u>FY2002 ESF Funding</u>	<u>FY2003 Budget Request</u>	<u>FY2003 ESF Funding</u>
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
<b>Subtotal – Western Hemisphere</b>	<b>\$166.500</b>	<b>\$96.000</b>	<b>\$79.620</b>
<b><u>Africa</u></b>			
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
<b>Subtotal – Africa</b>	<b>\$120.000</b>	<b>\$77.000</b>	<b>\$64.000</b>
<b><u>East Asia and the Pacific</u></b>			
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
<b>Subtotal – East Asia and the Pacific</b>	<b>\$178.250</b>	<b>\$166.750</b>	<b>\$157.392</b>
<b><u>South Asia</u></b>			
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)

<u>Country/Program by Geographical Region</u>	<u>FY2002 ESF Funding</u>	<u>FY2003 Budget Request</u>	<u>FY2003 ESF Funding</u>
Pakistan SUP	15.000	0.000	0.000
South Asia Regional	3.500	2.000	1.900
Sri Lanka	<u>3.000</u>	<u>4.000</u>	<u>3.950</u>
<b>Subtotal – South Asia</b>	<b>\$749.250</b>	<b>\$244.000</b>	<b>\$261.850</b>
<b>Global</b>			
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	<u>0.000</u>	<u>20.250</u>	<u>0.000</u>
<b>Subtotal – Global</b>	<b>\$28.000</b>	<b>\$38.250</b>	<b>\$34.948</b>
<b>Total ESF Allocated</b>	<b>\$3,289.000</b>	<b>\$2,490.000</b>	<b>\$2,280.082</b>
Rescission (.65 percent)	\$ 0.000	\$ 0.000	\$14.918
<b>Total ESF Appropriated</b>	<b>\$3,289.000</b>	<b>\$2,490.000</b>	<b>\$2,295.000</b>

**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)

<u>FY2002</u>	<u>Administration</u>	<u>House</u>	<u>Senate</u>	<u>FY2003</u>
\$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)**

<u>Country/Program</u>	<u>FY2002 PKO Funding</u>	<u>FY2003 Budget Request</u>	<u>FY2003 PKO Funding</u>
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	<u>12,275.00</u>	<u>14,550.00</u>	<u>14,550.00</u>
<b>Total PKO Allocated</b>	<b>\$375,000.00</b>	<b>\$108,250.00</b>	<b>\$114,252.00</b>
Rescission (.65 percent)	\$ 0.00	\$ 0.00	\$748.00
<b>Total PKO Appropriated</b>	<b>\$375,000.00</b>	<b>\$108,250.00</b>	<b>\$115,000.00</b>

**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.

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## 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,

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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 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.

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## 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	<u>3,000,000</u>
<b>Total</b>	<b>\$306,400,000</b>

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- 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.

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- 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.

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### 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.

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•• 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.

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### **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.

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### **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.

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- 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 be 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.

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## 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**.

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### **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.

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### **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

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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

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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.

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•• 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:

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- 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.
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•• 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.

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- 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 month 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*
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*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.

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•• 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

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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

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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 or 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.”

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•• 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

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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.

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- 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;

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- 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 entity 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

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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.

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- 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

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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:

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- 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.

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- 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.

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•• 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.

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- 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**.

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•• 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 60<sup>th</sup> day following the date on which the 60<sup>th</sup> 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."

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•• 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.

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- 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

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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 Protocols 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*

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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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### **About the Author**

Ken Martin has been at DISAM for over fourteen years as an associate professor for the management of security assistance. In addition to teaching, his duties include being the legislation and policy functional manager and the editor for the annually republished DISAM "green textbook," *The Management of Security Assistance*. He is a retired U.S. Navy surface warfare officer. His education includes an undergraduate degree in the field of economics from the Illinois Institute of Technology in Chicago and a masters degree in administration from Central Michigan University.