

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 3765

To repeal the Foreign Assistance Act of 1961 and provide a policy framework and authorities for programs to promote the prosperity and security of the United States by supporting bilateral, multilateral, and people-to-people partnerships for the advancement of market economies and democracy.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 1994

Mr. HAMILTON (for himself and Mr. GILMAN) (both by request) introduced the following bill; which was referred to the Committee on Foreign Affairs

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## A BILL

To repeal the Foreign Assistance Act of 1961 and provide a policy framework and authorities for programs to promote the prosperity and security of the United States by supporting bilateral, multilateral, and people-to-people partnerships for the advancement of market economies and democracy.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Peace, Prosperity, and  
5 Democracy Act of 1994”.

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2 The table of contents of this Act is as follows:

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1 **SEC. 3. STATEMENT OF POLICY.**

2 STATEMENT OF POLICY.—

3 (1) The people of the United States are em-  
4 barking on a new era of domestic renewal that will  
5 draw strength through expanding cooperation  
6 abroad to advance United States economic and polit-  
7 ical interests and to meet the challenges of a new  
8 century.

9 (2) The interests of the United States are best  
10 served by a community of nations that respects indi-  
11 vidual human rights and democracy, resolves con-  
12 flicts peacefully, engages in free and open trade,  
13 uses the world's limited natural resources in a sus-  
14 tainable manner, and in which fundamental human  
15 needs are met.

16 (3) Sustainable development is in the long-term  
17 interest of the United States because without such  
18 development, economic, political and security prob-  
19 lems will multiply and generate future costs and  
20 burdens; and because overpopulation and environ-  
21 mental destruction threaten to undercut the best ef-  
22 forts of nations to build peace and prosperity.

1           (4) Strengthening democracy and human rights  
2 advances United States interests: democracies are  
3 conducive to free markets; they are more reliable  
4 partners, more receptive to cooperation in environ-  
5 mental protection and other global problems, and  
6 less prone to wage war on each other or sponsor ter-  
7 rorism. Strengthening democracy is especially criti-  
8 cal to achieving what must remain an overriding  
9 goal of the United States: helping to create a world  
10 in which respect for human rights and fundamental  
11 freedoms can flourish.

12           (5) In this new era of more diffuse challenges  
13 to the security of the United States, the United  
14 States recognizes the need to maintain and restore  
15 peace through arms control, nonproliferation, re-  
16 gional peace processes, and collective defense efforts,  
17 and for continued vigilance against a wide-range of  
18 increasingly transnational security challenges, in-  
19 cluding international narcotics trafficking, terrorism  
20 and other international crime that affect the per-  
21 sonal safety of the people of the United States.

22           (6) United States Government support for ef-  
23 forts to alleviate suffering and help people help  
24 themselves reflects the ideals of the people of the  
25 United States who have a long and unequalled record

1 of responding quickly and substantially to humani-  
2 tarian crises caused by natural and manmade disas-  
3 ters.

4 (7) An open and growing world trading system  
5 will benefit United States workers through expand-  
6 ing global markets and create a more prosperous  
7 and secure world. Promotion of broad-based eco-  
8 nomic growth in developing countries is an impor-  
9 tant means for expanding the fastest growing mar-  
10 kets for United States exports.

11 (8) Diplomacy effectively advances United  
12 States security and prosperity, meets long-term glob-  
13 al challenges, and builds cooperative arrangements  
14 with allies and multilateral organizations.

15 (9) Foreign assistance programs are in the na-  
16 tional interest of the United States, and to meet the  
17 diverse challenges of a new century, the United  
18 States must command a full range of creative for-  
19 eign policy tools to shape a comprehensive, long-  
20 term approach to promoting the United States na-  
21 tional interests reflected in the objectives of this Act:  
22 Promoting Sustainable Development, Building De-  
23 mocracy, Promoting Peace, Providing Humanitarian  
24 Assistance, Promoting Growth Through Trade and  
25 Investment, and Advancing Diplomacy.

## 1 TITLE I—SUSTAINABLE DEVELOPMENT

## 2 CHAPTER 1—SUSTAINABLE DEVELOPMENT

## 3 AUTHORITIES

4 **SEC. 1101. STATEMENT OF POLICY.**

## 5 STATEMENT OF POLICY.—

6 (1) United States prosperity and security in the  
7 Twenty-first Century will depend on the successful  
8 pursuit of global sustainable development based on  
9 an abiding commitment to democratic, free-market  
10 principles.

11 (2) The transnational threats of persistent pov-  
12 erty, global environmental degradation and rapid  
13 population growth threaten to undercut the best ef-  
14 forts of the world community to ensure a more pros-  
15 perous and peaceful future. Addressing these threats  
16 will require, among other things, an appropriate mix  
17 of people-to-people, bilateral and multilateral assist-  
18 ance to complement local action.

19 (3) The people of the United States have long  
20 demonstrated a moral commitment to help those in  
21 need and to provide assistance that reflects the tra-  
22 ditional humanitarian ideals of the people of the  
23 United States.

24 (4) The promotion of long-term, equitable, and  
25 environmentally sustainable development can help to

1 prevent humanitarian crises and to reduce the vul-  
2 nerability of people, particularly children, to natural  
3 and manmade disasters, which are costly in terms of  
4 both human life and financial resources.

5 (5) United States support for people-to-people,  
6 bilateral and multilateral sustainable development  
7 programs must, therefore, be targeted on broad-  
8 based, economic growth that reduces hunger and  
9 poverty, protects the environment, enhances human  
10 capabilities, upholds democratic values, and improves  
11 the quality of life for current generations while pre-  
12 serving that opportunity for future generations  
13 through, among other things, helping the poor ma-  
14 jority of women, men, and children in developing  
15 countries participate in the development process.

16 (6) Sustainable development efforts will be sig-  
17 nificantly enhanced through the broad participation  
18 and active engagement of the United States-based  
19 private sector, including universities, labor unions,  
20 and private voluntary organizations, and the people  
21 of each nation as producers, workers, and citizens of  
22 their communities, in shaping development policies  
23 and in defining, implementing, and evaluating pro-  
24 grams and projects.

1           (7) The ultimate measure of success of pro-  
2           grams under this title is to reach a point where im-  
3           provements in the quality of life and the environ-  
4           ment are such that assistance is no longer necessary  
5           and can be replaced by new forms of diplomacy, co-  
6           operation and commerce.

7   **SEC. 1102. POLICIES CONCERNING SUSTAINABLE DEVELOP-**  
8                                   **MENT PROGRAMS.**

9           (a) PURPOSES OF SUSTAINABLE DEVELOPMENT  
10 PROGRAMS.—The promotion of sustainable development is  
11 in the long-term interests of the United States. Sustain-  
12 able development signifies broad-based, economic growth  
13 which protects the environment, enhances human capabili-  
14 ties, upholds democratic values, and improves the quality  
15 of life for current generations while preserving that oppor-  
16 tunity for future generations. The objectives of sustainable  
17 development are pursued by supporting the self-help ef-  
18 forts of people in developing countries to implement sound  
19 policies that increase self-reliance, equity, and productive  
20 capacity, to invest in their people, and build effective and  
21 accountable indigenous political, economic and social insti-  
22 tutions.

23           (b) SUSTAINABLE DEVELOPMENT OBJECTIVES.—  
24 The purposes described in subsection (a) can best be  
25 achieved through a balanced, participatory and com-

1 prehensive cooperation program targeted on the following  
2 four inter-dependent objectives—

3 (1) ENCOURAGING BROAD-BASED ECONOMIC  
4 GROWTH.—

5 (A) RATIONALE.—Broad-based economic  
6 growth signifies equitable and inclusive eco-  
7 nomic expansion in developing countries. Such  
8 growth is in the economic, political, and strate-  
9 gic interests of the United States because it  
10 permits countries to progress toward economic  
11 self-reliance, improve the living standards of  
12 their citizens, reduce the incidence of poverty,  
13 promote food security and nutritional well-  
14 being, slow population growth, and increase op-  
15 portunities for mutually beneficial international  
16 trade and investment. Broadly-based economic  
17 progress also improves the prospects for the  
18 spread of democracy and political pluralism.  
19 Economic stagnation or narrowly based-eco-  
20 nomic growth may fuel political instability and  
21 threaten international security and cooperation.

22 (B) OBJECTIVE.—Broadly-based, sustain-  
23 able growth requires, in addition to sound eco-  
24 nomic policies:

1 (i) investments in people, particularly  
2 poor people, in the form of health, nutri-  
3 tion, education, shelter and other critical  
4 social services;

5 (ii) a broader role for and access to  
6 markets for both women and men through  
7 improved policies that protect and advance  
8 economic rights for all citizens without re-  
9 gard to gender, race, religion, language or  
10 social status, increase self-reliance in meet-  
11 ing basic needs, and raise real incomes for  
12 poor people;

13 (iii) stronger and more accountable  
14 public and private institutions at the local  
15 and national level, and sound public invest-  
16 ments;

17 (iv) enhanced food security, including  
18 improved access to safe food and adequate  
19 nutrition through sustainable improve-  
20 ments in agriculture and post-harvest food  
21 preservation;

22 (v) sound debt management, including  
23 responsible relief as appropriate;

24 (vi) investments in people's productive  
25 capabilities, including measures to upgrade

1 people's technical and managerial knowl-  
2 edge and skills; and

3 (vii) measures to ensure that the poor  
4 have access to productive resources, includ-  
5 ing affordable and resource-conserving  
6 technologies, technical as well as market-  
7 related information, and credit, especially  
8 for small farms, small and micro-enter-  
9 prises, and the poorest self-employed sec-  
10 tor, and otherwise, fully participate in the  
11 benefits of growth in employment and in-  
12 come.

13 (2) PROTECTING THE GLOBAL ENVIRON-  
14 MENT.—

15 (A) RATIONALE.—The economic and social  
16 well-being and the security of the United  
17 States, indeed the health of our citizens, depend  
18 critically on the global environment and phys-  
19 ical resource base. Consumption patterns, sys-  
20 tems of industrial and agricultural production,  
21 demographic trends, and use of natural re-  
22 sources directly affect the sustainability of long-  
23 term development and growth, and of the eco-  
24 system. Development that does not take ac-  
25 count of its environmental consequences will not

1 be economically sustainable in the long run. Im-  
2 proved resource management is a critical ele-  
3 ment of a balanced pattern of development.  
4 Both developed and developing countries share  
5 responsibility to present and future generations  
6 for the rational and sustainable management of  
7 natural resources and for environmental protec-  
8 tion. Developing countries not only suffer from  
9 the consequences of environmental degradation,  
10 but also contribute to that degradation as they  
11 struggle to meet the basic needs of their people.  
12 Therefore, environmental sustainability cannot  
13 be secured without reducing poverty, nor can  
14 poverty be eliminated without sustainable man-  
15 agement of the natural resource base.

16 (B) OBJECTIVE.—Sustainable development  
17 programs authorized by this chapter should ad-  
18 dress the root causes of environmental harm,  
19 promote environmentally-sound patterns of  
20 growth and support improved management of  
21 natural resources and protection of the environ-  
22 ment. These activities shall include efforts to  
23 address urgent global environmental challenges,  
24 including the loss of biological diversity and  
25 global climate change, as well as efforts to ad-

1 dress significant environmental problems within  
2 countries and regions. Such efforts shall seek to  
3 promote sound environmental policies and prac-  
4 tices which simultaneously enhance long-term  
5 economic growth.

6 (3) SUPPORTING DEMOCRATIC PARTICIPA-  
7 TION.—

8 (A) RATIONALE.—It is in the national in-  
9 terest of the United States and in keeping with  
10 our democratic traditions to support democratic  
11 aspirations and values, foster the spread of en-  
12 during democratic institutions, and encourage  
13 universal respect for civil and human rights.  
14 The establishment of local governance, civil so-  
15 ciety and democratic institutions, including  
16 business associations and labor unions, is an es-  
17 sential element of the ability of nations to sus-  
18 tain development efforts.

19 (B) OBJECTIVE.—Sustainable development  
20 programs must help to build and strengthen or-  
21 ganizations and institutions that foster partici-  
22 pation in economic and political decisionmaking  
23 at the local and national levels. Such programs  
24 shall help promote: respect for human rights  
25 and the rule of law; an expanding role for non-

1 governmental and citizens organizations and  
2 their capacity to effectively participate in politi-  
3 cal and economic decisionmaking and to imple-  
4 ment development programs; means to enhance  
5 citizen access to public information; the ability  
6 of all citizens to choose freely their government  
7 and to hold that government accountable for its  
8 actions; efforts which advance legal, social, and  
9 economic equality for women, workers, and mi-  
10 norities; respect for the rights of women, work-  
11 ers, and minorities; and principles of tolerance  
12 among and within religious and ethnic groups.

13 (4) STABILIZING WORLD POPULATION  
14 GROWTH.—

15 (A) RATIONALE.—Excessive population  
16 growth rates, among other factors, aggravates  
17 poor health, perpetuates poverty, and inhibits  
18 saving and investment, particularly investments  
19 in people in the form of basic health, child sur-  
20 vival, and education services. Continued exces-  
21 sive growth in world population rates will un-  
22 dercut sustainable development efforts.  
23 Unsustainable population growth is directly tied  
24 to degradation of the natural resource base and  
25 the environment and contributes to economic

1           stagnation and political instability. The prob-  
2           lems associated with excessive population  
3           growth are interrelated with economic and so-  
4           cial inequities, particularly the low status of  
5           women, and patterns of resource consumption.  
6           Excessive population growth impedes develop-  
7           ment and retards progress on global issues of  
8           direct concern to the United States.

9           (B) OBJECTIVE.—The primary objectives  
10          are: to reduce population growth to rates that  
11          are consistent with sustainable, broadly-based  
12          development, to provide women and men with  
13          the means to freely and responsibly choose the  
14          number and spacing of their children, and to  
15          contribute to improved reproductive health.  
16          This calls for a focus on enhanced access to and  
17          quality of voluntary family planning services  
18          and reproductive health care. This also calls for  
19          strong and sustained programs in child survival  
20          and the prevention of HIV/AIDS. Improvement  
21          of female education and raising the economic  
22          and social status of women, carried out within  
23          the context of encouraging broad-based eco-  
24          nomic growth, are particularly important com-

1           plementary activities that contribute to these  
2           objectives.

3           (c) PRINCIPLES.—To achieve the objectives of this  
4 section, sustainable development programs authorized by  
5 this chapter shall be carried out in accordance with the  
6 following principles—

7           (1) POPULAR PARTICIPATION.—

8           (A) IN GENERAL.—Sustainable develop-  
9 ment depends for its success on the  
10 empowerment of people to make political and  
11 economic decisions. Participation, in the form of  
12 active involvement of program participants in  
13 the identification, design, implementation, and  
14 evaluation of development programs is critical  
15 to the success of those programs. Therefore, as-  
16 sistance under this chapter should incorporate  
17 the local-level perspectives of all participants,  
18 especially the rural and urban poor and women,  
19 in the identification, design, implementation,  
20 and evaluation of projects, programs, and devel-  
21 opment policies, as well as in the design of  
22 country assistance strategies and overall strate-  
23 gic objectives.

24           (B) ROLE OF WOMEN IN THE DEVELOP-  
25           MENT PROCESS.—The expansion of women's

1 opportunities is essential to reduce poverty,  
2 lower population growth and bring about effective  
3 and sustainable development. The active involvement  
4 of women in economic, political, and social activities  
5 is necessary to promote democracy and to assure sustainable  
6 development. Women, including local and indigenous women's  
7 groups, must be involved as agents as well as beneficiaries  
8 of change in all aspects of the development process. Women,  
9 therefore, should be integrally involved in policies, programs,  
10 and projects undertaken to achieve the objectives and purposes  
11 of this section.

14 (C) NONGOVERNMENTAL ORGANIZATIONS.—For development to be  
15 broad-based and sustainable, it is imperative to consult with,  
16 and fully engage in the policy and program planning process,  
17 nongovernmental organizations representative of, and knowledgeable  
18 about, local people and their interests. Nongovernmental  
19 organizations, including private voluntary organizations, cooperatives  
20 and credit unions, labor unions, women's groups, and indigenous  
21 local organizations, should be fully utilized in meeting the  
22 objectives and purposes of

1 this section through, among other things, regu-  
2 lar involvement in the formulation of develop-  
3 ment strategies for countries and sectors.

4 (D) UTILIZATION OF UNITED STATES IN-  
5 STITUTIONAL CAPABILITIES.—Programs under-  
6 taken to achieve the sustainable development  
7 objectives of this chapter should recognize and  
8 take advantage of—

9 (i) United States capabilities in  
10 science and technology;

11 (ii) access to education and training  
12 in United States colleges, universities, and  
13 technical training facilities; and

14 (iii) United States public sector exper-  
15 tise. This may be encouraged through,  
16 among other things, long-term collabora-  
17 tion between public and private institutions  
18 of science, technology, and education in the  
19 United States and developing countries.

20 (2) MANAGING FOR RESULTS.—

21 (A) IN GENERAL.—Assistance cannot sub-  
22 stitute for a developing country's own efforts to  
23 improve the lives of its people, nor can the  
24 United States afford to provide assistance  
25 which does not yield enduring results in terms

1 of improving the lives of the poor, encourage a  
2 stable and prosperous global order, and contrib-  
3 ute to the interests of the people of the United  
4 States.

5 (B) COUNTRY REQUIREMENTS.—Sustain-  
6 able development programs under this chapter  
7 shall be concentrated in countries that have a  
8 demonstrated need for such programs, that will  
9 make effective use of such programs, and that  
10 have a commitment to achieving clear develop-  
11 ment objectives. Indicators of such countries in-  
12 clude the extent to which: there is a high inci-  
13 dence of hunger and poverty, there is an ena-  
14 bling environment in which government econom-  
15 ics and sound policies are conducive to accom-  
16 plishing the sustainable development objectives  
17 contained in subsection (b) of this section, gov-  
18 ernment decisionmaking is transparent, govern-  
19 ment institutions are accountable to the public,  
20 an independent and honest judiciary is main-  
21 tained, local government bodies are democrat-  
22 ically elected, and political parties, nongovern-  
23 mental organizations and the media operate  
24 without undue constraints.

1           (C) MEASURING RESULTS.—The United  
2 States assistance program under this chapter  
3 will assess the commitment and progress of  
4 countries in moving toward the sustainable de-  
5 velopment objectives contained in subsection (b)  
6 of this section and the contributions made to  
7 this progress by assistance provided under this  
8 chapter. The United States will establish open  
9 and transparent systems to monitor these re-  
10 sults, and will be prepared to shift scarce re-  
11 sources from unproductive programs, sectors or  
12 countries to those which have demonstrated the  
13 commitment and ability to use them effectively.

14           (3) INTERNATIONAL COORDINATION.—The  
15 United States shall seek wherever possible to  
16 coordinate its sustainable development program  
17 with other bilateral and multilateral donors, as  
18 well as with the private sector, in order to maxi-  
19 mize the effectiveness of resources allocated to  
20 sustainable development.

21 **SEC. 1103. VOLUNTARY COOPERATION IN DEVELOPMENT.**

22           (a) STATEMENT OF POLICY.—

23           (1) The sustained participation of United  
24 States private voluntary organizations, labor unions,  
25 cooperatives, and credit unions that are engaged in

1 activities that are relevant to the development needs  
2 of developing countries serves as an important  
3 means of improving the lives of the poor in those  
4 countries and enhances the likelihood that the goals  
5 of this title will be attained.

6 (2) The sustained participation of United  
7 States and overseas cooperatives and credit unions  
8 provides an opportunity for people in developing  
9 countries to participate directly in democratic deci-  
10 sionmaking for their economic and social benefit  
11 through ownership and control of business enter-  
12 prises and through the mobilization of local capital  
13 and saving. These organizations should be utilized in  
14 fostering democracy, free markets, self-help, and  
15 community-based development.

16 (3) Similarly, sustained participation of United  
17 States colleges and universities in the economic de-  
18 velopment programs of the developing countries and  
19 the building of indigenous university systems that  
20 support the educational, research, and service needs  
21 of their societies is vital to their achieving sustain-  
22 able economic growth and open democratic political  
23 systems and, at the same time, supports the inter-  
24 nationalization of United States educational institu-

1        tions by strengthening their faculty and the pro-  
2        grams available to their students.

3            (4) Such sustained participation would be en-  
4        hanced through provisions within the United States  
5        Agency for International Development to provide  
6        such organizations and institutions with the oppor-  
7        tunity to participate in the planning, development,  
8        implementation, and evaluation of programs that in-  
9        volve those organizations and institutions.

10        (b) PARTNERSHIP RELATIONSHIP.—The President is  
11        encouraged to establish a formal, effective, and continuing  
12        partnership relationship with private voluntary organiza-  
13        tions, cooperatives, and credit unions which have experi-  
14        ence in working in developing countries, and with United  
15        States colleges and universities, with the objective of en-  
16        hancing attainment of the goals set forth in this title. Indi-  
17        viduals who are from such organizations and institutions  
18        and who have expertise and administrative experience in  
19        programs relevant to the development needs of developing  
20        countries should be consulted on a regular basis so as to  
21        bring their expertise to bear on those objectives.

22        (c) AMERICAN SCHOOLS AND HOSPITALS.—The  
23        President is authorized to use funds made available to  
24        carry out the provisions of this Act for support of—

1           (1) schools and libraries, outside the United  
2 States, that are sponsored by United States citizens  
3 and serve as study and demonstration centers for  
4 ideas and practices of the United States, and

5           (2) hospital centers for medical education and  
6 research, outside the United States, that are spon-  
7 sored by United States citizens,

8 where such support is in furtherance of the objectives of  
9 this title.

10 **SEC. 1104. MICROENTERPRISE AND OTHER CREDIT PRO-**  
11 **GRAMS.**

12           Credit resources can be a cost-effective tool in foster-  
13 ing sustainable development where borrowers and projects  
14 are creditworthy and where the costs of such credit assist-  
15 ance are capable of being reasonably estimated. Subject  
16 to section 8202(i), the President is authorized to provide  
17 assistance for credit programs in furtherance of the sus-  
18 tainable objectives, as follows:

19           (1) MICRO- AND SMALL ENTERPRISE DEVELOP-  
20 MENT.—To promote the full participation in a coun-  
21 try's economy by all members of society through in-  
22 creased access to formal financial markets.

23           (2) SHELTER, URBAN DEVELOPMENT, AND EN-  
24 VIRONMENTAL INFRASTRUCTURE.—To address  
25 needs for shelter, urban services and facilities, and

1 urban environmental management systems, including  
2 water treatment and waste disposal systems.

3 (3) OTHER PROJECTS AND PROGRAMS.—To  
4 carry out other purposes of this chapter that can be  
5 met with credit resources.

6 **SEC. 1105. AVAILABILITY OF FUNDS.**

7 The President is authorized to carry out programs  
8 in support of the sustainable development objectives of  
9 this chapter. Funds shall be available to carry out the pro-  
10 visions of this chapter as authorized and appropriated to  
11 the President each fiscal year.

12 CHAPTER 2—DEVELOPMENT FUND FOR AFRICA

13 **SEC. 1201. SUSTAINABLE DEVELOPMENT PROGRAMS FOR**  
14 **SUB-SAHARAN AFRICA.**

15 (a) STATEMENT OF POLICY.—

16 (1) Sub-Saharan Africa faces serious obstacles  
17 to sustainable development, including high levels of  
18 poverty, high levels of disease burden especially trop-  
19 ical diseases and HIV/AIDS, environmental degrada-  
20 tion, high population growth rates and, in some  
21 countries, civil conflicts that threaten the welfare of  
22 millions of people.

23 (2) Sub-Saharan Africa is also undergoing sig-  
24 nificant but fragile economic, social, and political  
25 change, including economic reforms and transition to

1 democracies, which hold promise of progress in sus-  
2 tainable development.

3 (3) Sub-Saharan Africa possesses numerous  
4 species, as well as major forest reserves, which will  
5 become increasingly threatened in the absence of  
6 sustainable development.

7 (4) The challenges facing sub-Saharan Africa  
8 require a steady, long-term approach to develop-  
9 ment, and therefore the purpose of the Development  
10 Fund for Africa shall continue to be to help the poor  
11 majority of men and women in sub-Saharan Africa  
12 to participate in a process of long-term development  
13 through economic growth that is equitable,  
14 participatory, environmentally sustainable and self-  
15 reliant.

16 (5) Experience has shown that in order to be  
17 effective and sustainable, assisted development  
18 projects and programs must be based on local con-  
19 sultation and involvement.

20 (6) By addressing the broad sustainable devel-  
21 opment objectives of encouraging broad-based eco-  
22 nomic growth, reducing excessive population growth  
23 rates, preserving the environment, and strengthening  
24 democratic governance and expanding popular par-  
25 ticipation, programs for sub-Saharan Africa can di-

1 rectly improve the lives of the poor majority of Afri-  
2 cans.

3 (b) LOCAL PERSPECTIVES.—In carrying out sustain-  
4 able development programs for sub-Saharan Africa, the  
5 local-level perspectives of the rural and urban poor, includ-  
6 ing women, in sub-Saharan Africa shall be taken into ac-  
7 count during the planning process for project and program  
8 assistance.

9 (c) AVAILABILITY OF FUNDS.—Funds appropriated  
10 to carry out the provisions of chapter 1 for sustainable  
11 development programs may be made available, in accord-  
12 ance with the provisions of that chapter, to carry out such  
13 programs for sub-Saharan Africa.

14 (d) RELATIONSHIP TO CERTAIN PROVISIONS OF  
15 LAW.—Assistance may be furnished for activities under  
16 this chapter notwithstanding sections 7201(a)(7) and  
17 8402 of this Act, and any similar provisions of law.

18 CHAPTER 3—ROLE OF RELATED PROGRAMS

19 **SEC. 1301. STATEMENT OF POLICY REGARDING ROLE OF**  
20 **INTERNATIONAL FINANCIAL INSTITUTIONS.**

21 (1) By fostering sound macroeconomic policies, the  
22 international financial institutions—

23 (A) further the interest of the United States in  
24 a free, open, and stable international economic and  
25 financial system; and

1           (B) encourage developing countries to partici-  
2           pate more fully in the world economy, thus expand-  
3           ing the opportunities for United States exports and  
4           investment.

5           (2) At the same time, structural and sectoral level  
6 reforms supported by the international financial institu-  
7 tions, and programs aimed at addressing such problems  
8 as basic education, environmental protection, health, and  
9 population, should reinforce the goals of United States  
10 sustainable development programs.

11          (3) The increasing coordination of the activities of the  
12 international financial institutions with those of bilateral  
13 assistance programs provides an opportunity for those in-  
14 stitutions to be informed of local perspectives, priorities,  
15 and capabilities best gained through decentralized, con-  
16 sultative processes.

17          (4) The United States should give priority to develop-  
18 ing an international consensus on good governance, ac-  
19 countability and transparency, the rule of law, and public  
20 participation as central to the development process.

21          (5) The ability of international financial institutions  
22 to serve these ends depends on maintenance of strong  
23 United States influence in them and fulfillment of United  
24 States financial commitments.

1 **SEC. 1302. STATEMENT OF POLICY REGARDING ROLE OF**  
2 **PEACE CORPS.**

3 (1) The purposes of the Peace Corps, as set forth  
4 in the Peace Corps Act, are consistent with a fundamental  
5 objective of this Act—to broaden the participation of peo-  
6 ple in developing countries in the economic and social life  
7 of their countries.

8 (2) The benefits provided by both the sustainable de-  
9 velopment programs authorized by this Act and programs  
10 authorized by the Peace Corps Act will be enhanced by  
11 collaboration that, while not infringing on the traditional  
12 autonomy of the Peace Corps, recognizes that the ability  
13 of the Peace Corps to address issues of concern to the  
14 people of developing countries at the grassroots level com-  
15 plements the programs authorized by this Act.

16 **SEC. 1303. STATEMENT OF POLICY REGARDING ROLE OF**  
17 **AFRICAN DEVELOPMENT AND INTER-AMER-**  
18 **ICAN FOUNDATIONS.**

19 (1) The purposes of the Inter-American Foundation  
20 and the African Development Foundation as set forth in  
21 sections 401(b) and 504 of their respective Acts are con-  
22 sistent with fundamental premises of sustainable develop-  
23 ment programs, such as the need to expand the participa-  
24 tion of individuals in social and economic institutions so  
25 that they have a stake in the resolution of social and eco-  
26 nomic issues.

1           (2) Both Foundations have demonstrated that sus-  
2 tainable development may be fostered at the local level by  
3 responding to the expressed needs of the people who live  
4 and work in the local community, and providing them with  
5 the means to carry out their own development initiatives.

6           (3) By working at the grassroots level to enhance in-  
7 comes, expand social benefits, and encourage increased  
8 participation, the programs of the African Development  
9 Foundation and the Inter-American Foundation, while  
10 independent, are part of an overall framework of support  
11 for developing countries which aims to see sustainable de-  
12 velopment occur at the local and the national levels.

13 **SEC. 1304. STATEMENT OF POLICY REGARDING ROLE OF**  
14                           **PUBLIC LAW 480 NON-EMERGENCY TITLE II**  
15                           **AND TITLE III PROGRAMS.**

16       STATEMENT OF POLICY.—

17           (1) The use of United States agricultural com-  
18 modities through the Public Law 480 non-emergency  
19 title II program, serves the dual purposes of sup-  
20 porting the efforts of poor countries to meet their  
21 need for additional food resources while at the same  
22 time promoting the long-term sustainable develop-  
23 ment efforts of those countries.

24           (2) By giving priority through the Public Law  
25 480 title III program to those least developed, food

1 deficit countries with high levels of malnutrition that  
2 have long-term plans for broad-based equitable and  
3 sustainable development and a demonstrated com-  
4 mitment and capacity to use food assistance effec-  
5 tively, these programs show a consistency of purpose  
6 with the sustainable development programs author-  
7 ized by this Act.

8 TITLE II—BUILDING DEMOCRACY

9 **SEC. 2001. FINDINGS AND STATEMENT OF POLICY.**

10 (a) FINDINGS.—

11 (1) There is a growing worldwide movement to-  
12 ward more open, just and democratic societies. This  
13 trend is essential to achieving the United States ul-  
14 timate objective of worldwide respect for human rights  
15 and fundamental freedoms without distinction as to  
16 race, sex, language or religion. At the same time,  
17 this trend holds great promise for promoting the  
18 peace of the world and the foreign policy, security,  
19 and general welfare of the United States.

20 (2) Expansion of democratic values and systems  
21 must be promoted through bilateral, multilateral,  
22 and people-to-people programs with the sustained  
23 assistance and moral support of the international  
24 community, and of the established democracies in  
25 particular.

1           (3) Democratic development takes time to take  
2           root in society and in the political system. There is  
3           a need for the international community to assist in  
4           the consolidation of democratic values, practices and  
5           institutions to prevent the reversal of democratic  
6           trends.

7           (4) Frequently, newly democratizing countries  
8           are beset by ethnic conflicts, resurgent nationalism  
9           and anti-democratic movements, and political reac-  
10          tion to economic reform. A growing number of coun-  
11          tries seek to end years of protracted internal conflict  
12          through the implementation of internationally-sanc-  
13          tioned political settlements, designed to create a  
14          democratic form of governance, a durable peace, and  
15          the institutional requisites for long-term develop-  
16          ment.

17          (5) Furthermore, democratic institutions in  
18          countries where democracy has taken root can be  
19          similarly threatened by regional and civil unrest, and  
20          other threats to international peace and security.

21          (6) Narcotics trafficking, terrorism and other  
22          forms of international crime—and the corruption  
23          that they engender of political, administrative and  
24          other democratic institutions—pose similar threats  
25          to such countries, and efforts to combat these

1 scourges need to be integrated into and coordinated  
2 with broader efforts to develop and consolidate  
3 democratic institutions.

4 (7) To advance, countries in such circumstances  
5 may require international assistance not normally in-  
6 cluded in humanitarian relief programs, peacekeep-  
7 ing operations, or long-term development programs,  
8 and the international community needs to be able to  
9 respond swiftly to meet such needs.

10 (8) Failure by the United States to respond ef-  
11 fectively to threats to democracy and human rights  
12 abroad could risk important United States interests,  
13 jeopardize substantial savings in United States de-  
14 fense that a more democratic and predictable world  
15 will bring, imperil United States investments and  
16 economic reforms that will result in trade and eco-  
17 nomic benefits to the United States, and heighten  
18 the risk that many transitions might ultimately fail  
19 and generate costly humanitarian emergencies.

20 (9) Accordingly, the United States must have  
21 the capacity to respond rapidly, effectively, and in  
22 an integrated fashion to the new opportunities and  
23 challenges associated with democratic development.

24 (b) STATEMENT OF POLICY.—

1           (1) In addition to promoting strong democratic  
2 societies as an integral part of the sustainable devel-  
3 opment programs authorized under title I of this  
4 Act, it should be the policy of the United States to  
5 assist countries making the transition to democracy,  
6 and countries where democratic gains are threat-  
7 ened, by providing timely assistance in building ef-  
8 fective democratic institutions and free market  
9 economies.

10           (2) At the same time, the promotion of democ-  
11 racy is the responsibility of the global community.  
12 The United States should give priority to working  
13 bilaterally and multilaterally to ensure commitment  
14 of substantial resources toward the promotion of de-  
15 mocracy in transitional countries, and to coordinat-  
16 ing policies and programs among institutions and  
17 donors.

18           CHAPTER 1—PROMOTING DEMOCRACY

19           Subchapter A—Countries in Transition

20   **SEC. 2101. AUTHORITY.**

21           The President may provide assistance under this sub-  
22 chapter for countries—

23           (1) that have recently emerged or are in the  
24 process of emerging as democratic societies; or

1           (2) that have recently emerged or are emerging  
2           from civil strife and either have a democratically-  
3           elected government or are making progress toward  
4           developing a democratic form of government; or

5           (3) where democratic progress or institutions  
6           are threatened.

7   **SEC. 2102. OBJECTIVES AND TYPES OF ASSISTANCE.**

8           (a) OBJECTIVES.—Programs under this subchapter  
9           should be designed to facilitate the worldwide trend to-  
10          ward more open, just and democratic societies, and may  
11          include programs to—

12           (1) promote the development of functioning  
13          democratic institutions and political pluralism, in-  
14          cluding programs to facilitate—

15           (A) establishment of fully democratic and  
16          representative political systems based on free  
17          and fair elections that permit multi-party par-  
18          ticipation;

19           (B) protection of basic human rights and  
20          fundamental liberties and individual freedoms  
21          including freedom of speech, religion and asso-  
22          ciation, access to information and public par-  
23          ticipation in decisionmaking;

24           (C) development of legal, legislative, con-  
25          stitutional, electoral, journalistic, educational,

1 and other institutions, both governmental and  
2 nongovernmental which are essential elements  
3 of civil society in free pluralistic societies;

4 (D) establishment and professional devel-  
5 opment of non-partisan military, security and  
6 police forces, accountable to civil authorities;

7 (E) development of intercommunal conflict  
8 resolution mechanisms; and

9 (F) strengthening of policy making skills  
10 and accountability of democratic governments.

11 (2) address political, economic and humani-  
12 tarian needs that arise in connection with transi-  
13 tions, or that if unmet undermine or threaten demo-  
14 cratic institutions; and

15 (3) help meet security challenges on a transi-  
16 tional basis that threaten to impede or reverse demo-  
17 cratic reforms or institutions.

18 (b) Assistance may only be provided to military or  
19 law enforcement forces under this subchapter—

20 (1) to orient militaries or law enforcement  
21 agencies to their respective roles in a democratic  
22 order, including through training, contacts with  
23 counterparts in established democracies, and other  
24 programs designed to enhance respect for human

1 rights and understanding of principles of civilian  
2 control in a democratic society;

3 (2) to enhance the practical accountability of  
4 law enforcement agencies to civil justice institutions;

5 (3) to promote demilitarization of society,  
6 through programs aimed at demobilization, down-  
7 sizing, and rationalization and professionalization of  
8 military structures; or

9 (4) to the extent otherwise permitted under sec-  
10 tion 7104 of this Act; or

11 (5) to meet the challenges described in sub-  
12 section (a)(3).

13 In providing assistance under this subsection the Presi-  
14 dent shall consider the extent to which the recipients dem-  
15 onstrate a commitment to respect human rights and fun-  
16 damental freedoms.

17 **SEC. 2103. AVAILABILITY OF FUNDS; AUTHORITIES.**

18 (a) AVAILABILITY OF FUNDS.—Funds shall be avail-  
19 able to carry out the provisions of this subchapter as au-  
20 thorized and appropriated to the President each fiscal  
21 year. The amount of funds that are authorized and appro-  
22 priated to carry out the provisions of this subchapter that  
23 may be made available for assistance administered  
24 through the Department of Defense shall be authorized  
25 and appropriated separately.

1 (b) AUTHORITY.—Assistance may be provided under  
2 this subchapter notwithstanding any other provision of  
3 law.

4 Subchapter B—Independent States of the Former Soviet  
5 Union

6 **SEC. 2201. STATEMENT OF POLICY.**

7 (1) The international community has an unparalleled  
8 stake in the success of the democratic and economic trans-  
9 formation taking place in the independent states of the  
10 former Soviet Union, and the integration of those states  
11 into the community of peaceful and democratic nations.

12 (2) United States programs that facilitate this proc-  
13 ess constitute and should be seen as critical investments  
14 in America's future. The people of the United States and  
15 the independent states share an interest in ensuring that  
16 assistance is focused on programs that will have lasting  
17 effect, that support an ongoing process which can survive  
18 the buffeting of political and economic setbacks, and that  
19 lay a broad foundation for reform that is not dependent  
20 on the success or failure of particular initiatives.

21 (3) United States leadership in supporting reform in  
22 the independent states will remain critical. At the same  
23 time, the United States must work closely with allies and  
24 international institutions to ensure that international sup-  
25 port for reform in these states is coordinated, and that

1 the costs of programs to support the ongoing trans-  
2 formation is allocated fairly among those with a shared  
3 stake in its success.

4 (4) The establishment and development of democratic  
5 institutions and market economies in the independent  
6 states of the former Soviet Union present among the most  
7 important foreign policy challenges of our times. Failure  
8 to meet these challenges could threaten United States na-  
9 tional security interests and jeopardize substantial savings  
10 in United States defense. Success will generate trade and  
11 investment opportunities for American businesses from  
12 which the United States stands to reap enduring employ-  
13 ment and other economic benefits, and the prospects of  
14 a more peaceful and stable world having lasting benefits  
15 for all.

16 **SEC. 2202. AVAILABILITY OF FUNDS.**

17 Funds shall be available to carry out the provisions  
18 of this subchapter as authorized and appropriated to the  
19 President each fiscal year. Such funds may be made avail-  
20 able on the same basis as funds authorized to be appro-  
21 priated for fiscal year 1993 under chapter 11 of part I  
22 of the Foreign Assistance Act of 1961. Such funds shall  
23 be considered to be assistance under this Act for purposes  
24 of making available the administrative authorities con-  
25 tained in this Act.

## 1 Subchapter C—Central and Eastern Europe

2 **SEC. 2301. STATEMENT OF POLICY.**

3 It should be the policy of the United States to con-  
4 tinue to facilitate the reintegration of Central and East  
5 European countries into the community of democratic na-  
6 tions based on free enterprise, market economies. United  
7 States assistance programs can continue to make a sub-  
8 stantial contribution to these objectives by building on ear-  
9 lier initiatives, including important ongoing initiatives that  
10 were established under the Support for East European  
11 Democracy (SEED) Act of 1989. In furtherance of these  
12 objectives, the United States should support economic and  
13 political reform in Central and East European countries  
14 by making available assistance for SEED Actions as au-  
15 thorized by the SEED Act and for assistance provided  
16 under the authorities of this Act to such countries that  
17 are taking steps toward—

18 (1) constitutional democracy and political plu-  
19 ralism, based on progress toward free and fair elec-  
20 tions, and a multi-party political system;

21 (2) economic reform, based on progress toward  
22 a market-oriented economy;

23 (3) respect for internationally recognized  
24 human rights, and the protection of fundamental

1 civil liberties based on progress toward democratic  
2 and independent judicial institutions; and

3 (4) a willingness to build, or continue, a con-  
4 structive and lasting relationship with the United  
5 States based on shared values and principles.

6 **SEC. 2302. AVAILABILITY OF FUNDS.**

7 Funds shall be available to carry out the provisions  
8 of this subchapter as authorized and appropriated to the  
9 President each fiscal year. Such funds shall be considered  
10 to be assistance under this Act for purposes of making  
11 available the administrative authorities contained in this  
12 Act.

13 CHAPTER 2—INFORMATION AND EXCHANGE

14 **SEC. 2401. POLICY.**

15 (a) IN GENERAL.—The fostering of democratic soci-  
16 eties, values, and institutions abroad is crucial to the fu-  
17 ture security and prosperity of the United States. Infor-  
18 mation and exchange programs carried out by the United  
19 States are central to fostering such democratic values and  
20 encouraging the development of democratic institutions  
21 and processes around the world.

22 (b) ROLE OF PROGRAMS CONDUCTED BY USIA.—  
23 Programs administered by the United States Information  
24 Agency should support democratization abroad through  
25 the communication of knowledge and the exchange of peo-

1 ple, ideas and values, and should promote, through in-  
2 country personal contacts, exchanges, training programs,  
3 and informational activities, a better understanding of the  
4 nature of democracy in such areas as—

5 (1) the role of the citizen and government in  
6 democracy and civil society;

7 (2) the principles of a free market economy;

8 (3) respect for the rule of law;

9 (4) the free flow of information;

10 (5) free and fair elections;

11 (6) responsible and representative local govern-  
12 ment; and

13 (7) democratic reform of education.

14 TITLE III—PROMOTING PEACE

15 **SEC. 3001. STATEMENT OF POLICY.**

16 (1) For over forty years the specter of international  
17 communism weighed heavily on United States economic  
18 and military assistance priorities. The collapse of com-  
19 munism and the end of the Cold War have opened up new  
20 possibilities for international cooperation to contain and,  
21 more importantly, to prevent conflict, thereby creating the  
22 opportunity for realizing international peace and security.

23 (2) Political destabilization, prompted in part by the  
24 demise of communism, has also unleashed long suppressed  
25 internal and regional conflict in Eastern Europe, the

1 former Soviet Union, and elsewhere. At the same time,  
2 the proliferation of weapons of mass destruction and tech-  
3 nologies poses unrelenting challenges for peace and secu-  
4 rity that the international community cannot afford to ig-  
5 nore.

6 (3) In addition, the transnational scourges of narcot-  
7 ics trafficking, terrorism and other international criminal  
8 activity threaten at the most fundamental level the ability  
9 of Americans and others to live their lives in safety.

10 (4) To address such problems during this historic  
11 transition in post-Cold War world affairs, United States  
12 bilateral and multilateral assistance under this title will  
13 be a necessary complement to effective diplomacy and  
14 international efforts to secure lasting peace. Failure to in-  
15 vest at this time in programs designed to prevent conflict,  
16 and to promote international peace and security, threatens  
17 the prospects for substantial savings in United States de-  
18 fense and other expenditures in the future.

19 CHAPTER 1—PEACEKEEPING AND RELATED PROGRAMS

20 **SEC. 3101. STATEMENT OF POLICY.**

21 (1) In the wake of the Cold War, serious threats per-  
22 sist to the security and interests of the United States, and  
23 a range of conflicts within and among states and other  
24 humanitarian disasters continue to threaten international  
25 peace and security, undermine the stability of regions in

1 the world, generate disruptive flows of refugees, and cause  
2 human suffering on a large scale. When the interests of  
3 the United States are at stake, including its treaty obliga-  
4 tions and humanitarian concerns, it will rely on a variety  
5 of unilateral, bilateral, and multilateral means to respond  
6 to such conflicts and crises.

7       (2) Diplomacy by our Nation and others can prevent  
8 or ameliorate foreign conflicts, crises, and breaches of the  
9 peace that could impose higher costs and burdens on the  
10 United States if left unaddressed. It is therefore the inten-  
11 tion of the Congress through United States leadership to  
12 promote the security, welfare, and other foreign policy  
13 goals of the United States by supporting timely, preventive  
14 diplomatic efforts, unilaterally and in conjunction with  
15 other nations.

16       (3) The United States reaffirms its support for ap-  
17 propriate peace operations when they advance United  
18 States interests, including the fulfillment of United States  
19 treaty obligations, or foreign policy goals, such as encour-  
20 aging the spread of democratic and market institutions,  
21 and addressing grave humanitarian crises. A decision to  
22 support or participate in such operations should always  
23 be based on an assessment by the United States Govern-  
24 ment as to whether United States interests are best served  
25 by doing so.

1 **SEC. 3102. GENERAL AUTHORITY.**

2 (a) IN GENERAL.—The President is authorized—

3 (1) to pay assessed and other contributions and  
4 expenses of international peacekeeping activities and  
5 other international activities directed to the mainte-  
6 nance or restoration of international peace and secu-  
7 rity, including the provision of related humanitarian  
8 relief; and

9 (2) to furnish assistance to foreign countries,  
10 and international and regional organizations and ar-  
11 rangements for peacekeeping, international activities  
12 directed to the restoration or maintenance of inter-  
13 national peace and security and other programs car-  
14 ried out in furtherance of the national interest of the  
15 United States.

16 (b) AVAILABILITY OF FUNDS.—

17 (1) Funds shall be available to carry out the  
18 provisions of subsection (a)(1) as authorized and ap-  
19 propriated to the President each fiscal year.

20 (2) Funds shall be available to carry out the  
21 provisions of subsection (a)(2) as authorized and ap-  
22 propriated to the President each fiscal year.

23 (3) If the President determines and reports to  
24 Congress that doing so would promote the purposes  
25 of this chapter, funds made available under either  
26 paragraph (1) or (2) may be transferred to, and

1 consolidated with, funds available for the other such  
2 paragraph, and may be used for any of the purposes  
3 for which funds under that paragraph may be used.

4 (c) AUTHORITY.—Funds made available to carry out  
5 this chapter may be made available notwithstanding any  
6 provisions of law that restrict assistance to foreign coun-  
7 tries.

8 **SEC. 3103. DRAWDOWN AUTHORITIES.**

9 (a) UNFORESEEN EMERGENCIES.—If the President  
10 determines that, as the result of an unforeseen emergency,  
11 the provision of assistance under this chapter in amounts  
12 in excess of funds otherwise available for such purposes  
13 is important to the national interests of the United States,  
14 the President may direct the drawdown of articles and  
15 services, of an aggregate value not to exceed \$100,000,000  
16 in any fiscal year, from the inventory and resources of any  
17 agency of the United States Government.

18 (b) REIMBURSEMENT.—There are authorized to be  
19 appropriated to the President such sums as may be nec-  
20 essary to reimburse the applicable appropriation, fund, or  
21 account for articles and services provided under this sec-  
22 tion.

## 1 CHAPTER 2—NONPROLIFERATION AND DISARMAMENT

## 2 FUND

3 **SEC. 3201. STATEMENT OF POLICY.**

4 One of the principal threats to the security of the  
5 United States in the post-Cold War era is the risk of pro-  
6 liferation of deadly weapons—nuclear, chemical, biologi-  
7 cal, and advanced conventional weapons—as well as their  
8 delivery systems. The United States should give high pri-  
9 ority to pursuing arms control agreements and preventing  
10 proliferation by supporting and enhancing bilateral and  
11 multilateral efforts to—

12 (1) establish effective controls on destabilizing  
13 weapon systems and materials;

14 (2) dismantle existing systems;

15 (3) create verifiable safeguards and regimes and  
16 effective export controls on related technologies and  
17 materials; and

18 (4) increase the effectiveness and help ensure  
19 the implementation of existing nonproliferation and  
20 arms control agreements, particularly in the states  
21 of the former Soviet Union and in Central and East-  
22 ern Europe.

23 **SEC. 3202. PROVISION OF ASSISTANCE.**

24 Assistance may be provided under this chapter to fa-  
25 cilitate—

1           (1) supporting the dismantlement and destruc-  
2           tion of nuclear, biological, and chemical weapons,  
3           their delivery systems, and conventional weapons;

4           (2) supporting bilateral and multilateral efforts  
5           to halt the proliferation of nuclear, biological, and  
6           chemical weapons, their delivery systems, related  
7           technologies, and other weapons;

8           (3) establishing programs for safeguarding  
9           against the proliferation of nuclear, biological, chem-  
10          ical and other weapons;

11          (4) establishing programs for preventing diver-  
12          sion of weapons-related scientific and technical ex-  
13          pertise to terrorist groups or to third countries;

14          (5) increasing effectiveness of existing non-  
15          proliferation and arms control agreements and pro-  
16          motion of arms control and security in regions of  
17          tension;

18          (6) assisting international agencies in the appli-  
19          cation of nonproliferation treaty safeguards, in the  
20          verification of international nonproliferation regimes,  
21          and in the promotion of peaceful uses of technologies  
22          and materials related to such weapons; and

23          (7) establishing programs for facilitating the  
24          conversion of military technologies and capabilities  
25          and defense industries into civilian activities.

1 **SEC. 3203. AVAILABILITY OF FUNDS.**

2 Funds shall be available to carry out the provisions  
3 of this chapter as authorized and appropriated to the  
4 President each fiscal year.

5 **SEC. 3204. DRAWDOWN AUTHORITIES.**

6 (a) UNFORESEEN EMERGENCIES.—If the President  
7 determines that it is in the national interest of the United  
8 States to provide assistance under this chapter in amounts  
9 in excess of funds otherwise available under this chapter  
10 for such purposes, the President may direct the articles  
11 and services, of an aggregate value not to exceed  
12 \$100,000,000 in any fiscal year, from the inventory and  
13 resources of any agency of the United States Government.

14 (b) REIMBURSEMENT.—There are authorized to be  
15 appropriated to the President such sums as may be nec-  
16 essary to reimburse the applicable appropriation, fund, or  
17 account for articles and services provided under this sec-  
18 tion.

19 CHAPTER 3—REGIONAL PEACE, SECURITY AND  
20 DEFENSE COOPERATION

21 **SEC. 3301. STATEMENT OF POLICY.**

22 (1) During the Cold War, regional conflicts were  
23 often inspired by hegemonist aspirations of aggressive  
24 communism. In the post-Cold War era, regional and inter-  
25 nal conflicts, fueled by more discrete problems such as eth-  
26 nic discord, competing territorial claims and other sources

1 of tension, persist and are among the greatest threats and  
2 barriers to the achievement of international peace and sta-  
3 bility, and a safe and lawful world order.

4 (2) Prudent investment of United States resources to  
5 assist, through bilateral and collective efforts, in prevent-  
6 ing or containing armed conflict, in restoring peace and  
7 stability, and in addressing the sources of conflict, is es-  
8 sential for achieving a peaceful world.

9 (3) Recent successes in the Near East exemplify the  
10 value of United States dedication to resolving conflict in  
11 an area whose security and stability is of vital interest to  
12 the United States:

13 (A) To permit continued progress in reaching a  
14 full settlement and a comprehensive, just and lasting  
15 peace between Israel and its Arab neighbors, the  
16 United States must assist Israel in maintaining ade-  
17 quate defense capabilities to ensure its territorial in-  
18 tegrity and continued survival.

19 (B) Recognizing that the success of the agree-  
20 ment between Israel and the Palestine Liberation  
21 Organization will depend in large measure on pro-  
22 moting economic development and improving the  
23 well-being of people of the West Bank and Gaza, the  
24 United States should lead in building peace and  
25 prosperity in the Near East through bilateral assist-

1       ance and by encouraging multilateral and other do-  
2       nors to contribute the necessary resources to pro-  
3       mote sustainable economic development throughout  
4       that region.

5       (4) The United States must also build security part-  
6       nerships with other allies and friendly nations to assist  
7       in their maintaining adequate capabilities to preserve in-  
8       ternal security, as well as to engage in collective defense  
9       efforts against states that seek territorial expansion or re-  
10      gional hegemony.

11      (5) Furthermore, to contribute to an international re-  
12      sponse capability, the United States recognizes the need  
13      to provide urgent and immediate assistance, bilaterally  
14      and multilaterally, to contain and resolve conflicts. To re-  
15      spond to such urgent challenges and to promote inter-  
16      national vigilance in order to stem incipient regional con-  
17      flicts worldwide, the United States sees great value in  
18      maintaining alliances, coalitions and other cooperative de-  
19      fense relationships that permit more effective collective de-  
20      fense efforts.

21      (6) As more conflicts are resolved, and as peacetime  
22      conditions permit, continued United States assistance  
23      under this chapter should focus increasingly on conflict  
24      prevention and the promotion of regional arms control,  
25      with an emphasis on nonproliferation and defense edu-

1 cation and training appropriate for a revised military role  
2 in a more peaceful and stable world.

3 **SEC. 3302. AUTHORITY AND PURPOSES.**

4 Assistance under this chapter may be provided for the  
5 following purposes—

6 (1) to support and promote the process of re-  
7 solving conflict and establishing a just and lasting  
8 peace, to contribute to the development of institu-  
9 tions of democratic government, and to meet eco-  
10 nomic, political and security needs, in the Near  
11 East;

12 (2) to meet immediate threats to international  
13 peace and security posed by regional and internal  
14 conflicts through bilateral or multilateral collective  
15 defense efforts, and to meet other political, economic  
16 and humanitarian threats to security; and

17 (3) to enhance the ability of countries world-  
18 wide willing to share the burden of contributing to  
19 regional alliances, coalition operations, and other col-  
20 lective security efforts to counter threats to and  
21 maintain international peace and security.

22 **SEC. 3303. CONSIDERATIONS IN PROVIDING DEFENSE CO-**  
23 **OPERATION ASSISTANCE.**

24 In providing assistance under this chapter, the Presi-  
25 dent should take into account the desirability of shifting

1 resources away from the provision of defense articles to  
2 economic development purposes as rapidly as is warranted  
3 by the easing of threats to regional peace and security,  
4 and the need to maintain ongoing defense relations.

5 **SEC. 3304. AVAILABILITY OF FUNDS.**

6 Funds shall be available to carry out the provisions  
7 of this chapter as authorized and appropriated to the  
8 President each fiscal year. The amount of funds that are  
9 authorized and appropriated to carry out the provisions  
10 of this chapter that may be made available for assistance  
11 administered through the Department of Defense shall be  
12 authorized and appropriated separately.

13 CHAPTER 4—INTERNATIONAL NARCOTICS TRAFFICKING,  
14 TERRORISM AND CRIME PREVENTION

15 **SEC. 3401. STATEMENT OF POLICY.**

16 (1) International criminal activities, particularly  
17 international narcotics trafficking and international ter-  
18 rorism, pose insidious, unparalleled transnational threats  
19 in the post-Cold War period, and endanger stability and  
20 democratic development.

21 (2) The political and economic upheavals triggered  
22 worldwide by international narcotics and crime-related vio-  
23 lence and corruption have had a devastating effect in the  
24 United States and elsewhere, and make the prevention and  
25 suppression of such international criminal activities

1 among the most important foreign policy objectives of the  
2 United States.

3 (3) Failure to address the problems of narcotics traf-  
4 ficking and related illicit activities will lead inevitably to  
5 further and intensified crime, violence, corruption, disease  
6 and poverty.

7 (4) The threats posed by terrorism to international  
8 peace and security and a stable, safe world order are  
9 equally profound, and must be combatted through effec-  
10 tive international cooperation, including the provision of  
11 training and equipment.

12 (5) The war against narcotics trafficking, inter-  
13 national terrorism and other forms of international crimi-  
14 nal activity requires the provision of bilateral and multilat-  
15 eral assistance by the United States, including as appro-  
16 priate through defense establishments, and can be waged  
17 most successfully by enlisting broad-based international  
18 cooperation that facilitates flexible responses to stem all  
19 such activity.

20 (6) In order to combat such activities, it is imperative  
21 that international cooperation be improved, and efforts in  
22 this regard should include assistance to promote enhanced  
23 police investigative techniques, prosecutorial and defense  
24 skills, and judicial training and administration.

1 **SEC. 3402. AUTHORITIES.**

2 Assistance under this chapter may be provided for the  
3 following purposes—

4 (1) to control narcotics and psychotropic drugs  
5 and other controlled substances including through  
6 programs to promote alternative development, and  
7 including through enforcement, demand reduction  
8 and treatment programs;

9 (2) to enhance the rule of law and the ability  
10 of law enforcement and, as appropriate, defense per-  
11 sonnel of foreign countries to combat international  
12 criminal activity including corruption, money laun-  
13 dering, economic crimes, illegal trade, narcotics  
14 manufacturing and trafficking and terrorism;

15 (3) to enhance anti-terrorism skills of foreign  
16 law enforcement and, as appropriate, defense per-  
17 sonnel to deter terrorists and terrorist groups from  
18 engaging in international terrorist acts such as  
19 bombing, kidnapping, assassination, hostage-taking  
20 and hijacking; and

21 (4) to provide concrete anti-crime, anti-terror-  
22 ism and anti-narcotics assistance to friendly coun-  
23 tries to strengthen bilateral ties and to increase re-  
24 spect for human rights by sharing with foreign civil  
25 authorities modern, humane and effective anti-crime  
26 and anti-terrorism techniques; and

1           (5) to combat through effective cooperation  
2 international criminal activity, including organized  
3 crime and its role in attempting to influence the  
4 process of government, and to increase international  
5 awareness of the need for concerted efforts through  
6 bilateral and multilateral means, such as the United  
7 Nations Commission on Crime Prevention and  
8 Criminal Justice; and

9           (6) to promote international criminal justice, in-  
10 cluding through assistance to promote enhanced po-  
11 lice investigative techniques, prosecutorial and de-  
12 fense skills, and judicial training and administration.

13 **SEC. 3403. PROVISIONS RELATED TO ANTI-NARCOTICS PRO-**  
14 **GRAMS.**

15           (a) FURNISHING ASSISTANCE.—The President is au-  
16 thorized to furnish assistance under this chapter for the  
17 purposes of controlling narcotic and psychotropic drugs  
18 and other controlled substances notwithstanding any other  
19 provision of law, and is authorized to furnish narcotics-  
20 related assistance under other provisions of this title not-  
21 withstanding any other provision of law that restricts as-  
22 sistance to foreign countries (except section 7201(a)(6)).

23           (b) AGREEMENTS WITH OTHER COUNTRIES.—In  
24 order to promote cooperation for the purposes of this  
25 chapter, the President is authorized to conclude agree-

1 ments, including reciprocal maritime agreements, with  
2 other countries to facilitate control of the production,  
3 processing, transportation, and distribution of narcotics  
4 analgesics, including opium and its derivatives, other nar-  
5 cotic and psychotropic drugs, and other controlled sub-  
6 stances.

7 (c) CONTRIBUTION BY RECIPIENT COUNTRY TO  
8 COUNTER-NARCOTICS EFFORTS.—To ensure local com-  
9 mitment to the anti-narcotics activities assisted under this  
10 chapter, the government of a country receiving such assist-  
11 ance under this chapter should bear an appropriate share  
12 of the costs of any narcotics control program, project, or  
13 activity for which such assistance is to be provided. The  
14 government of a country may bear such costs on an “in  
15 kind” basis.

16 (d) USE OF HERBICIDES FOR AERIAL ERADICATION  
17 OF NARCOTICS.—The President, with the assistance of ap-  
18 propriate Federal agencies, shall monitor the use of any  
19 herbicides provided under this chapter for aerial eradi-  
20 cation in order to determine the impact of such use on  
21 the environment and on the health of individuals.

22 (e) LIMITATIONS ON USES OF AIRCRAFT AND OTHER  
23 EQUIPMENT.—The President shall take all reasonable  
24 steps to ensure that aircraft and other equipment made  
25 available to foreign countries for purposes described in

1 section 3402(1) are used only in ways that are consistent  
2 with the purposes for which such equipment was made  
3 available. In the reports submitted pursuant to section  
4 7303, the President shall discuss any evidence indicating  
5 misuse by a foreign country of aircraft or other equipment  
6 made available for purposes described in section 3402(1),  
7 and the actions taken by the United States Government  
8 in accordance with this Act to prevent future misuse of  
9 such equipment by that foreign country.

10 (f) PROHIBITION ON ASSISTANCE TO DRUG TRAF-  
11 FICKERS.—The President shall take all reasonable steps  
12 to ensure that assistance under this Act is not provided  
13 to or through any individual or entity that has been con-  
14 victed of, or against whom a government has formal crimi-  
15 nal charges pending regarding, a violation of, or a conspir-  
16 acy to violate, any law or regulation of the United States,  
17 a State or the District of Columbia, or a foreign country,  
18 relating to narcotic or psychotropic drugs or other con-  
19 trolled substances. This subsection shall not be construed  
20 to restrict assistance that is provided under this Act to  
21 facilitate alternative development programs.

22 (g) COORDINATION OF ALL UNITED STATES ANTI-  
23 NARCOTICS ASSISTANCE.—Consistent with subtitle A of  
24 title I of the Anti-Drug Abuse Act of 1988, the Secretary  
25 of State shall be responsible for coordinating all assistance

1 provided by the United States Government to support  
2 international efforts to combat illicit narcotics production  
3 or trafficking. Nothing contained in this subsection shall  
4 be construed to limit or impair the authority or respon-  
5 sibility of any other Federal agency with respect to law  
6 enforcement, domestic security operations, or intelligence  
7 activities as defined in Executive Order 12333.

8 **SEC. 3404. PROVISIONS RELATED TO LAW ENFORCEMENT**  
9 **TRAINING.**

10 (a) TRAINING BY STATE DEPARTMENT PERSON-  
11 NEL.—Employees of the Department of State shall not en-  
12 gage in the training of law enforcement personnel for anti-  
13 terrorism programs under this chapter, with the exception  
14 of training (including short term refresher training) or  
15 services provided to law enforcement personnel by employ-  
16 ees of the Bureau of Diplomatic Security with regard to  
17 crisis management, facility security, or VIP protection.

18 (b) ASSISTANCE RELATING TO INTELLIGENCE AC-  
19 TIVITIES.—Anti-terrorism assistance under this chapter  
20 shall not include activities involved in the collection of in-  
21 telligence as defined in Executive Order 12333, other than  
22 limited training in the organization of intelligence for  
23 antiterrorism purposes under the provisions of this chap-  
24 ter.

1 (c) TYPES OF ASSISTANCE.—Anti-crime and anti-ter-  
2 rorism assistance under this chapter should emphasize the  
3 provision of training rather than the provision of articles.  
4 Such training should be provided with due regard for a  
5 country's commitment to democracy and respect for  
6 human rights, and where appropriate should incorporate  
7 a component to promote respect for human rights. To the  
8 extent equipment or other articles are provided under as-  
9 sistance programs pursuant to this chapter, items that  
10 support more effective administrative efforts should re-  
11 ceive the highest consideration.

12 **SEC. 3405. WAIVER OF CERTAIN RESTRICTIONS ON ASSIST-**  
13 **ANCE.**

14 Section 7201(a)(7) of this Act and any similar provi-  
15 sions of law shall not apply to the provision of assistance  
16 under this chapter.

17 **SEC. 3406. AVAILABILITY OF FUNDS.**

18 Funds shall be available to carry out the provisions  
19 of this chapter as authorized and appropriated to the  
20 President each fiscal year. The amount of funds that are  
21 authorized and appropriated to carry out the provisions  
22 of this chapter that may be made available for assistance  
23 administered through the Department of Defense shall be  
24 authorized and appropriated separately.

1 TITLE IV—PROVIDING HUMANITARIAN  
2 ASSISTANCE

3 **SEC. 4001. STATEMENT OF POLICY.**

4 (1) The post-Cold War era has been marked by a sud-  
5 den proliferation of crises and transitions that have led  
6 to a massive civilian death toll, widespread human suffer-  
7 ing, and an unprecedented number of people becoming ref-  
8 ugees and displaced persons.

9 (2) Civil war, international conflict, and natural dis-  
10 asters have all contributed to these humanitarian crises  
11 which have jeopardized the stability of nascent democ-  
12 racies and strained the ability of fragile economies to meet  
13 these unexpected requirements.

14 (3) In significant measure, the effects of manmade  
15 and natural disasters, at times amplified by prolonged en-  
16 vironmental degradation, threaten continued sustained de-  
17 velopment and are at the same time magnified by the lack  
18 of that development.

19 (4) Bilateral and multilateral programs that provide  
20 support to countries faced with large numbers of refugees,  
21 rapidly respond to natural and manmade disasters, and  
22 otherwise meet humanitarian and crisis needs are essential  
23 for the continued democratization and economic growth of  
24 countries that, by themselves, do not have the resources  
25 to cope with crises of such magnitude.

## 1 CHAPTER 1—REFUGEE ASSISTANCE

2 **SEC. 4101. STATEMENT OF POLICY AND PURPOSES.**

## 3 (a) STATEMENT OF POLICY.—

4 (1) United States leadership in international  
5 refugee and migration affairs reflects our humani-  
6 tarian values and traditions.

7 (2) United States refugee assistance upholds  
8 humanitarian principles that the United States  
9 shares with others in the international community.

10 (3) Too often, situations involving serious viola-  
11 tions of human rights, conflict, or disaster create or  
12 threaten to create large-scale refugee and migration  
13 problems in which the victims are forced to flee their  
14 homes for safety and survival.

15 (4) United States advances the ability of the  
16 international community to address humanitarian  
17 crises involving the forced migration of peoples  
18 through support for, participation in and assistance  
19 to, the international and other institutions involved  
20 in the protection of and assistance to victims of per-  
21 secution, conflict and other forms of human rights  
22 violations and forced displacements.

23 (5) United States efforts to improve inter-  
24 national cooperation and burdensharing in carrying  
25 out these programs underscore that these issues are

1 the subject of international concern and shared re-  
2 sponsibility.

3 (6) Prompt and effective responses can avert  
4 further crises and instability and can alleviate the  
5 suffering of the victims of displacement.

6 (7) It is imperative that the United States have  
7 the resources and the flexibility to be able to provide  
8 effective and immediate assistance in this regard.

9 (b) PURPOSES OF ASSISTANCE.—Assistance under  
10 this chapter may be made available to—

11 (1) provide assistance to or on behalf of refu-  
12 gees, conflict victims, displaced persons, and other  
13 victims of forced migration, who are outside the  
14 United States, including assistance on behalf of  
15 those persons who will be considered for admission  
16 to the United States and for the initial reintegration  
17 of persons who have been repatriated to their coun-  
18 tries of origin;

19 (2) contribute to the activities of the United  
20 Nations High Commissioner for Refugees, the Inter-  
21 national Organization for Migration, the Inter-  
22 national Committee of the Red Cross, the United  
23 Nations Relief and Works Agency for Palestine Ref-  
24 ugees in the Near East, and other relevant organiza-  
25 tions and institutions; and

1           (3) provide such other assistance as may be  
2 necessary to promote the prevention and solution of  
3 refugee and other migration problems, in countries  
4 of origin as well as in countries of asylum, and in-  
5 cluding for resettlement and demining efforts.

6           (c) EMERGENCY REFUGEE AND MIGRATION ASSIST-  
7 ANCE.—

8           (1) Whenever the President determines it to be  
9 important to the national interest he is authorized to  
10 furnish assistance for the purposes of section 4102  
11 when such needs are unexpected and urgent.

12           (2) There is established a United States Emer-  
13 gency Refugee and Migration Assistance Fund to  
14 carry out the purposes of this subsection. There is  
15 authorized to be appropriated to the President from  
16 time to time such amounts as may be necessary for  
17 the fund to carry out the purposes of this sub-  
18 section. The President shall promptly notify the  
19 Congress concerning the use of funds under this  
20 subsection.

21           (d) WAIVER OF RESTRICTIONS ON ASSISTANCE.—  
22 The President may carry out activities under this chapter  
23 notwithstanding any other provision of law.

1 **SEC. 4102. AVAILABILITY OF FUNDS.**

2 Funds shall be available to carry out the provisions  
3 of this chapter as authorized and appropriated to the  
4 President each fiscal year.

5 CHAPTER 2—DISASTER ASSISTANCE

6 **SEC. 4201. POLICY.**

7 (a) HUMANITARIAN CONCERNS AND TRADITIONS OF  
8 THE AMERICAN PEOPLE.—Prompt United States assist-  
9 ance to alleviate human suffering caused by natural and  
10 manmade disasters is a longstanding tradition and an im-  
11 portant expression of the humanitarian interest of the peo-  
12 ple of the United States. The willingness of the United  
13 States to provide assistance through bilateral, multilat-  
14 eral, and people-to-people means for the relief and reha-  
15 bilitation of people and countries affected by such disas-  
16 ters is hereby reaffirmed.

17 (b) REACHING THOSE MOST IN NEED.—In carrying  
18 out this chapter, the President shall insure that, to the  
19 greatest extent possible, the assistance provided by the  
20 United States reaches those most in need of relief and re-  
21 habilitation as a result of natural and manmade disasters.

22 **SEC. 4202. AUTHORITY TO PROVIDE ASSISTANCE.**

23 (a) IN GENERAL.—The President is authorized to  
24 furnish assistance for international disaster relief and re-  
25 habilitation. Such assistance may include assistance relat-  
26 ing to disaster preparedness, prevention, and mitigation,

1 and to the prediction of, and contingency planning for,  
2 natural and manmade disasters abroad.

3 (b) NONAPPLICABILITY OF OTHER PROVISIONS.—

4 Assistance may be furnished under this chapter notwith-  
5 standing any other provision of this or any other Act.

6 (c) BORROWING AUTHORITY.—

7 (1) AUTHORITY.—In addition to amounts oth-  
8 erwise available to carry out this chapter, up to  
9 \$50,000,000 in any fiscal year may be obligated  
10 against appropriations available to carry out other  
11 titles of this Act for use in providing assistance in  
12 accordance with the authorities and general policies  
13 of this chapter.

14 (2) REIMBURSEMENT.—Amounts subsequently  
15 appropriated to carry out this chapter with respect  
16 to a disaster may be used to reimburse any appro-  
17 priation account against which obligations were in-  
18 curred under this subsection with respect to that  
19 disaster.

20 (d) RECONSTRUCTION.—A portion of the funds made  
21 available to carry out this section may be used, in addition  
22 to amounts otherwise available for such purposes, to re-  
23 spond rapidly to reconstruction and institution-building  
24 needs arising from natural or manmade disasters.

1 **SEC. 4203. AVAILABILITY OF FUNDS.**

2 Funds shall be available to carry out the provisions  
3 of this chapter as authorized and appropriated to the  
4 President each fiscal year.

5 CHAPTER 3—EMERGENCY FOOD ASSISTANCE

6 **SEC. 4301. STATEMENT OF POLICY REGARDING EMER-**  
7 **GENCY FOOD ASSISTANCE UNDER PUBLIC**  
8 **LAW 480, TITLE II.**

9 (1) The United States continues to provide leadership  
10 in addressing famine and other urgent or extraordinary  
11 worldwide relief needs.

12 (2) In particular, the use of United States agricul-  
13 tural commodities through bilateral and multilateral chan-  
14 nels to meet emergency food needs has saved lives, amelio-  
15 rated suffering, and has been a tangible expression of the  
16 best in the humanitarian spirit of the American people.

17 (3) This assistance is often provided in conjunction  
18 with assistance furnished under the other chapters of this  
19 title to provide a comprehensive program of relief for those  
20 less fortunate than we who are refugees or other victims  
21 of forced migration, or are suffering the consequences of  
22 natural or manmade disasters.

1 TITLE V—PROMOTING GROWTH THROUGH  
2 TRADE AND INVESTMENT

3 **SEC. 5001. STATEMENT OF POLICY.**

4 (1) In an increasingly interdependent world, the secu-  
5 rity and well-being of the United States will be shaped  
6 by the ability of the United States to compete and prosper  
7 in a global economy.

8 (2) The United States remains committed to the  
9 principles of free trade among nations as the most effec-  
10 tive means to promote expanding international markets  
11 and global economic prosperity.

12 (3) Economic growth and creation of employment op-  
13 portunities in the United States are directly and materi-  
14 ally enhanced by international economic growth and trade  
15 liberalization.

16 (4) United States trade and investment represent a  
17 powerful means of promoting economic growth and devel-  
18 opment in emerging economies and economies in transi-  
19 tion. Expanding United States trade and investment op-  
20 portunities in the markets of the future is best sustained  
21 by free-market orientation and sustained development in  
22 those countries.

23 (5) The twin tracks of commercial engagement and  
24 longer-term sustainable development represent com-

1 plementary means of advancing United States interests by  
2 creating a more prosperous, therefore more secure world.

3 (6) The provision of a comprehensive and coordinated  
4 program of export financing, investment insurance, guar-  
5 anties and feasibility studies significantly enhances the  
6 ability of the private sector to pursue trade and investment  
7 opportunities in developing countries.

8 CHAPTER 1—OVERSEAS PRIVATE INVESTMENT  
9 CORPORATION

10 **SEC. 5101. PURPOSE AND POLICY.**

11 (a) PURPOSE.—The Overseas Private Investment  
12 Corporation shall be an agency of the United States under  
13 the foreign policy guidance of the Secretary of State. The  
14 purpose of the Corporation is to mobilize and facilitate  
15 the participation of United States private capital and skills  
16 in the economic and social development of less developed  
17 friendly countries and areas, and countries in transition  
18 from nonmarket to market economies, thereby com-  
19 plementing the development assistance objectives of the  
20 United States, facilitating the competitiveness of the Unit-  
21 ed States private sector, and promoting United States eco-  
22 nomic growth.

23 (b) DEVELOPMENT, EXPORT, AND PER CAPITA IN-  
24 COME CRITERIA.—The Corporation, in determining

1 whether to provide insurance, reinsurance, or financing for  
2 a project, shall especially—

3 (1) be guided by the economic and social devel-  
4 opment impact and benefits of such a project and  
5 the ways in which such a project complements, or is  
6 compatible with, other development assistance pro-  
7 grams or projects of the United States or other do-  
8 nors;

9 (2) give preference to projects which promote  
10 United States exports and increase United States  
11 economic growth; and

12 (3) give preferential consideration to investment  
13 projects in countries that have per capita incomes of  
14 \$1,230 or less in 1992 United States dollars; and re-  
15 strict its activities in countries with per capita in-  
16 comes of \$5,335 or more in 1992 United States dol-  
17 lars (other than countries designated as beneficiary  
18 countries under section 212 of the Caribbean Basin  
19 Economic Recovery Act (19 U.S.C.2702)).

20 (c) GUIDELINES FOR ACTIVITIES OF OPIC.—In car-  
21 rying out its purpose, the Corporation, utilizing broad cri-  
22 teria, shall undertake—

23 (1) to conduct insurance, reinsurance, and fi-  
24 nancing operations on a self-sustaining basis, taking

1 into account in its financing operations the economic  
2 and financial soundness of projects;

3 (2) to utilize private credit and investment in-  
4 stitutions and the Corporation's financing authority  
5 as the principal means of mobilizing capital invest-  
6 ment funds;

7 (3) to broaden private participation and revolve  
8 its funds through selling its direct investments to  
9 private investors whenever it can appropriately do so  
10 on satisfactory terms;

11 (4) to conduct its insurance operations with due  
12 regard to principles of risk management, including  
13 efforts to share its insurance risks and reinsurance  
14 risks;

15 (5) to consider in the conduct of its operations  
16 the extent to which the governments of less devel-  
17 oped countries are receptive to private enterprise,  
18 domestic and foreign, and their willingness and abil-  
19 ity to maintain conditions which enable private en-  
20 terprise to make its full contribution to the develop-  
21 ment process;

22 (6) to foster private initiative and competition  
23 and discourage monopolistic practices;

24 (7) to further to the greatest degree possible, in  
25 a manner consistent with its goals, the balance-of-

1 payments and economic and employment objectives  
2 of the United States;

3 (8) to conduct its activities in consonance with  
4 the international trade, investment, and financial  
5 policies of the United States Government, and to  
6 seek to support those developmental projects having  
7 positive trade benefits for the United States; and

8 (9) to advise and assist, within its field of com-  
9 petence, interested agencies of the United States and  
10 other organizations, both public and private, na-  
11 tional and international, with respect to projects and  
12 programs relating to the development of private en-  
13 terprise in less developed countries and areas.

14 **SEC. 5102. INVESTMENT INSURANCE, FINANCING, AND**  
15 **OTHER PROGRAMS.**

16 (a) INVESTMENT INSURANCE.—

17 (1) RISKS FOR WHICH INSURANCE ISSUED.—

18 The Corporation is authorized to issue insurance,  
19 upon such terms and conditions as the Corporation  
20 may determine, to eligible investors assuring protec-  
21 tion in whole or in part against any or all of the fol-  
22 lowing risks with respect to projects which the Cor-  
23 poration has approved:

24 (A) Inability to convert into United States  
25 dollars other currencies, or credits in such cur-

1           rencias, received as earnings or profits from the  
2           approved project, as repayment or return of the  
3           investment in the project, in whole or in part,  
4           or as compensation for the sale or disposition of  
5           all or any part of the investment.

6           (B) Loss of investment, in whole or in  
7           part, in the approved project due to expropria-  
8           tion or confiscation by action of a foreign gov-  
9           ernment.

10          (C) Loss due to war, revolution, insurrec-  
11          tion, or civil strife.

12          (D) Loss due to business interruption  
13          caused by any of the risks set forth in subpara-  
14          graphs (A), (B), and (C).

15          (2) RISK SHARING ARRANGEMENTS WITH FOR-  
16          EIGN GOVERNMENTS AND MULTILATERAL ORGANIZA-  
17          TIONS.—Recognizing that major private investments  
18          in emerging democracies, economies in trans-  
19          formation and less developed friendly countries or  
20          areas are often made by enterprises in which there  
21          is multinational participation, including significant  
22          United States private participation, the Corporation  
23          may make arrangements with foreign governments  
24          (including agencies, instrumentalities, and political  
25          subdivisions thereof) and with multilateral organiza-

1 tions and institutions for sharing liabilities assumed  
2 under investment insurance for such investments  
3 and may, in connection with such arrangements,  
4 issue insurance to investors not otherwise eligible for  
5 insurance under this chapter, except that—

6 (A) liabilities assumed by the Corporation  
7 under the authority of this paragraph shall be  
8 consistent with the purposes of this chapter,  
9 and

10 (B) the maximum share of liabilities so as-  
11 sumed shall not exceed the proportionate par-  
12 ticipation by eligible investors in the project.

13 (3) MAXIMUM CONTINGENT LIABILITY WITH  
14 RESPECT TO SINGLE INVESTOR.—Not more than 10  
15 percent of the maximum contingent liability for in-  
16 vestment insurance which the Corporation is per-  
17 mitted to have outstanding under section 5104(a)(1)  
18 shall be issued to a single investor.

19 (4) OTHER INSURANCE FUNCTIONS.—

20 (A) IN GENERAL.—The Corporation is au-  
21 thorized to—

22 (i) make and carry out contracts of  
23 insurance or reinsurance, or agreements to  
24 associate or share risks, with insurance

1 companies, financial institutions, any other  
2 persons, or groups thereof, and

3 (ii) employ such insurance companies,  
4 financial institutions, other persons, or  
5 groups, where appropriate, as its agent, or  
6 to act as their agent, in the issuance and  
7 servicing of insurance, the adjustment of  
8 claims, the exercise of subrogation rights,  
9 the ceding and accepting of reinsurance,  
10 and in any other matter incident to an in-  
11 surance business, except that such agree-  
12 ments and contracts shall be consistent  
13 with the purposes of the Corporation set  
14 forth in section 5101 and shall be on equi-  
15 table terms.

16 (B) RISK-SHARING AGREEMENTS.—The  
17 Corporation is authorized to enter into pooling  
18 or other risk-sharing agreements with multilat-  
19 eral insurance or financing agencies or groups  
20 of such agencies.

21 (C) OWNERSHIP INTEREST IN RISK-SHAR-  
22 ING ENTITIES.—The Corporation is authorized  
23 to hold an ownership interest in any association  
24 or other entity established for the purposes of  
25 sharing risks under investment insurance.

1 (b) INVESTMENT FINANCING.—

2 (1) DIRECT LENDING.—

3 (A) IN GENERAL.—The Corporation is au-  
4 thorized to make loans in United States dollars,  
5 repayable in dollars, and to make loans in for-  
6 eign currencies, to firms privately owned or of  
7 mixed private and public ownership, upon such  
8 terms and conditions as the Corporation may  
9 determine.

10 (B) USE OF LOAN FOR NEW TECH-  
11 NOLOGIES, PRODUCTS, OR SERVICES.—The Cor-  
12 poration may designate up to 25 percent of any  
13 loan under this subsection for use in the devel-  
14 opment or adaptation in the United States of  
15 new technologies or new products or services  
16 that are to be used in the project for which the  
17 loan is made and are likely to contribute to the  
18 economic or social development of less devel-  
19 oped countries.

20 (2) EQUITY INVESTMENT.—

21 (A) IN GENERAL.—The Corporation is au-  
22 thorized to purchase, invest in, or otherwise ac-  
23 quire equity securities or securities with equity  
24 characteristics of any firm or entity, upon such  
25 terms and conditions as the Corporation may

1 determine, to be funded in the same manner as  
2 direct loans under the Federal Credit Reform  
3 Act of 1990 for the purpose of providing capital  
4 for any project which is consistent with the pro-  
5 visions of this chapter, except that—

6 (i) the aggregate amount of the Cor-  
7 poration's equity investment with respect  
8 to any project shall not exceed 30 percent  
9 of the aggregate amount of all equity in-  
10 vestment made with respect to such project  
11 at the time that the Corporation's equity  
12 investment is made, except for securities  
13 acquired through the enforcement of any  
14 lien, pledge, or contractual arrangement as  
15 a result of a default by any party under  
16 any agreement relating to the terms of the  
17 Corporation's investment; and

18 (ii) the Corporation's equity invest-  
19 ment under this paragraph with respect to  
20 any project, when added to any other in-  
21 vestments made or guaranteed by the Cor-  
22 poration under this paragraph with respect  
23 to such project, shall not cause the aggre-  
24 gate amount of all such investment to ex-  
25 ceed, at the time any such investment is

1           made or guaranteed by the Corporation,  
2           75 per centum of the total investment com-  
3           mitted to such project as determined by  
4           the Corporation. Such determination under  
5           this clause shall be conclusive for purposes  
6           of the Corporation's authority to make or  
7           guarantee any such investment.

8           (B) ADDITIONAL CRITERIA.—In making  
9           investment decisions under this paragraph, the  
10          Corporation shall give consideration to the ex-  
11          tent to which the Corporation's equity invest-  
12          ment will assist in obtaining the financing re-  
13          quired for such projects.

14          (C) DISPOSITION OF EQUITY INTEREST.—  
15          Taking into consideration, among other things,  
16          the Corporation's financial interests and the de-  
17          sirability of fostering the development of local  
18          capital markets in emerging democracies,  
19          economies in transformation and less developed  
20          countries, the Corporation shall endeavor to dis-  
21          pose of any equity interest it may acquire under  
22          this subsection within a period of ten years  
23          from the date of acquisition of such interest.

24          (3) INVESTMENT GUARANTEES.—

1           (A) AUTHORITY.—The Corporation is au-  
2           thorized to issue to eligible investors guarantees  
3           of loans and other investments made by such  
4           investors assuring against loss due to such risks  
5           and upon such terms and conditions as the Cor-  
6           poration may determine, subject to subpara-  
7           graphs (B), (C), and (D).

8           (B) GUARANTEES ON OTHER THAN LOAN  
9           INVESTMENTS.—A guarantee issued under sub-  
10          paragraph (A) on other than a loan investment  
11          may not exceed 75 per centum of such invest-  
12          ment.

13          (C) LIMIT ON AMOUNT OF INVESTMENT  
14          GUARANTEED.—Except for loan investments for  
15          credit unions made by eligible credit unions or  
16          credit union associations, the aggregate amount  
17          of investment (exclusive of interest and earn-  
18          ings) for which guarantees are issued under  
19          subparagraph (A) with respect to any project  
20          shall not exceed, at the time of issuance of any  
21          such guarantee, 75 per centum of the total in-  
22          vestment committed to any such project as de-  
23          termined by the Corporation. Such determina-  
24          tion by the Corporation shall be conclusive for

1 purposes of the Corporation's authority to issue  
2 any such guarantee.

3 (D) MAXIMUM CONTINGENT LIABILITY  
4 WITH RESPECT TO SINGLE INVESTOR.—Not  
5 more than 15 per centum of the maximum con-  
6 tingent liability for investment guarantees  
7 which the Corporation is permitted to have out-  
8 standing under section 5104(a)(2) may be is-  
9 sued to a single investor.

10 (c) INVESTMENT ENCOURAGEMENT.—The Corpora-  
11 tion is authorized to initiate and support through financial  
12 participation, incentive grant, or otherwise, and on such  
13 terms and conditions as the Corporation may determine,  
14 the identification, assessment, surveying, and promotion  
15 of private investment opportunities, using wherever fea-  
16 sible and effective the facilities of private investors, except  
17 that the Corporation shall not finance any survey to ascer-  
18 tain the existence, location, extent, or quality of oil or gas  
19 resources.

20 (d) SPECIAL ACTIVITIES.—The Corporation is au-  
21 thorized to administer and manage special projects and  
22 programs, including programs of financial and advisory  
23 support, which provide private technical, professional, or  
24 managerial assistance in the development of human re-  
25 sources, skills, technology, capital savings, intermediate fi-

1 nancial and investment institutions, and cooperatives. The  
2 funds for these projects and programs may, with the Cor-  
3 poration's concurrence, be transferred to it for such pur-  
4 poses under the authority of section 8201 of this Act or  
5 from other sources, public or private.

6 **SEC. 5103. ENHANCING PRIVATE POLITICAL RISK INSUR-**  
7 **ANCE INDUSTRY.**

8 In order to encourage greater availability of political  
9 risk insurance for eligible investors by enhancing the pri-  
10 vate political risk insurance industry in the United States,  
11 and to the extent consistent with this chapter, the Cor-  
12 poration shall undertake programs of cooperation with  
13 such industry, and in connection with such programs may  
14 engage in the following activities:

15 (1) Utilizing its statutory authorities, encourage  
16 the development of associations, pools, or consortia  
17 of United States private political risk insurers.

18 (2) Share insurance risks (through coinsurance,  
19 contingent insurance, or other means) in a manner  
20 that is conducive to the growth and development of  
21 the private political risk insurance industry in the  
22 United States.

23 (3) Notwithstanding section 8544(e), upon the  
24 expiration of insurance provided by the Corporation  
25 for an investment, enter into risk-sharing agree-

1       ments with United States private political risk insur-  
2       ers to insure any such investment; except that, in co-  
3       operating in the offering of insurance under this  
4       paragraph, the Corporation shall not assume respon-  
5       sibility for more than 50 per centum of the insur-  
6       ance being offered in each separate transaction.

7       **SEC. 5104. ISSUING AUTHORITY AND RESERVES.**

8       (a) ISSUING AUTHORITY.—

9               (1) INSURANCE.—The maximum contingent li-  
10       ability outstanding at any one time pursuant to in-  
11       surance issued under section 5102(a) shall not ex-  
12       ceed in the aggregate \$15,000,000,000.

13              (2) FINANCING.—The Corporation is authorized  
14       to commit investment financing under section  
15       5102(b) of up to \$5,000,000,000 for the period of  
16       fiscal years beginning October 1, 1994, terminating  
17       on the date specified in paragraph (3).

18              (3) TERMINATION OF AUTHORITY.—The au-  
19       thority of subsection (a) and (b) of section 5102  
20       shall continue until September 30, 1999.

21       (b) INSURANCE RESERVE.—

22              (1) MAINTENANCE AND PURPOSES.—The Cor-  
23       poration shall maintain an insurance reserve. Such  
24       reserve shall be available for the discharge of liabil-  
25       ities, as provided in subsection (d), until such time

1 as all such liabilities have been discharged or have  
2 expired or until such reserve has been expended in  
3 accordance with the provisions of this section.

4 (2) FUNDING.—The insurance reserve shall  
5 consist of—

6 (A) any funds in the insurance reserve of  
7 the Corporation on September 30, 1993,

8 (B) amounts transferred to the reserve  
9 pursuant to this Act, and

10 (C) such sums as are appropriated pursu-  
11 ant to subsection (d) of this section for such  
12 purposes.

13 (c) ORDER OF PAYMENTS TO DISCHARGE LIABIL-  
14 ITIES.—Any payment made to discharge liabilities under  
15 investment insurance or reinsurance issued under section  
16 5102, under similar predecessor guarantee authority, or  
17 under section 5103, shall be paid first out of the insurance  
18 reserve, as long as such reserve remains available, and  
19 thereafter out of funds made available pursuant to sub-  
20 section (d) of this section. Any payments made to dis-  
21 charge liabilities under guarantees issued under section  
22 5102(b) shall be paid in accordance with the Federal  
23 Credit Reform Act of 1990.

24 (d) AVAILABILITY OF FUNDS.—

1           (1) AVAILABILITY.—Subject to paragraph (2),  
2 funds shall be available to carry out the provisions  
3 of this chapter as authorized and appropriated to  
4 the President to replenish or increase the insurance  
5 reserve, to discharge the liabilities under insurance  
6 or reinsurance issued by the Corporation, or to dis-  
7 charge obligations of the Corporation purchased by  
8 the Secretary of the Treasury pursuant to subsection  
9 (e).

10           (2) LIMITATION ON APPROPRIATIONS.—No ap-  
11 propriation shall be made under paragraph (1) to  
12 augment the insurance reserve until the amount of  
13 funds in the insurance reserve is less than  
14 \$25,000,000. Any appropriations to augment the in-  
15 surance reserve shall then only be made to satisfy  
16 the full faith and credit provision of section 8545(c).

17           (e) ISSUANCE OF OBLIGATIONS.—In order to dis-  
18 charge liabilities under investment insurance or reinsur-  
19 ance, the Corporation is authorized to issue from time to  
20 time for purchase by the Secretary of the Treasury its  
21 notes, debentures, bonds, or other obligations; except that  
22 the aggregate amount of such obligations outstanding at  
23 any one time may not exceed \$100,000,000. Any such ob-  
24 ligation shall be repaid to the Treasury within one year  
25 after the date of issue of such obligation. Any such obliga-

1 tion shall bear interest at a rate determined by the Sec-  
2 retary of the Treasury, taking into consideration the cur-  
3 rent average market yield on outstanding marketable obli-  
4 gations of the United States of comparable maturities dur-  
5 ing the month preceding the issuance of any obligation  
6 authorized by this subsection. The Secretary of the Treas-  
7 ury shall purchase any obligation of the Corporation is-  
8 sued under this subsection, and for such purchase the Sec-  
9 retary may use as a public debt transaction the proceeds  
10 of the sale of any securities issued under chapter 31 of  
11 title 31, United States Code. The purpose for which secu-  
12 rities may be issued under chapter 31 of title 31, United  
13 States Code, shall include any such purchase.

14 **SEC. 5105. GUIDELINES AND REQUIREMENTS FOR OPIC**  
15 **SUPPORT.**

16 (a) **DEVELOPMENT IMPACT PROFILE.**—In order to  
17 carry out the policy set forth in section 5101(b)(1), the  
18 Corporation shall prepare and maintain for each invest-  
19 ment project it insures, reinsures, or finances a develop-  
20 ment impact profile consisting of data appropriate to  
21 measure the projected and actual effects of such project  
22 on development.

23 (b) **SMALL BUSINESS DEVELOPMENT.**—

24 (1) **BROADENED PARTICIPATION BY SMALL**  
25 **BUSINESSES.**—The Corporation shall undertake, in

1 cooperation with appropriate departments, agencies,  
2 and instrumentalities of the United States as well as  
3 private entities and others, to broaden the participa-  
4 tion of United States small business, cooperatives,  
5 and other small United States investors in the devel-  
6 opment of small private enterprise in less developed  
7 friendly countries or areas.

8 (2) PREFERENTIAL CONSIDERATION.—The Cor-  
9 poration shall undertake to the maximum degree  
10 possible consistent with its purposes—

11 (A) to give preferential consideration in its  
12 investment insurance, reinsurance, financing,  
13 and investment encouragement activities to in-  
14 vestment projects sponsored by or involving  
15 United States small business or cooperatives;

16 (B) to maintain the proportion of projects  
17 sponsored by or significantly involving United  
18 States small business to at least 30 per centum  
19 of all projects insured, reinsured, financed or  
20 encouraged by the Corporation.

21 (c) ENVIRONMENTAL CONSIDERATIONS.—

22 (1) ENVIRONMENTAL, HEALTH, OR SAFETY  
23 HAZARD.—The Corporation shall refuse to insure,  
24 reinsure, or finance any investment in connection  
25 with a project which the Corporation determines will

1 pose an unreasonable or major environmental,  
2 health, or safety hazard, or will result in the signifi-  
3 cant degradation of national parks or similar pro-  
4 tected areas.

5 (2) RESOURCE SUSTAINABLE DEVELOPMENT.—  
6 The Corporation, in determining whether to provide  
7 insurance, reinsurance, or financing for a project,  
8 shall ensure that the project is consistent with the  
9 goals set forth in section 7210 of this Act.

10 (3) ENVIRONMENTAL IMPACT STATEMENTS AND  
11 ASSESSMENTS.—The requirements of section  
12 7210(b) relating to environmental impact statements  
13 and environmental assessments shall apply to any  
14 investment which the Corporation insures, reinsures,  
15 guarantees, or finances under this chapter in con-  
16 nection with a project in a country.

17 (4) NOTIFICATION OF FOREIGN GOVERN-  
18 MENTS.—Before finally providing insurance, reinsur-  
19 ance, guarantees, or financing under this chapter for  
20 any environmentally sensitive investment in connec-  
21 tion with a project in a country, the Corporation  
22 shall notify appropriate government officials of that  
23 country of—

24 (A) all guidelines and other standards  
25 adopted by the International Bank for Recon-

1           struction and Development and any other inter-  
2           national organization relating to the public  
3           health or safety or the environment which are  
4           applicable to the project; and

5                   (B) to the maximum extent practicable,  
6           any restriction under any law of the United  
7           States relating to public health or safety or the  
8           environment that would apply to the project if  
9           the project were undertaken in the United  
10          States.

11 The notification under the preceding sentence shall in-  
12 clude a summary of the guidelines, standards, and restric-  
13 tions referred to in subparagraphs (A) and (B).

14           (5) CONSIDERATION OF COMMENTS RE-  
15          CEIVED.—Before finally providing insurance, rein-  
16          surance, or financing for any investment subject to  
17          paragraph (4), the Corporation shall take into ac-  
18          count any comments it receives on the project in-  
19          volved.

20          (d) HUMAN RIGHTS.—The Corporation shall take  
21          into account in the conduct of its programs in a country,  
22          in consultation with the Secretary of State, all available  
23          information about observance of and respect for human  
24          rights and fundamental freedoms in such country and the

1 effect the operation of such programs will have on human  
2 rights and fundamental freedoms in such country.

3 (e) WORKER RIGHTS.—

4 (1) LIMITATION ON OPIC ACTIVITIES.—The  
5 Corporation may insure, reinsure, or finance a  
6 project only if the country in which the project is to  
7 be undertaken is taking steps to adopt and imple-  
8 ment laws that extend internationally recognized  
9 worker rights, as defined in section 502(a)(4) of the  
10 Trade Act of 1974 (19 U.S.C. 2462(a)(4)), to work-  
11 ers in that country (including any designated zone in  
12 that country). The Corporation shall also include the  
13 following language, in substantially the following  
14 form, in all contracts which the Corporation enters  
15 into with eligible investors to provide financial sup-  
16 port under this chapter: “The investor agrees not to  
17 take actions to prevent employees of the foreign en-  
18 terprise from lawfully exercising their right of asso-  
19 ciation and their right to organize and bargain col-  
20 lectively. The investor further agrees to observe ap-  
21 plicable laws relating to a minimum age for employ-  
22 ment of children, acceptable conditions of work with  
23 respect to minimum wages, hours of work, and occu-  
24 pational health and safety, and not to use forced

1 labor. The investor is not responsible under this  
2 paragraph for the actions of a foreign government.”.

3 (2) USE OF ANNUAL REPORTS ON WORKER  
4 RIGHTS.—The Corporation shall, in making its de-  
5 terminations under paragraph (1), use the reports  
6 submitted to the Congress pursuant to section  
7 505(c) of the Trade Act of 1974 (19 U.S.C.  
8 2465(c)).

9 (3) WAIVER.—Paragraph (1) shall not prohibit  
10 the Corporation from providing any insurance, rein-  
11 surance, or financing with respect to a country if the  
12 President determines that such activities by the Cor-  
13 poration would be in the national economic interests  
14 of the United States. Any such determination shall  
15 be reported in writing to the Congress, together with  
16 the reasons for the determination.

17 (f) HARM TO EMPLOYMENT IN THE UNITED  
18 STATES.—

19 (1) REPLACEMENT OF UNITED STATES PRO-  
20 Duction.—(A) The Corporation shall refuse to in-  
21 sure, reinsure, or finance an investment if the Cor-  
22 poration determines that such investment is likely to  
23 cause such investor (or the sponsor of an investment  
24 project in which such investor is involved) signifi-  
25 cantly to reduce the number of the investor’s or

1 sponsor's employees in the United States because  
2 the investor or sponsor is replacing his or her United  
3 States production with production from such invest-  
4 ment, and the production from such investment in-  
5 volves substantially the same product for substan-  
6 tially the same market as the investor's or sponsor's  
7 United States production.

8 (B) If the Corporation determines that an in-  
9 vestment is not likely to have the effects described  
10 in subparagraph (A), the Corporation shall monitor  
11 conformance with the representations made by the  
12 investor on which the Corporation relied in making  
13 that determination.

14 (2) REDUCTION OF EMPLOYEES IN THE UNITED  
15 STATES.—The Corporation shall refuse to insure, re-  
16 insure, or finance an investment if the Corporation  
17 determines that such investment is likely to cause a  
18 significant reduction in the number of employees in  
19 the United States.

20 (3) EXPORT PROCESSING ZONES.—Notwith-  
21 standing any other provision of law, the Corporation  
22 shall refuse to insure, reinsure, or finance an invest-  
23 ment for the purpose of establishing or developing in  
24 a foreign country any export processing zone or des-  
25 ignated area in which the tax, tariff, labor, environ-

1       ment, and safety laws of that country do not apply,  
2       in part or in whole, to activities carried out within  
3       that zone or area, unless such assistance is not likely  
4       to cause a loss of jobs within the United States as  
5       determined in consideration of the restrictions con-  
6       tained in paragraphs (1) and (2).

7       (g) PERFORMANCE REQUIREMENTS.—The Corpora-  
8       tion shall refuse to insure, reinsure, or finance an invest-  
9       ment which is subject to performance requirements which  
10      would reduce substantially the positive trade benefits like-  
11      ly to accrue to the United States from the investment.

12      (h) PROHIBITED TRADE PRACTICES.—

13           (1) PAYMENTS TO VIOLATORS BARRED.—No  
14      payment may be made under any insurance or rein-  
15      surance which is issued under this chapter on or  
16      after April 24, 1978, for any loss occurring with re-  
17      spect to a project, if the preponderant cause of such  
18      loss was an act by the investor seeking payment  
19      under this chapter, by a person possessing majority  
20      ownership and control of the investor at the time of  
21      the act, or by any agent of such investor or control-  
22      ling person, and a court of the United States has en-  
23      tered a final judgment that such act constituted a  
24      violation of section 30A of the Securities Exchange

1 Act of 1934 or section 104 of the Foreign Corrupt  
2 Practices Act of 1977.

3 (2) REGULATIONS.—The Corporation shall have  
4 in effect regulations setting forth appropriate condi-  
5 tions under which any person who has been finally  
6 determined by a court of the United States to have  
7 violated section 30A of the Securities Exchange Act  
8 of 1934 or section 104 of the Foreign Corrupt Prac-  
9 tices Act of 1977 shall be suspended, for a period  
10 of not more than 5 years, from eligibility to receive  
11 any insurance, reinsurance, guarantee, financing, or  
12 other financial support authorized by this chapter, if  
13 that violation related to a project insured, reinsured,  
14 guaranteed, financed, or otherwise supported by the  
15 Corporation under this chapter.

16 (i) FRAUD OR MISREPRESENTATION.—No payment  
17 may be made under any guarantee, insurance, or reinsur-  
18 ance issued under this chapter for any loss arising out  
19 of fraud or misrepresentation for which the party seeking  
20 payment is responsible.

21 (j) PUBLIC HEARING.—The Board shall hold at least  
22 one public hearing each year in order to afford an oppor-  
23 tunity for any person to present views as to whether the  
24 Corporation is carrying out its activities in accordance  
25 with this chapter 1 and this section or whether any invest-

1 ment in a particular country shall have been or shall be  
2 extended insurance, reinsurance, or financing under this  
3 chapter.

4 (k) RESTRICTIONS.—Restrictions in this or any other  
5 Act to the government of a country do not apply with re-  
6 spect to this title.

7 CHAPTER 2—TRADE AND DEVELOPMENT AGENCY

8 **SEC. 5201. PURPOSES.**

9 The Trade and Development Agency shall be an  
10 agency of the United States under the foreign policy guid-  
11 ance of the Secretary of State. The purpose of the Trade  
12 and Development Agency is to promote United States pri-  
13 vate sector participation in developing and middle-income  
14 countries.

15 **SEC. 5202. AUTHORITY TO PROVIDE ASSISTANCE.**

16 (a) AUTHORITY.—The Director of the Trade and De-  
17 velopment Agency is authorized to work with foreign coun-  
18 tries to carry out the purposes of this chapter by providing  
19 funds for feasibility studies, architectural and engineering  
20 design, and other activities related to development projects  
21 which provide opportunities for the use of United States  
22 exports.

23 (b) USE OF FUNDS.—Funds under this chapter may  
24 be used to provide support for feasibility studies for plan-  
25 ning, development, and management of, and procurement

1 for, bilateral and multilateral development projects, in-  
2 cluding training activities undertaken in connection with  
3 a project, for the purpose of promoting the use of United  
4 States goods and services in such projects. Funds under  
5 this chapter may also be used for architectural and engi-  
6 neering design, including—

7           (1) concept design, which establishes the basic  
8           technical and operational criteria for a project, such  
9           as architectural drawings for a proposed facility,  
10          evaluation of site constraints, procurement require-  
11          ments, and equipment specifications; and

12          (2) detail design, which sets forth specific di-  
13          mensions and criteria for structural, mechanical,  
14          electrical, and architectural operations, and identi-  
15          fies other resources required for project operations.

16          (c) INFORMATION DISSEMINATION.—

17           (1) The Trade and Development Agency shall  
18           disseminate information about its project activities  
19           to the private sector.

20           (2) Other agencies of the United States Govern-  
21           ment shall cooperate with the Trade And Develop-  
22           ment Agency in order for the Agency to provide  
23           more effectively informational services to persons in  
24           the private sector concerning trade and development

1 and export promotion related to development  
2 projects.

3 (d) NONAPPLICABILITY OF OTHER PROVISIONS.—

4 Funds made available to carry out this chapter may be  
5 made available notwithstanding any other provision of law.

6 **SEC. 5203. AVAILABILITY OF FUNDS.**

7 Funds shall be available to carry out the provisions  
8 of this chapter as authorized and appropriated to the  
9 President each fiscal year.

10 CHAPTER 3—ROLE OF RELATED PROGRAMS

11 **SEC. 5301. STATEMENT OF POLICY REGARDING ROLE OF**

12 **PUBLIC LAW 480 TITLE I PROGRAMS.**

13 (1) Public Law 480 Title I programs provide an  
14 important resource in the efforts of the United  
15 States to support continued growth in the world  
16 economy.

17 (2) By using the abundant agricultural produc-  
18 tivity of the United States to enhance the food secu-  
19 rity of developing countries, these programs com-  
20 plement other international programs of the United  
21 States to—

22 (A) help to combat world hunger and mal-  
23 nutrition and their causes,

24 (B) promote broad-based, equitable, and  
25 sustainable development,

1 (C) expand international trade, and

2 (D) develop and expand export markets for  
3 United States agricultural commodities.

4 (3) By fostering the demand for United States  
5 agricultural commodities and helping to meet the  
6 food needs of developing countries that have dif-  
7 ficulty meeting those needs through commercial  
8 channels, Public Law 480 title I programs are an in-  
9 tegral part of United States efforts to encourage ex-  
10 pansion of the world economy and the participation  
11 of the United States private sector in that expan-  
12 sion.

13 **SEC. 5302. STATEMENT OF POLICY REGARDING ROLE OF**  
14 **EXPORT-IMPORT BANK.**

15 (1) While the Export-Import Bank of the United  
16 States does not provide foreign assistance, its programs  
17 can complement sustainable development programs in  
18 helping to expand United States exports.

19 (2) The purpose of the Export-Import Bank of the  
20 United States is to provide financing support for United  
21 States exports, thereby creating and maintaining jobs in  
22 the United States.

23 (3) The role of the Export-Import Bank of the United  
24 States is an important factor in bolstering global free

1 trade and fair trade, and its programs help to level the  
2 global playing field in export financing.

3 (4) The Export-Import Bank of the United States is  
4 an important supplement to the private sector's export fi-  
5 nancing capacities for creating and maintaining jobs.

6 (5) With one out of every six manufacturing jobs in  
7 the United States dependent on exports, it is necessary  
8 to promote trade with both existing and developing mar-  
9 kets.

10 (6) The programs of the Export-Import Bank of the  
11 United States serve to provide inroads for United States  
12 exporters into developing country markets.

13 (7) The role of the Export-Import Bank of the United  
14 States in providing trade and project finance supports  
15 United States domestic employment and global economic  
16 growth and development.

17 TITLE VI—ADVANCING DIPLOMACY

18 **SEC. 6001. STATEMENT OF POLICY.**

19 (1) Success in achieving the goals of this Act depends  
20 above all on the skills of those who serve America in the  
21 Department of State and other United States government  
22 departments and agencies engaged in international pro-  
23 grams.

24 (2) Diplomacy is the most cost-effective foreign policy  
25 instrument for promoting American prosperity and safe-

1 guarding United States security by managing crises and  
2 preventing future conflict.

3 (3) United States leadership in addressing emerging  
4 global challenges will depend increasingly on skillful diplo-  
5 macy to build cooperative arrangements with major allies  
6 and multilateral organizations that leverage our political  
7 influence, and our economic, technical, military and hu-  
8 manitarian assistance.

9 (4) Diplomacy is essential to the realization of each  
10 of the five other Titles of this Act—

11 (A) Promoting Sustainable Development re-  
12 quires integrated and coordinated efforts between  
13 diplomats and aid specialists to deal with immediate  
14 environmental, economic, and cultural challenges  
15 and opportunities abroad while building the founda-  
16 tion for long-term bilateral, regional and global co-  
17 operation.

18 (B) Promoting Democracy requires foreign af-  
19 fairs professionals in the Department of State and  
20 other United States government departments and  
21 agencies engaged in international programs to reach  
22 out beyond traditional bilateral and multilateral rela-  
23 tions to inform foreign publics about the virtues and  
24 challenges of democracy and market economics and

1 to promote human rights, democratic institution  
2 building, and development of open, civil societies.

3 (C) Promoting Peace requires creative and sus-  
4 tained diplomacy—backed by economic, technical,  
5 humanitarian and military resources—to avert con-  
6 flict, facilitate negotiated resolution of disputes, and  
7 render peace processes irreversible; and to build re-  
8 gimes to restrain proliferation, narcotics trafficking,  
9 terrorism and other forms of criminal activity.

10 (D) Humanitarian Assistance requires dip-  
11 lomats and other involved United States government  
12 personnel to respond promptly to facilitate bilateral  
13 relief, engage relevant multilateral organizations,  
14 and ensure that relief programs do not become ob-  
15 jects of political manipulation locally or among  
16 donor agencies; at the same time, effective preven-  
17 tive diplomacy can forestall costly political and mili-  
18 tary disasters.

19 (E) Promoting Growth Through Trade and In-  
20 vestment requires diplomats with advanced technical  
21 knowledge, legal skills, and shrewd political judg-  
22 ment to assist economic reform, develop commercial  
23 opportunities, and structure regional and global  
24 agreements to achieve more open markets and great-  
25 er economic integration.

1 (5) Advancing diplomacy in all of the above areas will  
2 require—

3 (A) Funds that can be used flexibly by the  
4 President to respond decisively to unforeseen oppor-  
5 tunities and dangers and for structuring new multi-  
6 lateral arrangements that can become the basis for  
7 sustainable cooperation to prevent future crises and  
8 solve long-term problems.

9 (B) Foreign assistance, public diplomacy  
10 abroad, and a national consensus at home in support  
11 of the goals of American foreign policy.

12 (C) Modern technology and infrastructure to  
13 support foreign and civil service professionals who  
14 must deal with international transactions that are  
15 rising exponentially in volume, speed and complexity.

16 (D) Greater harmonization of our foreign af-  
17 fairs institutions and instruments, with a view to  
18 avoiding duplicative administrative structures, staffs  
19 and programs.

20 TITLE VII—SPECIAL AUTHORITIES,

21 RESTRICTIONS ON ASSISTANCE, AND REPORTS

22 CHAPTER 1—SPECIAL AUTHORITIES

23 **SEC. 7101. AUTHORITY TO TRANSFER BETWEEN ACCOUNTS.**

24 (a) GENERAL TRANSFER AUTHORITY.—Whenever  
25 the President determines it to be necessary for the pur-

1 poses of this Act, not to exceed 10 per centum of the funds  
2 made available to carry out any provision of this Act—

3 (1) may be transferred to, and consolidated  
4 with, the funds in any other account or fund avail-  
5 able to carry out any provision of this Act; and

6 (2) may be used for any of the purposes for  
7 which funds in that account or fund may be used.

8 (b) LIMITATION ON AMOUNT OF INCREASE IN AN AC-  
9 COUNT.—The total amount in the account or fund for the  
10 benefit of which a transfer is made under subsection (a)  
11 during any fiscal year may not be increased by more than  
12 20 per centum of the amount of funds otherwise made  
13 available for such account or fund.

14 (c) EXCEPTIONS.—

15 (1) The percentage limitations contained in  
16 subsections (a) and (b) shall not be applicable with  
17 regard to transfers of funds to carry out the provi-  
18 sions of subchapter A of chapter 1 of title II or of  
19 chapter 1 of title III.

20 (2) The authority of this section shall not be  
21 used to transfer funds from amounts made available  
22 to carry out the provisions of title I of this Act, ex-  
23 cept that the authority of this section may be used  
24 to transfer such funds for the purposes of section  
25 8509 in an amount not to exceed 5 per centum of

1 the amount of the funds made available for section  
2 8509(a).

3 (d) NOTIFICATION TO CONGRESS.—The authority of  
4 subsection (a) may be exercised only if the Committee on  
5 Foreign Affairs and the Committee on Appropriations of  
6 the House of Representatives and the Committee on For-  
7 eign Relations and the Committee on Appropriations of  
8 the Senate are notified in advance of the exercise of that  
9 authority.

10 **SEC. 7102. SPECIAL WAIVER AUTHORITY.**

11 (a) AUTHORITY.—The President may authorize the  
12 taking of any action (or the refraining from the taking  
13 of any action) under this Act, any annual (or periodic)  
14 foreign assistance authorization or appropriations Acts, or  
15 the Arms Export Control Act without regard to any of  
16 the provisions described in subsection (c) if he deter-  
17 mines—

18 (1) in cases under the Arms Export Control  
19 Act, that to do so is essential to the national inter-  
20 ests of the United States; and

21 (2) in any other cases under such Acts, that to  
22 do so is important to the national interests of the  
23 United States.

24 (b) OTHER ACTS.—The President may authorize the  
25 taking of any action (or the refraining from the taking

1 of any action) under any other Act without regard to the  
2 provisions described in paragraphs (1) and (2) of sub-  
3 section (c), or of any annual (or periodic) foreign assist-  
4 ance authorization or appropriations Acts, if the President  
5 determines that to do so is important to the national inter-  
6 est of the United States.

7 (c) LAWS WHICH MAY BE WAIVED.—The provisions  
8 referred to in subsections (a) and (b) are—

9 (1) the provisions of this Act,

10 (2) the provisions of the Arms Export Control  
11 Act,

12 (3) any other provisions of law that restrict the  
13 authority to provide assistance, make sales or leases,  
14 or take other actions (or refrain from taking ac-  
15 tions) under the Acts in paragraphs (1) and (2), and

16 (4) any law relating to receipts and credits ac-  
17 cruing to the United States, except for those provi-  
18 sions of law contained in section 8551(a)(7).

19 (d) CONSULTATION WITH CONGRESS.—Before exer-  
20 cising the authority granted in this section, the President  
21 shall consult with, and shall provide a written policy jus-  
22 tification to, the Committee on Foreign Affairs and the  
23 Committee on Appropriations of the House of Representa-  
24 tives and the Committee on Foreign Relations and the  
25 Committee on Appropriations of the Senate.

1 (e) NOTIFICATION TO CONGRESS.—A determination  
2 under subsection (a) or (b) shall be effective only if the  
3 President notifies the Speaker of the House of Represent-  
4 atives and the chairman of the Committee on Foreign Re-  
5 lations of the Senate, in writing, of that determination.

6 (f) ANNUAL CEILINGS.—

7 (1) IN GENERAL.—The authority of this section  
8 may not be used in any fiscal year to authorize—

9 (A) more than \$1,000,000,000 in sales or  
10 leases to be made under the Arms Export Con-  
11 trol Act;

12 (B) the use of more than \$500,000,000 of  
13 funds made available for use under this Act;  
14 and

15 (C) the use of more than \$100,000,000 of  
16 foreign currencies accruing under this Act or  
17 any other law.

18 (2) SALES UNDER THE ARMS EXPORT CONTROL  
19 ACT.—If the authority of this section is used both to  
20 authorize a sale or lease under the Arms Export  
21 Control Act and to authorize funds to be used under  
22 this Act with respect to the financing of that sale or  
23 lease, then the use of the funds shall be counted  
24 against the limitation in paragraph (1)(B) and the  
25 portion, if any, of the sale or lease which is not so

1       financed shall be counted against the limitation in  
2       paragraph (1)(A).

3           (3) LEASES.—For purposes of paragraph  
4       (1)(A) the replacement cost, less any depreciation in  
5       the value, of the defense articles authorized to be  
6       leased shall be counted against the limitation in that  
7       paragraph.

8           (4) COUNTRY LIMITS.—(A) Not more than  
9       \$100,000,000 of the \$500,000,000 limitation pro-  
10      vided in paragraph (1)(B) may be allocated to any  
11      one country in any fiscal year unless that country is  
12      a victim of active aggression.

13           (B) Not more than \$750,000,000 of the aggre-  
14      gate limitation of \$1,500,000,000 provided in para-  
15      graphs (1)(A) and (1)(B) may be allocated to any  
16      one country in any fiscal year.

17 **SEC. 7103. UNANTICIPATED CONTINGENCIES.**

18       (a) AUTHORITY.—Notwithstanding any other provi-  
19      sion of law, the President is authorized to use funds made  
20      available to carry out any provision of this Act in order  
21      to furnish, for any unanticipated contingency, assistance  
22      or contributions authorized by any provision of this Act  
23      in accordance with the provisions applicable to the furnish-  
24      ing of such assistance or contributions.

1 (b) ANNUAL CEILING.—The authority of this section  
2 may not be used to authorize the use of more than  
3 \$100,000,000 during any fiscal year.

4 (c) REPORT TO CONGRESS.—The President shall re-  
5 port promptly to the Speaker of the House of Representa-  
6 tives and to the Committee on Foreign Relations and the  
7 Committee on Appropriations of the Senate each time the  
8 authority of this section is exercised.

9 (d) PROHIBITION ON GIFTS.—Funds used under the  
10 authority of this section may not be used to pay for any  
11 gifts to any official of any foreign government.

12 **SEC. 7104. ASSISTANCE FOR LAW ENFORCEMENT AGEN-**  
13 **CIES.**

14 (a) STATEMENT OF POLICY.—

15 (1) In many countries, law enforcement agen-  
16 cies may lag behind other institutions in their devel-  
17 opment as democratic organizations and in their  
18 ability to contribute to civilian order and may lack  
19 autonomy from military authorities.

20 (2) Absent external assistance and encourage-  
21 ment, such agencies may, in fact, undermine civilian  
22 democratic rule.

23 (3) United States and international assistance  
24 to these agencies may therefore be critical for the  
25 support of fragile and emerging democracies.

1 (b) USES OF ASSISTANCE.—In addition to assistance  
2 provided in support of the functions of law enforcement  
3 agencies under chapter 4 of title III, assistance may be  
4 provided under other provisions of this Act in support of  
5 the functions of law enforcement agencies only:

6 (1) to reinforce the civilian democratic role of  
7 agencies through, to the extent practicable as part of  
8 a larger effort to support the development of the ad-  
9 ministration of justice in the country—

10 (A) programs to enhance professionalism  
11 (including programs to improve investigative  
12 and forensic capabilities, to enhance protection  
13 of participants in judicial cases, and to improve  
14 administrative and management functions);

15 (B) contacts with counterparts in estab-  
16 lished democracies; and

17 (C) programs designed to enhance respect  
18 for human rights and understanding of prin-  
19 ciples of civilian control in a democratic society;

20 (2) to enhance the practical accountability of  
21 law enforcement agencies to civil justice institutions;

22 (3) to improve penal institutions and the reha-  
23 bilitation of offenders when doing so is considered  
24 part of a larger administration of justice program;

1           (4) to assist a country which has a democratic  
2 tradition, does not have standing armed forces, and  
3 does not engage in a consistent pattern of gross vio-  
4 lations of internationally recognized human rights;

5           (5) for maritime law enforcement and other  
6 maritime skills, including training;

7           (6) to protect and maintain wildlife habitats  
8 and to develop sound wildlife management and plant  
9 conservation programs;

10          (7) to improve the functioning of customs agen-  
11 cies, exclusive of traditional law enforcement activi-  
12 ties;

13          (8) for assistance to police forces in connection  
14 with their participation in the regional security sys-  
15 tem of the Eastern Caribbean; and

16          (9) to meet the challenges described in section  
17 2102(a)(3).

18          (c) OTHER ASSISTANCE.—Funds made available to  
19 carry out the provisions of title I, and chapter 2 of title  
20 IV (insofar as such funds are used for reconstruction ac-  
21 tivities), may be used in support of law enforcement func-  
22 tions only pursuant to subsections (b)(1), (2), and (6) of  
23 this section.

1 **SEC. 7105. TERMINATION EXPENSES.**

2 (a) IN GENERAL.—Funds made available under this  
3 Act, the former authority of the Foreign Assistance Act  
4 of 1961, the former authority of section 23 of the Arms  
5 Export Control Act, or other predecessor legislation shall  
6 remain available for obligation for a period not to exceed  
7 8 months from the date of any termination of assistance  
8 under such Acts for the necessary expenses of winding up  
9 programs related to such termination and may remain  
10 available until expended. Funds obligated under the au-  
11 thority of such Acts prior to the effective date of the termi-  
12 nation of assistance may remain available for expenditure  
13 for the necessary expenses of winding up programs related  
14 to such termination notwithstanding any provision of law  
15 restricting the expenditure of funds. In order to ensure  
16 the effectiveness of such assistance, such expenses for or-  
17 derly termination of programs may include the obligation  
18 and expenditure of funds to complete the training or stud-  
19 ies outside their countries of origin of students whose  
20 course of study or training program began before assist-  
21 ance was terminated.

22 (b) LIABILITY TO CONTRACTORS.—For the purpose  
23 of making an equitable settlement of termination claims  
24 under extraordinary contractual relief standards, the  
25 President is authorized to adopt as a contract or other  
26 obligation of the United States Government, and assume

1 (in whole or in part) any liabilities arising thereunder, any  
2 contract with a United States or third-country contractor  
3 that had been funded with assistance under such Acts  
4 prior to the termination of assistance.

5 (c) TERMINATION EXPENSES.—Amounts certified as  
6 having been obligated for assistance subsequently termi-  
7 nated by the President, or pursuant to any provision of  
8 law, shall continue to remain available and may be  
9 reobligated to meet any necessary expenses arising from  
10 the termination of such assistance.

11 (d) GUARANTY PROGRAMS.—Provisions of this or  
12 any other Act requiring the termination of assistance  
13 under this or any other Act shall not be construed to re-  
14 quire the termination of guarantee commitments that were  
15 entered into prior to the effective date of the termination  
16 of assistance.

17 (e) RELATION TO OTHER PROVISIONS.—Unless spe-  
18 cifically made inapplicable by another provision of law, the  
19 provisions of this section shall be applicable to the termi-  
20 nation of assistance pursuant to any provision of law.

21 **SEC. 7106. EXEMPTION OF ASSISTANCE THROUGH NON-**  
22 **GOVERNMENTAL ORGANIZATIONS FROM RE-**  
23 **STRICTIONS.**

24 (a) RESTRICTIONS NOT APPLICABLE.—Subject to  
25 subsection (c), restrictions contained in this or any other

1 Act with respect to assistance for a country shall not be  
2 construed to restrict assistance in support of programs of  
3 nongovernmental organizations or programs of inter-  
4 national organizations or arrangements.

5 (b) NATIONAL INTEREST CRITERIA.—The President  
6 shall take into consideration, in any case in which a re-  
7 striction on assistance would be applicable but for this sec-  
8 tion, whether assistance for programs of nongovernmental  
9 organizations or programs of international organizations  
10 or arrangements is in the national interest of the United  
11 States.

12 (c) NOTICE TO CONGRESS.—Whenever the authority  
13 of this section is used to furnish assistance for a program  
14 of a nongovernmental organization or of an international  
15 organization or arrangement, the President shall notify  
16 the Committee on Foreign Affairs and the Committee on  
17 Appropriations of the House of Representatives and the  
18 Committee on Foreign Relations and the Committee on  
19 Appropriations of the Senate. Such notification shall de-  
20 scribe the program assisted, the assistance provided, and  
21 the reasons for furnishing such assistance.

22 **SEC. 7107. EXEMPTION OF TRAINING ACTIVITIES FROM**  
23 **PROHIBITIONS.**

24 Provisions of this or any other Act shall not be con-  
25 strued to prohibit assistance for any training activity

1 funded under this Act for a country as long as that coun-  
2 try has a democratically elected government and the as-  
3 sistance is otherwise consistent with section 7201(a)(1),  
4 section 7201(a)(2) and section 7201(a)(5).

5 **SEC. 7108. NONAPPLICABILITY TO DEFENSE ASSISTANCE**  
6 **OF CERTAIN NEUTRALITY ACT PROVISIONS.**

7 The functions authorized under this Act may be per-  
8 formed without regard to such provisions as the President  
9 may specify of the Neutrality Act of 1939.

10 **SEC. 7109. EXEMPTION FROM PROHIBITIONS FOR ASSIST-**  
11 **ANCE TO ADDRESS CERTAIN SPECIAL NEEDS.**

12 (a) EXEMPTION.—Unless expressly provided to the  
13 contrary, provisions of this or any other Act, including  
14 provisions in previously enacted legislation, shall not be  
15 construed to prohibit the following activities:

- 16 (1) meeting the needs of individuals with dis-  
17 abilities;
- 18 (2) addressing the needs of displaced children;
- 19 (3) child survival activities;
- 20 (4) the prevention and control of acquired im-  
21 mune deficiency syndrome (AIDS);
- 22 (5) environmentally sound, sustainable resource  
23 management, and more efficient energy systems;
- 24 (6) reconstruction as a result of natural or  
25 manmade disasters; or

1           (7) helping to reduce excessive population  
2           growth rates.

3           (b) EXCEPTIONS.—Subsection (a) does not apply to  
4 governments of countries to which assistance is prohibited  
5 under paragraphs (2) and (5) of section 7201(a).

6 **SEC. 7110. AUTHORITY TO CONDUCT REIMBURSABLE PRO-**  
7 **GRAMS.**

8           (a) GENERAL AUTHORITY.—Whenever the President  
9 considers it consistent with and within the limitations of  
10 this Act, any agency of the United States Government is  
11 authorized to furnish services and articles on an advance-  
12 of-funds or reimbursement basis to friendly countries,  
13 international organizations and arrangements, and non-  
14 governmental organizations and may contract in advance  
15 of appropriations or reimbursement for such purposes.

16           (b) PERSONAL SERVICE CONTRACTS.—When any  
17 agency of the United States Government provides services  
18 on an advance-of-funds or reimbursable basis under this  
19 section, such agency may contract with individuals for per-  
20 sonal service abroad or in the United States to perform  
21 such services or to replace officers or employees of the  
22 United States Government in a manner otherwise per-  
23 mitted by law (or Office of Management and Budget Cir-  
24 cular A-76 or any successor circular) who are assigned  
25 by the agency to provide such services. Such individuals

1 shall not be regarded as employees of the United States  
2 Government for the purpose of any law administered by  
3 the Office of Personnel Management.

4 (c) LIMITATIONS ON ASSISTANCE NOT APPLICA-  
5 BLE.—Limitations in this or any other Act on assistance  
6 do not apply with respect to this section.

7 (d) USE OF PAYMENTS.—Advances and reimburse-  
8 ments received under this section may either be credited  
9 to the currently applicable appropriation, account, or fund  
10 of the agency concerned or shall be available until ex-  
11 pended.

12 **SEC. 7111. DRAWDOWN AUTHORITY.**

13 (a) UNFORESEEN EMERGENCIES.—If the President  
14 determines that—

15 (1) an unforeseen emergency exists which re-  
16 quires immediate military assistance to a foreign  
17 country or international organization, and

18 (2) the emergency requirement cannot be met  
19 under the authority of the Arms Export Control Act  
20 or any other law except this section,

21 the President may direct, for the purposes of this Act, the  
22 drawdown of articles and services, of an aggregate value  
23 not to exceed \$100,000,000 in any fiscal year, from the  
24 inventory and resources of the Department of Defense.

1 (b) SPECIAL CIRCUMSTANCES.—If the President de-  
2 termines that it is in the national interest of the United  
3 States to do so, the President may direct the drawdown  
4 of articles and services, of an aggregate value not to ex-  
5 ceed \$150,000,000 in any fiscal year, from the inventory  
6 and resources of any agency of the United States Govern-  
7 ment for the purposes and under the authorities of—

8 (1) chapter 4 of title III of this Act;

9 (2) chapter 1 of title IV of this Act; or

10 (3) chapter 2 of title IV of this Act.

11 (c)(1) The authority of this section may be exercised  
12 only if the Committee on Foreign Affairs and the Commit-  
13 tee on Appropriations of the House of Representatives and  
14 the Committee on Foreign Relations and the Committee  
15 on Appropriations of the Senate are notified in advance  
16 of the exercise of that authority.

17 (2) CONTINUING INFORMATION.—The President  
18 shall keep the Congress fully and currently informed of  
19 all articles and services provided under this section.

20 (d) AUTHORIZATION OF APPROPRIATIONS.—There  
21 are authorized to be appropriated to the President such  
22 sums as may be necessary to reimburse the applicable ap-  
23 propriation, fund, or account for articles and services pro-  
24 vided under this section.

1 **SEC. 7112. INTEREST ACCRUING TO NONGOVERNMENTAL**  
2 **ORGANIZATIONS.**

3 Upon the approval of the President, a nongovern-  
4 mental organization may place in an interest bearing ac-  
5 count—

6 (1) funds made available on a grant basis under  
7 this Act (or predecessor legislation); and

8 (2) local currencies which accrue to that organi-  
9 zation as a result of grant assistance provided under  
10 this Act (or predecessor legislation) or assistance  
11 under titles I through III of the Agricultural Trade  
12 Development and Assistance Act of 1954, section  
13 416(b) of the Agricultural Act of 1949, or the Food  
14 for Progress Act of 1985.

15 Any interest so earned may be retained by the nongovern-  
16 mental organization and used for the purpose for which  
17 the assistance was provided to that organization, which  
18 may include support for an endowment.

19 **SEC. 7113. DEVELOPMENT EDUCATION.**

20 The President may use funds made available for sus-  
21 tainable development assistance under this Act to support  
22 development education programs, with emphasis on those  
23 conducted by private voluntary organizations and coopera-  
24 tives, in order to assist in the education of United States  
25 citizens about developing countries, the development proc-  
26 ess, the interdependence of developed and developing coun-

1 tries, and the importance to the United States of develop-  
2 ing countries.

3 **SEC. 7114. STRENGTHENING THE CAPACITY OF NON-**  
4 **GOVERNMENTAL ORGANIZATIONS, INCLUD-**  
5 **ING RESEARCH AND EDUCATIONAL INSTITU-**  
6 **TIONS.**

7 The President may use funds made available for as-  
8 sistance under this Act to furnish assistance to nongovern-  
9 mental organizations, including research and educational  
10 institutions, in the United States and abroad for the pur-  
11 pose of strengthening their capacity to develop and carry  
12 out programs concerned with the economic and social de-  
13 velopment of developing countries.

14 **SEC. 7115. VIOLATIONS OF INTERNATIONAL HUMANI-**  
15 **TARIAN LAW.**

16 (a) **AUTHORITY FOR USE OF FUNDS.**—The President  
17 may use funds made available to carry out the purposes  
18 of chapters 1 and 4 of title III of this Act to support ac-  
19 tivities of international tribunals, commissions, or panels  
20 to investigate or prosecute persons responsible for geno-  
21 cide, crimes against humanity, and other violations of  
22 international humanitarian law.

23 (b) **DRAWDOWN AUTHORITY.**—If the President de-  
24 termines that doing so is important to support the activi-  
25 ties described in subsection (a), the President may direct

1 the drawdown of articles and services, of an aggregate  
2 value not to exceed \$25,000,000 in any fiscal year, from  
3 the inventory and resources of any agency of the United  
4 States.

5 (c) REIMBURSEMENT.—There are authorized to be  
6 appropriated to the President such sums as may be nec-  
7 essary to reimburse the applicable appropriation, fund, or  
8 account for articles and services provided under this sub-  
9 section (b).

10 **SEC. 7116. LAWS RELATING TO CONTRACTS AND GOVERN-**  
11 **MENT EXPENDITURES.**

12 Whenever the President determines it to be in fur-  
13 therance of the purposes of this Act, the functions author-  
14 ized under this Act may be performed without regard to  
15 such provisions of law regulating the making, perform-  
16 ance, amendment, or modification of contracts and the ex-  
17 penditure of funds of the United States Government as  
18 the President may specify, except for those provisions con-  
19 tained in section 8551(a)(7) of this Act.

20 **SEC. 7117. TRANSPORTATION CHARGES INCURRED BY THE**  
21 **RED CROSS AND NONGOVERNMENTAL ORGA-**  
22 **NIZATIONS.**

23 In order to further the efficient use of United States  
24 voluntary contributions for development and for relief and  
25 rehabilitation in furtherance of the purposes of this Act,

1 the President may use funds made available for assistance  
2 under this Act, to pay transportation charges on ship-  
3 ments by the American National Red Cross and by United  
4 States nongovernmental organizations.

5 CHAPTER 2—RESTRICTIONS ON ASSISTANCE

6 **SEC. 7201. INELIGIBLE COUNTRIES.**

7 (a) Restrictions.—Except as provided in subsection  
8 (b), assistance under this Act may not be furnished to the  
9 government of a country that is:

10 (1) COMMUNIST COUNTRIES.—A communist  
11 country, as designated under subsection (d).

12 (2) HUMAN RIGHTS VIOLATORS.—A country de-  
13 scribed in subsection (e).

14 (3) EXPROPRIATION OF UNITED STATES PROP-  
15 erty.—A country whose government—

16 (A) has on or after January 1, 1962—

17 (i) expropriated the property of any  
18 United States person,

19 (ii) repudiated or nullified any con-  
20 tract with any United States person, or

21 (iii) taken any other action (such as  
22 discriminatory taxes or other exactions)  
23 which has the effect of seizing ownership  
24 or control of the property of any United  
25 States person, and

1 (B) has not within a reasonable period of  
2 time provided adequate and effective compensa-  
3 tion or is not engaged in good faith efforts to  
4 negotiate a settlement, if the United States per-  
5 son has exhausted host country legal and other  
6 formal remedies.

7 (4) MILITARY COUPS.—A country whose duly-  
8 elected Head of Government is deposed by military  
9 coup or decree unless subsequent to the military  
10 coup or decree a democratically-elected government  
11 has taken office.

12 (5) TERRORIST COUNTRIES.—A country whose  
13 government the President determines repeatedly pro-  
14 vides support for acts of international terrorism.

15 (6) MAJOR ILLICIT DRUG PRODUCING OR  
16 MAJOR DRUG TRANSIT COUNTRIES.—A country de-  
17 scribed in section 7206.

18 (7) COUNTRIES IN ARREARS.—A country that  
19 is more than one year in arrears to the United  
20 States Government on any payment of interest or  
21 principal on any loan made or credit extended under  
22 this Act, the Arms Export Control Act, or the  
23 former authorities of the Foreign Assistance Act of  
24 1961.

25 (b) EXCEPTIONS.—

1           (1) IN GENERAL.—Funds may be obligated and  
2 expended for assistance restricted by subsection (a),  
3 or other provisions of law that restrict assistance to  
4 countries, under any of the following circumstances:

5           (A) NATIONAL INTEREST.—The President  
6 determines that the furnishing of such assist-  
7 ance is important to the national interests of  
8 the United States.

9           (B) ALLEVIATING SUFFERING RESULTING  
10 FROM A DISASTER.—The assistance is for the  
11 alleviation of suffering resulting from a natural  
12 or manmade disaster.

13           (C) DIRECTLY BENEFITTING THE  
14 NEEDY.—The assistance will directly benefit the  
15 needy people in the country.

16           (D) REFUGEES AND DISPLACED PER-  
17 SONS.—The assistance is for the purposes de-  
18 scribed in section 4101(b).

19           (E) PROMOTING HUMAN RIGHTS AND DE-  
20 MOCRACY.—The assistance will be furnished  
21 through nongovernmental organizations to di-  
22 rectly promote increased respect for internation-  
23 ally recognized human rights and the develop-  
24 ment of democracy.

1           (2) With respect to the restrictions imposed by  
2 subsection (g) or any other provision of law to which  
3 this subsection applies, references in this subsection  
4 to furnishing assistance shall be deemed to include  
5 the taking of other action that, but for this sub-  
6 section, would be restricted by such provision.

7           (c) REPORT TO CONGRESS.—Assistance restricted by  
8 subsection (a) may not be provided under subsection (b)  
9 until the President has submitted to the Speaker of the  
10 House of Representatives and the chairman of the Com-  
11 mittee on Foreign Relations of the Senate, a report with  
12 respect to such assistance. Any such report shall include  
13 a detailed explanation of the assistance to be provided, in-  
14 cluding the estimated dollar amount of such assistance,  
15 and an explanation of how the assistance meets the cri-  
16 teria specified in subsection (b).

17           (d) COMMUNIST COUNTRY LIST.—

18           (1) ESTABLISHMENT.—The President shall des-  
19 ignate those countries that are communist countries  
20 for purposes of subsection (a)(1).

21           (2) PUBLICATION OF LIST.—The initial list of  
22 countries designated pursuant to this subsection  
23 shall be published in the Federal Register and shall  
24 be provided to the Congress. Thereafter, any addi-

1 tions to or deletions from such list shall be similarly  
2 published and provided.

3 (3) REMOVAL OF COUNTRIES FROM THE LIST;  
4 EXEMPTIONS.—The President may remove a country  
5 from the communist country list established pursu-  
6 ant to this section, or may exempt a listed country  
7 from the application of subsection (a)(1) or other  
8 provisions of law that reference subsection (a)(1), if  
9 the President promptly reports such removal or ex-  
10 emption to the Speaker of the House of Representa-  
11 tives and the chairman of the Committee on Foreign  
12 Relations of the Senate.

13 (e) HUMAN RIGHTS VIOLATORS.—

14 (1) INELIGIBILITY.—Subsection (a)(2) shall  
15 apply to any country the government of which en-  
16 gages in a consistent pattern of gross violations of  
17 internationally recognized human rights.

18 (2) MATTERS TO BE CONSIDERED.—In imple-  
19 menting subsection (a)(2), consideration shall be  
20 given to the following:

21 (A) The relevant findings of appropriate  
22 international organizations and nongovern-  
23 mental organizations.

24 (B) The extent of cooperation by the gov-  
25 ernment in question in permitting an

1 unimpeded investigation by indigenous non-  
2 governmental organizations, other nongovern-  
3 mental organizations, and international organi-  
4 zations (such as the International Committee of  
5 the Red Cross), of alleged violations of inter-  
6 nationally recognized human rights.

7 (C) Specific actions that have been taken  
8 by the President or the Congress relating to the  
9 human rights practices of the government in  
10 question.

11 (D) The likely effect that a determination  
12 of ineligibility under this subsection is expected  
13 to have on the human rights process of the  
14 country concerned.

15 (f) TERRORIST COUNTRIES.—The President shall  
16 promptly report to the Speaker of the House of Represent-  
17 atives and the chairman of the Committee on Foreign Re-  
18 lations of the Senate the rescission of a determination that  
19 the government of a country repeatedly provides support  
20 for acts of international terrorism.

21 (g) RELATED RESTRICTIONS ON ASSISTANCE.—

22 (1) HUMAN RIGHTS VIOLATORS.—Subsection  
23 (a)(2) shall be deemed to prohibit, in addition to the  
24 furnishing of assistance under this Act—

1 (A) sales of defense articles, defense serv-  
2 ices, or design and construction services under  
3 the Arms Export Control Act;

4 (B) licenses under section 38 of the Arms  
5 Export Control Act with respect to the export  
6 of defense articles or defense services to or for  
7 the armed forces, police, intelligence, or other  
8 internal security forces of a foreign country;  
9 and

10 (C) licenses required under the Export Ad-  
11 ministration Act of 1979 for the export of crime  
12 control and detection instruments and equip-  
13 ment.

14 (2) TERRORIST COUNTRIES.—Subsection (a)(5)  
15 shall be deemed to prohibit, in addition to the fur-  
16 nishing of assistance under this Act, the furnishing  
17 of assistance under the Agricultural Trade Develop-  
18 ment and Assistance Act of 1954 and the Peace  
19 Corps Act, and the provision of loans, guaranties,  
20 and insurance under the Export-Import Bank Act of  
21 1945.

22 (3) MAJOR ILLICIT DRUG PRODUCING AND  
23 MAJOR DRUG TRANSIT COUNTRIES.—

24 (A) Subsection (a)(6) shall be deemed to  
25 prohibit, in addition to the furnishing of assist-

1           ance under this Act, (i) sales under the Arms  
2           Export Control Act, (ii) the provision of agri-  
3           cultural commodities other than food under the  
4           Agricultural Trade Development and Assistance  
5           Act of 1954, and (iii) loans, guarantees and in-  
6           surance under the Export-Import Bank Act of  
7           1945.

8           (B) Notwithstanding subparagraph (A),  
9           subsection (a)(6) shall not be deemed to pro-  
10          hibit (i) disaster relief assistance, refugee as-  
11          sistance or assistance that involves the provi-  
12          sion of food (including monetization of food) or  
13          medicine (including any such assistance pro-  
14          vided under title IV), and (ii) assistance for  
15          narcotics education and awareness activities.

16          (C) With respect to any country for which  
17          assistance is prohibited under section (a)(6),  
18          the President should instruct the United States  
19          Executive Director of the International Bank  
20          for Reconstruction and Development, the Unit-  
21          ed States Executive Director of the Inter-  
22          national Development Association, the United  
23          States Executive Director of the Inter-American  
24          Development Bank, and the United States Ex-  
25          ecutive Director of the Asian Development

1 Bank to vote, during the period in which assist-  
2 ance is prohibited under subsection (a)(6),  
3 against any loan or other utilization of the  
4 funds of their respective institution to or for  
5 any major illicit drug producing country or  
6 major drug-transit country, except as provided  
7 in subsection (b).

8 **SEC. 7202. IMPACT OF FOREIGN ASSISTANCE PROGRAMS**  
9 **ON JOBS IN THE UNITED STATES.**

10 Funds made available to carry out the provisions of  
11 this Act may not be made available to provide—

12 (1) any financial incentive to a business enter-  
13 prise located in the United States for the purpose of  
14 inducing that enterprise to relocate outside the Unit-  
15 ed States if such incentive or inducement is likely to  
16 reduce the number of individuals employed in the  
17 United States by that enterprise because that enter-  
18 prise would replace production in the United States  
19 with production outside the United States;

20 (2) assistance for the purpose of establishing or  
21 developing in a foreign country any export process-  
22 ing zone or designated area in which the tax, tariff,  
23 labor, environment, and safety laws of that country  
24 do not apply, in part or in whole, to activities car-  
25 ried out within that zone or area, unless the Presi-

1       dent determines and certifies that such assistance is  
2       not likely to cause a loss of jobs within the United  
3       States; or

4               (3) assistance for any project or activity that  
5       contributes to the violation of internationally recog-  
6       nized workers rights (as defined in section 502(a)(4)  
7       of the Trade Act of 1974) of workers in the recipi-  
8       ent country, including in any designated zone or  
9       area in that country.

10   In recognition that the application of paragraph (3) should  
11   be commensurate with the level of development of the re-  
12   cipient country and sector, that paragraph does not pre-  
13   clude assistance for the informal sector in such country,  
14   for microenterprises and small-scale enterprises, or for  
15   small-holder agriculture.

16   **SEC. 7203. FAMILY PLANNING ACTIVITIES.**

17       Funds made available to carry out this Act may not  
18   be—

19               (1) used to coerce any person to practice abor-  
20       tions; or

21               (2) used to pay for the performance of involun-  
22       tary sterilizations or to coerce or provide any finan-  
23       cial incentive to any person to undergo sterilizations.

1 **SEC. 7204. COMPETITION WITH UNITED STATES EXPORTS.**

2 In determining whether to provide assistance under  
3 this Act, the President should take into consideration  
4 whether such assistance would be furnished for direct sup-  
5 port for any project or activity that is specifically designed  
6 to increase exports of any agricultural, textile, or apparel  
7 commodity from a developing country where such ex-  
8 ports—

9 (1) would be in direct competition with United  
10 States exports, and

11 (2) can reasonably be expected to cause sub-  
12 stantial injury to United States exporters of the  
13 same or substantially similar commodity.

14 **SEC. 7205. NUCLEAR NONPROLIFERATION.**

15 (a) NUCLEAR ENRICHMENT TRANSFERS.—

16 (1) Except as provided in paragraph (2) of this  
17 subsection, no funds made available to carry out the  
18 provisions of this Act may be used for the purpose  
19 of providing assistance, to any country that, on or  
20 after the date of enactment of the International Se-  
21 curity Assistance Act of 1977, delivers nuclear en-  
22 richment equipment, materials, or technology to a  
23 nonnuclear weapon state or, if a nonnuclear weapon  
24 state, receives such equipment, materials, or tech-  
25 nology from any other country, unless before such  
26 delivery—

1 (A) the supplying country and receiving  
2 country have reached agreement to place all  
3 such equipment, materials, or technology, upon  
4 delivery, under multilateral auspices and man-  
5 agement when available; and

6 (B) the recipient country has entered into  
7 an agreement with the International Atomic  
8 Energy Agency to place all such equipment,  
9 materials, technology, and all nuclear fuel and  
10 facilities in such country under the safeguards  
11 system of such Agency.

12 (2)(A) Notwithstanding paragraph (1) of this  
13 subsection, the President may furnish assistance  
14 which would otherwise be prohibited under such sub-  
15 section if he determines and certifies in writing to  
16 the Speaker of the House of Representatives and the  
17 Committee on Foreign Relations of the Senate  
18 that—

19 (i) the termination of such assistance  
20 would have a serious adverse effect on vital  
21 United States interests; and

22 (ii) the President has received reliable as-  
23 surances that the country in question will not  
24 acquire or develop nuclear weapons or assist  
25 other nations in doing so.

1 A certification under subparagraph (A) of this para-  
2 graph shall set forth the reasons supporting such de-  
3 termination in each particular case.

4 (B) A certification under subparagraph (A) of  
5 this paragraph shall take effect on the date on which  
6 the certification is received by the Congress. How-  
7 ever, if, within 30 calendar days after receiving this  
8 certification, the Congress adopts a joint resolution  
9 stating in substance that the Congress disapproves  
10 the furnishing of assistance pursuant to the certifi-  
11 cation, then upon the adoption of that resolution the  
12 certification shall cease to be effective and all deliv-  
13 eries of assistance furnished under the authority of  
14 that certification shall be suspended immediately.

15 (C) Any joint resolution under this paragraph  
16 shall be considered in the Senate in accordance with  
17 the provisions of section 601(b) of the International  
18 Security Assistance and Arms Export Control Act of  
19 1976.

20 (D) For the purpose of expediting the consider-  
21 ation and adoption of joint resolutions under this  
22 paragraph, a motion to proceed to the consideration  
23 of any such resolution after it has been reported by  
24 the appropriate committee shall be treated as highly  
25 privileged in the House of Representatives.

1 (b) NUCLEAR REPROCESSING TRANSFERS, ILLEGAL  
2 EXPORTS FOR NUCLEAR EXPLOSIVE DEVICES.—

3 (1) Except as provided in paragraph (2) of this  
4 subsection, no funds made available to carry out the  
5 provisions of this Act may be used for the purpose  
6 of providing assistance to any country that—

7 (A) on or after the date of enactment of  
8 the International Security Assistance Act of  
9 1977, delivers nuclear reprocessing equipment,  
10 materials, or technology to a nonnuclear weap-  
11 on state or, if a nonnuclear weapon state, re-  
12 ceives such equipment, materials, or technology  
13 from any other country (except for the transfer  
14 of reprocessing technology associated with the  
15 investigation, under international evaluation  
16 programs in which the United States partici-  
17 pates, or technologies which are alternatives to  
18 pure plutonium reprocessing); or

19 (B) is a nonnuclear-weapon state which, on  
20 or after the date of enactment of the Inter-  
21 national Security and Development Cooperation  
22 Act of 1985, exports illegally or attempts to ex-  
23 port illegally from the United States any mate-  
24 rial, equipment, or technology which would con-  
25 tribute significantly to the ability of such coun-

1 try to manufacture a nuclear explosive device, if  
2 the President determines that the material,  
3 equipment, or technology was to be used by  
4 such country in the manufacture of a nuclear  
5 explosive device; for purposes of this subpara-  
6 graph, an export or attempted export by a per-  
7 son who is an agent of, or is otherwise acting  
8 on behalf of or in the interests of, a country  
9 shall be considered to be an export or at-  
10 tempted export by that country.

11 (2) Notwithstanding paragraph (1) of this sub-  
12 section, the President may furnish assistance which  
13 would otherwise be prohibited under that paragraph  
14 if the President determines and certifies in writing  
15 to the Speaker of the House of Representatives and  
16 the Committee on Foreign Relations of the Senate  
17 that the termination of such assistance would be se-  
18 riously prejudicial to the achievement of United  
19 States nonproliferation objectives or otherwise jeop-  
20 ardize the common defense and security. The Presi-  
21 dent shall transmit with such certification a state-  
22 ment setting forth the specific reasons therefor.

23 (3)(A) A certification under paragraph (2) of  
24 this subsection shall take effect on the day on which  
25 the certification is received by the Congress. How-

1 ever, if, within 30 calendar days after receiving this  
2 certification, the Congress adopts a joint resolution  
3 stating in substance that the Congress disapproves  
4 the furnishing of assistance pursuant to the certifi-  
5 cation, then upon the adoption of that resolution the  
6 certification shall cease to be effective and all deliv-  
7 eries of assistance furnished under the authority of  
8 that certification shall be suspended immediately.

9 (B) Any joint resolution under this paragraph  
10 shall be considered in the Senate in accordance with  
11 the provisions of section 601(b) of the International  
12 Security Assistance and Arms Export Control Act of  
13 1976.

14 (C) For the purpose of expediting the consider-  
15 ation and adoption of joint resolutions under this  
16 paragraph, a motion to proceed to the consideration  
17 of any such resolution after it has been reported by  
18 the appropriate committee shall be treated as highly  
19 privileged in the House of Representatives.

20 (c) TRANSFERS OF NUCLEAR EXPLOSIVE DEVICES  
21 AND NUCLEAR DETONATIONS.—

22 (1) Except as provided in paragraphs (2) and  
23 (3) of this subsection, no funds made available to  
24 carry out the provisions of this Act may be used for  
25 the purpose of providing assistance to any country

1 that, on or after the date of enactment of the Inter-  
2 national Security Assistance Act of 1977—

3 (A) transfers a nuclear explosive device to  
4 a nonnuclear-weapon state, or

5 (B) is a nonnuclear-weapon state and ei-  
6 ther—

7 (i) receives a nuclear explosive device,

8 or

9 (ii) detonates a nuclear explosive de-

10 vice.

11 (2)(A) Notwithstanding paragraph (1) of this  
12 subsection, the President may, for a period of not  
13 more than 30 days of continuous session, furnish as-  
14 sistance which would otherwise be prohibited under  
15 paragraph (1) of this subsection if, before furnishing  
16 such assistance, the President transmits to the  
17 Speaker of the House of Representatives, and to the  
18 Chairman of the Committee on Foreign Relations of  
19 the Senate, a certification that the President has de-  
20 termined that an immediate termination of assist-  
21 ance to that country would be detrimental to the na-  
22 tional security of the United States. Not more than  
23 one such certification may be transmitted for a  
24 country with respect to the same detonation, trans-  
25 fer, or receipt of a nuclear explosive device.

1           (B) If the President transmits a certification to  
2           the Congress under subparagraph (A), a joint reso-  
3           lution which would permit the President to exercise  
4           the waiver authority of subparagraph (3) of this  
5           subsection shall, if introduced in either House within  
6           30 days of continuous session after the Congress re-  
7           ceives this certification, be considered in the Senate  
8           and House of Representatives in accordance with  
9           subparagraphs (C) and (D) of this paragraph.

10           (C) Any joint resolution under this paragraph  
11           shall be considered in the Senate in accordance with  
12           the provisions of section 601(b) of the International  
13           Security Assistance and Arms Export Control Act of  
14           1976.

15           (D) For the purpose of expediting the consider-  
16           ation and adoption of a joint resolution under this  
17           paragraph, a motion to proceed to the consideration  
18           of such a joint resolution after it has been reported  
19           by the appropriate committee shall be treated as  
20           highly privileged in the House of Representatives.

21           (E) For purposes of this paragraph, the term  
22           “joint resolution” means a joint resolution the mat-  
23           ter after the resolving clause of which is as follows:  
24           “That the Congress having received on a certifi-  
25           cation by the President under section 7205(c)(2) of

1 the Peace, Prosperity, and Democracy Act of 1994  
2 with respect to \_\_\_\_\_, the Congress hereby au-  
3 thorizes the President to exercise the waiver author-  
4 ity contained in section 7205(c)(3) of that Act.”,  
5 with the date of receipt of the certification inserted  
6 in the first blank and the name of the country in-  
7 serted in the second blank.

8 (3) Notwithstanding paragraph (1) of this sub-  
9 section, if the Congress enacts a joint resolution  
10 under paragraph (2) of this subsection, the Presi-  
11 dent may furnish assistance which would otherwise  
12 be prohibited under paragraph (1) if he determines  
13 and certifies in writing to the Speaker of the House  
14 of Representatives and the Committee on Foreign  
15 Relations of the Senate that the termination of such  
16 assistance would be seriously prejudicial to the  
17 achievement of United States nonproliferation objec-  
18 tives or otherwise jeopardize the common defense  
19 and security. The President shall transmit with such  
20 certification a statement setting forth the specific  
21 reasons therefor.

22 (4) For purposes of this subsection, continuity  
23 of session is broken only by an adjournment of Con-  
24 gress sine die and the days on which either House  
25 is not in session because of an adjournment of more

1 than three days to a day certain are excluded in the  
2 computation of any period of time in which Congress  
3 is in continuous session.

4 (d) As used in this section, the term “nonnuclear-  
5 weapon state” means any country which is not a nuclear-  
6 weapon state, as defined in article IX(3) of the Treaty  
7 on the Non-Proliferation of Nuclear Weapons.

8 (e) PAKISTAN.—No assistance shall be furnished to  
9 Pakistan and no military equipment or technology shall  
10 be sold or transferred to Pakistan, pursuant to the au-  
11 thorities contained in this Act or any other Act, unless  
12 the President shall have certified in writing to the Speaker  
13 of the House of Representatives and the chairman of the  
14 Committee on Foreign Relations of the Senate, during the  
15 fiscal year in which assistance is to be furnished or mili-  
16 tary equipment or technology is to be sold or transferred,  
17 that Pakistan does not possess a nuclear explosive device  
18 and that the proposed United States assistance program  
19 will reduce significantly the risk that Pakistan will possess  
20 a nuclear explosive device.

21 **SEC. 7206. MAJOR ILLICIT DRUG PRODUCING AND DRUG**  
22 **TRANSIT COUNTRIES.**

23 (a) APPLICATION OF RESTRICTION.—Section  
24 7201(a)(6) shall apply to any major illicit drug producing  
25 country and any major drug-transit country if the Presi-

1 dent determines, at the time of the submission of the re-  
2 port required by section 7303, that during the previous  
3 fiscal year the country has not cooperated with the United  
4 States, and has otherwise not taken adequate steps to con-  
5 trol the illicit cultivation, production, and smuggling of,  
6 trafficking in, and abuse of narcotic and psychotropic  
7 drugs. The President may rescind such a determination,  
8 and section 7201(a)(6) shall cease to apply, if the Presi-  
9 dent subsequently determines that the country has re-  
10 sumed cooperating with the United States, or otherwise  
11 has taken adequate steps to control the illicit cultivation,  
12 production, and smuggling of, trafficking in, and abuse  
13 of narcotic and psychotropic drugs.

14 (b) WITHHOLDING.—For any country that was a  
15 major illicit drug producing or drug-transit country (as  
16 defined in sections 8551(a)(11) and (12)) during the pre-  
17 vious fiscal year, the President may withhold from obliga-  
18 tion or expenditure up to fifty percent of assistance which  
19 is allocated to such country each fiscal year in the report  
20 required by section 7304 until the determination provided  
21 for in section 7206 is made.

22 (c) In implementing subsection (a), the President  
23 should consider the extent to which the country has—

1           (1) accomplished the goals described in an ap-  
2           plicable bilateral narcotics agreement with the Unit-  
3           ed States or a multilateral agreement;

4           (2) investigated and immobilized major organi-  
5           zations involved in the production, processing, or  
6           distribution of narcotics and dangerous drugs;

7           (3) achieved significant increases in seizures of  
8           the proceeds and instrumentalities of the illicit drug  
9           trade;

10          (4) achieved significant reductions, where appli-  
11          cable, in the net production of illicit narcotic crops  
12          through forced or voluntary eradication efforts;

13          (5) prevented and punished the laundering in  
14          that country of drug-related monies;

15          (6) prevented and punished public corruption  
16          that facilitates the production, processing, or ship-  
17          ment of narcotic and psychotropic drugs and other  
18          controlled substances, or that discourages the inves-  
19          tigation or prosecution of such acts;

20          (7) processed expeditiously United States and  
21          other extradition requests related to narcotics traf-  
22          ficking;

23          (8) increased public awareness of the heinous  
24          nature of drug abuse and reduced the demand and

1 the consumption of narcotics and dangerous drugs;  
2 and

3 (9) if it is a producer of licit opium, taken steps  
4 to prevent significant diversion of its licit cultivation  
5 and production into the illicit market, to maintain  
6 production of stockpiles at levels no higher than  
7 those consistent with licit market demands, and to  
8 prevent illicit cultivation and production.

9 **SEC. 7207. ASSISTANCE FOR ELECTIONS.**

10 Funds made available for assistance under this Act  
11 that are used to enhance the independence and perform-  
12 ance of electoral processes may not be used for the pur-  
13 pose of influencing the outcome of any election in any  
14 country.

15 **SEC. 7208. ASSIGNMENT OF PERSONNEL.**

16 (a) ASSIGNMENT OR DETAIL.—Members of the  
17 Armed Forces may be assigned or detailed to perform  
18 functions related to assistance under this Act adminis-  
19 tered through the Department of Defense, provided they  
20 not perform duties of a combatant nature, including any  
21 duty related to training and advising that may engage  
22 United States Armed Forces personnel in combat activi-  
23 ties, outside the United States in connection with the per-  
24 formance of those defense services.

1 (b) EXCEPTION.—The limitation contained in sub-  
2 section (a) shall not apply if the President determines, and  
3 reports to the Congress, that its application would not be  
4 in the national interest of the United States.

5 **SEC. 7209. ASSISTANCE LIMITED TO ECONOMIC PROGRAMS.**

6 (a) IN GENERAL.—Assistance provided under title I  
7 of this Act may not be used for military or paramilitary  
8 purposes.

9 (b) EXCEPTION FOR CERTAIN PROGRAMS.—The pro-  
10 visions of subsection (a) of this section shall not apply to  
11 economic assistance involving the participation of military  
12 personnel in training activities, conferences, and other sus-  
13 tainable development programs consistent with the pur-  
14 poses of section 1102.

15 **SEC. 7210. IMPACT OF SUSTAINABLE DEVELOPMENT AS-**  
16 **SISTANCE ON ENVIRONMENT AND NATURAL**  
17 **RESOURCES.**

18 (a) STATEMENT OF POLICY.—It is the sense of the  
19 Congress that—

20 (1) the economic and social well-being and the  
21 security of the United States and other countries are  
22 affected by how the world's environment and phys-  
23 ical resource base are managed, and that consump-  
24 tion patterns, systems of industrial and agricultural  
25 production, and the manner of use of natural re-

1 sources all have an impact on the opportunities for  
2 long-term development and growth and survival for  
3 all countries;

4 (2) environmentally responsible management of  
5 physical resources is necessary by both developed  
6 and developing countries to insure their availability  
7 for future generations and to assure that the bur-  
8 dens of improved resource management do not fall  
9 disproportionately on the poor;

10 (3) sustainable development is development that  
11 meets the needs of the present without compromis-  
12 ing the ability of future generations to meet their  
13 own needs; and

14 (4) sustainable development programs author-  
15 ized by this Act should assist countries to adopt poli-  
16 cies and to carry out programs that promote eco-  
17 nomic growth that is environmentally sound.

18 (b) IMPACT ASSESSMENT.—The President, in imple-  
19 menting sustainable development programs under this  
20 Act, should take fully into account the impact of such pro-  
21 grams and projects upon the environment and natural re-  
22 sources of developing countries. Subject to such proce-  
23 dures as the President considers appropriate, the Presi-  
24 dent should—

1           (1) prepare and take fully into account an ini-  
2           tial environmental examination of every program or  
3           project to determine whether it significantly affects  
4           the environment;

5           (2) prepare and take fully into account an envi-  
6           ronmental impact statement for any program or  
7           project significantly affecting the environment of the  
8           global commons outside the jurisdiction of any coun-  
9           try, the environment of the United States, or other  
10          aspects of the environment which the President may  
11          specify; and

12          (3) prepare and take fully into account an envi-  
13          ronmental assessment of any proposed program or  
14          project significantly affecting the environment of any  
15          foreign country.

16 Where appropriate, local technical resources should be  
17 used in preparing environmental impact statements and  
18 environmental assessments pursuant to this section.

19          (c) EXCEPTIONS.—The President should establish ex-  
20 ceptions for emergency conditions and for cases in which  
21 implementation of procedures described in subsection (b)  
22 would be seriously detrimental to the foreign policy inter-  
23 ests of the United States.



1 **SEC. 7302. HUMAN RIGHTS POLICY AND REPORTS.**

2 (a) PROMOTION OF HUMAN RIGHTS.—It is the sense  
3 of the Congress that the United States should, in accord-  
4 ance with its international obligations as set forth in the  
5 charter of the United Nations and in keeping with the con-  
6 stitutional heritage and traditions of the United States,  
7 promote and encourage increased respect for human rights  
8 and fundamental freedoms throughout the world without  
9 distinction as to race, sex, language, or religion.

10 (b) CONDUCT OF ASSISTANCE.—In furtherance of  
11 subsection (a), the President should formulate and con-  
12 duct United States assistance in a manner which will—

13 (1) promote and advance human rights;

14 (2) strengthen a relationship between civilian  
15 and military sectors appropriate to a democratic sys-  
16 tem of government; and

17 (3) avoid identification of the United States,  
18 through these programs, with governments which  
19 deny to their people internationally recognized  
20 human rights and fundamental freedoms in violation  
21 of international law or in contravention of the policy  
22 of the United States as expressed in this section or  
23 otherwise.

24 (c) MATTERS TO BE CONSIDERED.—In carrying out  
25 subsection (b) and in preparing the annual reports re-

1 quired by subsection (d), consideration should be given to  
2 the following:

3 (1) The relevant findings of appropriate inter-  
4 national organizations and nongovernmental organi-  
5 zations.

6 (2) The extent of cooperation by the govern-  
7 ment in question in permitting an unimpeded inves-  
8 tigation by indigenous nongovernmental organiza-  
9 tions, other nongovernmental organizations, and  
10 international organizations (such as the Inter-  
11 national Committee of the Red Cross), of alleged  
12 violations of internationally recognized human  
13 rights.

14 (d) ANNUAL HUMAN RIGHTS REPORT.—In further-  
15 ance of subsections (a) and (b), the President shall trans-  
16 mit to the Congress, not later than January 31 each year,  
17 a full and complete report with respect to practices regard-  
18 ing the status of internationally recognized human rights,  
19 regarding whether the country engages in a consistent pat-  
20 tern of gross violations of internationally recognized  
21 human rights within the meaning of section 8551(a)(5).  
22 The report shall be submitted with respect to every foreign  
23 country that is a member of the United Nations. Wherever  
24 appropriate, such reports shall include information on  
25 practices regarding coercion in population control, includ-

1 ing coerced abortion and involuntary sterilization. The re-  
2 port shall also include the steps taken to alter United  
3 States programs under this Act in any country because  
4 of human rights considerations.

5 (e) INFORMATION TO BE PROVIDED.—Each annual  
6 report under subsection (d), shall include—

7 (1) information about observance of and respect  
8 for human rights and fundamental freedom in the  
9 country in question, and

10 (2) a detailed description of practices by the re-  
11 cipient government with respect to human rights and  
12 fundamental freedom, including where appropriate  
13 information provided by organizations, including  
14 nongovernmental organizations.

15 **SEC. 7303. INTERNATIONAL NARCOTICS CONTROL REPORT.**

16 Not later than March 1 of each year, the President  
17 shall transmit to the Speaker of the House of Representa-  
18 tives, and to the Committee on Foreign Relations of the  
19 Senate, a comprehensive report on the state of inter-  
20 national narcotics production and trafficking, and on  
21 United States efforts to prevent the illicit cultivation and  
22 manufacture of and trafficking in narcotics and psycho-  
23 tropic drugs and other controlled substances.

1 **SEC. 7304. ANNUAL ALLOCATION REPORT.**

2 (a) REPORT ON ALLOCATIONS OF ASSISTANCE.—Not  
3 later than 30 days after the enactment of any law appro-  
4 priating funds to carry out any provision of this Act, the  
5 President shall notify the Congress of—

6 (1) each foreign country and international orga-  
7 nization to which the United States Government in-  
8 tends to provide any portion of the funds under such  
9 law; and

10 (2) the amount of funds under that law, by cat-  
11 egory of assistance, that the United States Govern-  
12 ment intends to provide to each such country or or-  
13 ganization.

14 (b) EXCEPTIONS.—Subsection (a) does not apply  
15 with respect to—

16 (1) funds appropriated under section 8509 or  
17 section 8510 (relating to operating expenses of the  
18 United States Agency for International Development  
19 and the Inspector General of that agency, respec-  
20 tively); or

21 (2) any law making continuing appropriations.

22 (c) USE OF SPECIAL AUTHORITY.—The authority of  
23 section 7201 of this Act may not be used to waive the  
24 provisions of this section.

1 **SEC. 7305. NOTIFICATION OF PROGRAM CHANGES.**

2 (a) NOTIFICATION OF PROGRAM CHANGES.—Unless  
3 the Committee on Foreign Affairs and the Committee on  
4 Appropriations of the House of Representatives and the  
5 Committee on Foreign Relations and the Committee on  
6 Appropriations of the Senate are notified at least fifteen  
7 days in advance, funds appropriated for a fiscal year to  
8 carry out this Act may not be obligated for any assistance  
9 or contributions under any title of this Act—

10 (1) for programs administered by the United  
11 States Agency for International Development under  
12 title I—

13 (A) for a country, regional, or centrally  
14 funded program for which assistance under that  
15 title was not justified in congressional presen-  
16 tation documents for that fiscal year;

17 (B) for a country, regional, or centrally  
18 funded program in excess of the amount justi-  
19 fied under that title in congressional presen-  
20 tation documents or allocated pursuant to sec-  
21 tion 7304 for that fiscal year;

22 (C) for a project or activity not previously  
23 justified to such Committees or, in the case of  
24 programs that are administered through strate-  
25 gic objectives, for a new strategic objective for

1 a country, regional or centrally funded pro-  
2 gram; or

3 (D) for a nonproject assistance activity, in-  
4 cluding commodity import program assistance;

5 (2) for assistance administered through the De-  
6 partment of Defense under this Act—

7 (A) for a country, international organiza-  
8 tion or arrangement, for which assistance under  
9 that title was not justified in congressional  
10 presentation documents for that fiscal year;

11 (B) in excess of the amount allocated pur-  
12 suant to section 7304 for that country, organi-  
13 zation or arrangement, under that title for that  
14 fiscal year; or

15 (C) for the provision of major defense  
16 equipment, other than conventional ammuni-  
17 tion, or other major defense items defined to be  
18 aircraft, ships, missiles, or combat vehicles not  
19 previously justified to Congress or twenty per-  
20 cent in excess of the quantities justified to Con-  
21 gress.

22 (3) for other programs under this Act—

23 (A) for a country, international organiza-  
24 tion or arrangement, or operation for which as-  
25 sistance or contribution under that title was not

1 justified in congressional presentation docu-  
2 ments for that fiscal year;

3 (B) in excess of the amount allocated pur-  
4 suant to section 7304 for that country or orga-  
5 nization or arrangement under that title for  
6 that fiscal year; or

7 (C) for a project, activity, or operation not  
8 previously justified, or in excess of the amount  
9 previously justified, to such Committees.

10 (b) APPROPRIATIONS SUBJECT TO REQUIRE-  
11 MENTS.—Subsection (a) applies with respect to all funds  
12 appropriated for assistance and contributions under this  
13 Act other than—

14 (1) chapters 1 and 2 of title V (relating to the  
15 Overseas Private Investment Corporation and the  
16 Trade and Development Agency, respectively),

17 (2) section 1104 (relating to the micro and  
18 small enterprise development, housing and urban,  
19 and other guaranty programs),

20 (3) programs for refugee assistance and for dis-  
21 aster relief and rehabilitation, including assistance  
22 programs under title IV of this Act.

23 (c) EMERGENCY EXCEPTIONS.—

24 (1) WAIVER.—Subsection (a), or any similar re-  
25 quirement to provide advance notification to the

1 Congress or Congressional committees, may be  
2 waived if the President determines that doing so is  
3 necessitated by emergency circumstances.

4 (2) EXERCISE OF AUTHORITY.—In the case of  
5 any waiver under paragraph (1) notification to the  
6 Congress or the appropriate Congressional commit-  
7 tees shall be provided as early as practicable, but in  
8 no event later than three days after taking the ac-  
9 tion to which such notification requirement was ap-  
10 plicable. Any notification under this paragraph shall  
11 contain an explanation of the circumstances neces-  
12 sitating the use of the authority of this subsection.

13 **SEC. 7306. EVALUATION AND MONITORING OF PROGRAM**  
14 **PERFORMANCE.**

15 (a) NEED FOR EVALUATION.—In order to effectively  
16 and responsibly manage the resources made available for  
17 sustainable development purposes, the President must  
18 have a capacity to evaluate objectively the extent of  
19 progress in achieving development results and to derive  
20 lessons from that development experience.

21 (b) ACTIONS TO BE TAKEN.—In furtherance of sub-  
22 section (a), the President shall establish a program per-  
23 formance, monitoring, and evaluation capacity within the  
24 United States Agency for International Development that  
25 will do the following:

1           (1) Enhance, through training and other  
2 means, the use of program performance, monitoring,  
3 and evaluation as a management tool, by both the  
4 agency and its counterparts in countries receiving  
5 assistance, in the planning, designing, and imple-  
6 mentation of foreign assistance projects and pro-  
7 grams.

8           (2) Develop a program performance information  
9 system to afford agency managers at all levels, and  
10 counterparts in countries receiving assistance, a  
11 means for monitoring and assessing achievement of  
12 impact and interim performance of the agency's  
13 major programs in support of the strategic manage-  
14 ment of economic assistance.

15           (3) Prepare and disseminate objective and peri-  
16 odic reports on the progress of the agency in meet-  
17 ing development objectives and on lessons learned  
18 from its development programs and assure the  
19 widest possible distribution of findings, particularly  
20 to beneficiaries of projects and programs.

21           (4) Establish a system which ensures the incor-  
22 poration of evaluation findings in decisions of the  
23 agency about program direction and resource alloca-  
24 tion.

1 (c) The President shall prepare an annual report to  
2 the Congress to include the following:

3 (1) An assessment of progress toward the  
4 achievement of sustainable development objectives,  
5 based on the findings of program performance mon-  
6 itoring and evaluation studies conducted by the  
7 United States Agency for International Development  
8 and on such other empirical analyses as may be ap-  
9 propriate.

10 (2) An analysis, on a country-by-country basis,  
11 of the results of sustainable development in each  
12 country receiving assistance under title I from such  
13 Agency, including a discussion of the United States  
14 interests and objectives that were served by such as-  
15 sistance.

16 TITLE VIII—GENERAL PROVISIONS

17 CHAPTER 1—EXERCISE AND COORDINATION OF

18 FUNCTIONS

19 **SEC. 8101. DELEGATIONS BY THE PRESIDENT.**

20 (a) IN GENERAL.—The President may exercise any  
21 functions conferred upon the President by this Act  
22 through such agency or officer of the United States Gov-  
23 ernment as the President shall direct.

1 (b) AUTHORITY TO ISSUE REGULATIONS AND DELE-  
2 GATE.—The head of any agency or such officer exercising  
3 functions under this Act—

4 (1) may from time to time promulgate such  
5 rules and regulations as may be necessary to carry  
6 out such functions; and

7 (2) may delegate authority, including to any  
8 other agency upon obtaining the concurrence of the  
9 head of that agency, to perform any such functions,  
10 including, if he or she shall so specify, the authority  
11 successively to redelegate any of such functions.

12 **SEC. 8102. ROLE OF THE SECRETARY OF STATE.**

13 (a) CONTINUOUS SUPERVISION.—Under the direction  
14 of the President, the Secretary of State shall be respon-  
15 sible for the continuous supervision and general direction  
16 of assistance under this Act, including determining wheth-  
17 er such assistance shall involve the provision of defense  
18 articles and defense services, to the end that all such as-  
19 sistance is effectively integrated both at home and abroad  
20 and the foreign policy of the United States is best served  
21 thereby.

22 (b) POWERS AND FUNCTIONS.—Nothing in this Act  
23 shall be construed to infringe upon the powers and func-  
24 tions of the Secretary of State.

1 **SEC. 8103. THE SECRETARY OF DEFENSE.**

2 (a) With respect to assistance under this Act admin-  
3 istered through the Department of Defense, the Secretary  
4 of Defense shall have primary responsibility for—

5 (1) the determination of military end-item re-  
6 quirements;

7 (2) the procurement of military equipment in a  
8 manner which permits its integration with service  
9 programs;

10 (3) the monitoring of end-item use by the recip-  
11 ient countries;

12 (4) the supervision of the training of foreign  
13 military and related civilian personnel;

14 (5) the movement and delivery of military end-  
15 items; and

16 (6) within the Department of Defense the per-  
17 formance of any other functions with respect to the  
18 furnishing of assistance administered through the  
19 Department of Defense under this Act.

20 (b) The establishment of priorities in the procure-  
21 ment, delivery, and the allocation of military equipment  
22 shall be determined by the Secretary of Defense.

23 **SEC. 8104. UNITED STATES AGENCY FOR INTERNATIONAL**  
24 **DEVELOPMENT.**

25 The United States Agency for International Develop-  
26 ment shall be an agency of the United States under the

1 foreign policy guidance and subject to the supervision and  
2 direction of the Secretary of State.

3 **SEC. 8105. THE DIRECTOR OF THE ARMS CONTROL AND**  
4 **DISARMAMENT AGENCY.**

5 Decisions to furnish assistance administered through  
6 the Department of Defense under subchapter A, chapter  
7 1, title II, and chapter 3, title III shall be made in coordi-  
8 nation with the Director of the United States Arms Con-  
9 trol and Disarmament Agency and shall take into account  
10 the Director's opinion as to whether such assistance will—

11 (1) contribute to an arms race;

12 (2) increase the possibility of outbreak or esca-  
13 lation of conflict; or

14 (3) prejudice the development of bilateral or  
15 multilateral arms control arrangements.

16 **SEC. 8106. AUTHORITY TO ESTABLISH OFFICES ABROAD.**

17 The President may maintain offices or staffs outside  
18 the United States in such countries and for such periods  
19 of time as may be necessary to carry out this Act.

20 **SEC. 8107. PRESIDENTIAL FINDINGS AND DETERMINA-**  
21 **TIONS.**

22 (a) FINDINGS AND DETERMINATIONS TO BE WRIT-  
23 TEN AND SIGNED.—In any case in which the President  
24 is required to make a report by any provision of this Act,  
25 the Arms Export Control Act, or any annual or periodic

1 foreign assistance authorizing or appropriations legisla-  
2 tion, to the Congress or to any committee or officer of  
3 either House of Congress concerning any finding or deter-  
4 mination, that finding or determination shall be reduced  
5 to writing and signed by the President.

6 (b) RESTRICTION.—No action shall be taken pursu-  
7 ant to any such finding or determination prior to the date  
8 on which that finding or determination is reduced to writ-  
9 ing and signed by the President.

10 (c) PUBLICATION IN FEDERAL REGISTER.—Each  
11 such finding or determination shall be published in the  
12 Federal Register as soon as practicable after it has been  
13 reduced to writing and signed by the President. In any  
14 case in which the President concludes that such publica-  
15 tion would be harmful to the national security of the Unit-  
16 ed States, only a statement that a determination or find-  
17 ing has been made by the President, including the name  
18 and section of the Act under which it was made, shall be  
19 published.

20 CHAPTER 2—ADMINISTRATIVE AUTHORITIES

21 Subchapter A—General Authorities

22 **SEC. 8201. ALLOCATION OF FUNDS AND REIMBURSEMENT**  
23 **AMONG AGENCIES.**

24 (a) ALLOCATIONS OR TRANSFERS TO AGENCIES.—  
25 The President, or with respect to funds appropriated to

1 any agency, the head of such agency, as the case may be,  
2 may allocate or transfer to any agency of the United  
3 States Government any funds available for providing as-  
4 sistance under this or any other Act, including any ad-  
5 vance to the United States Government by any country  
6 or international organization for the procurement of arti-  
7 cles or services. Such funds shall be available for obliga-  
8 tion and expenditure for the purposes for which author-  
9 ized, in accordance with the authority pursuant to which  
10 they were made available or the authority governing the  
11 activities of the agency to which such funds are allocated  
12 or transferred.

13 (b) PROCUREMENT FROM OTHER AGENCIES.—

14 (1) AUTHORITY.—Any officer of the United  
15 States Government carrying out functions under this  
16 Act may utilize the services and the facilities of, or  
17 procure articles from, any agency of the United  
18 States Government as the President shall direct, or  
19 with the consent of the head of such agency.

20 (2) SEPARATE ACCOUNT.—Funds allocated pur-  
21 suant to this subsection to any such agency may be  
22 established in separate appropriation accounts on  
23 the books of the Treasury.

24 (c) REIMBURSEMENT TO AGENCIES.—

1           (1) GENERAL.—In the case of any article, serv-  
2           ice, or facility procured from any agency of the Unit-  
3           ed States Government to carry out any provision of  
4           this Act (except with respect to assistance under sec-  
5           tions 3103, 3204 and 7111, 7115(b)), reimburse-  
6           ment or payment shall be made to such agency from  
7           funds available to carry out that provision.

8           (2) AMOUNT OF REIMBURSEMENT.—Such reim-  
9           bursement or payment shall be at—

10                   (A) replacement cost,

11                   (B) if required by law, actual cost,

12                   (C) in the case of defense articles procured  
13                   from the Department of Defense, value as de-  
14                   fined in section 8551(20), or, if required by  
15                   law, actual costs,

16                   (D) in the case of services procured from  
17                   the Department of Defense, the amount of the  
18                   additional costs incurred by the Department of  
19                   Defense in providing such services, or, if re-  
20                   quired by law, actual costs, or

21                   (E) at any other cost agreed to by the  
22                   owning or disposing agency.

23           (3) CREDITING OF REIMBURSEMENT.—The  
24           amount of any such reimbursement or payment shall  
25           either be credited to current applicable appropria-

1 tions, funds, or accounts of such agency, to be avail-  
2 able for the same purposes and for the same time  
3 period as the appropriation, fund or account to  
4 which transferred, or any such credited funds shall  
5 remain available for such purposes until expended.

6 (4) LIMITATION ON DEPARTMENT OF DEFENSE  
7 DRAWDOWNS.—During any fiscal year, the aggre-  
8 gate value of articles and services of which the  
9 President may direct the drawdown from the inven-  
10 tory and resources of the Department of Defense  
11 may not exceed—

12 (A) \$50,000,000 under section 3103,

13 (B) \$15,000,000 under section 3204,

14 (C) \$75,000,000 under section 7111(b),

15 and

16 (D) \$5,000,000 under section 7115(b).

17 (d) REIMBURSEMENT TO THE DEPARTMENT OF DE-  
18 FENSE.—Reimbursement or payment to the Department  
19 of Defense under subsection (c) shall exclude salaries of  
20 members of the Armed Forces (other than the Coast  
21 Guard) and unfunded estimated costs of civilian retire-  
22 ment and other benefits, unless otherwise required by law.

23 (e) ESTABLISHMENT OF ACCOUNTS.—

24 (1) AUTHORITY TO ESTABLISH; USES.—In fur-  
25 nishing assistance under this or any other Act, ac-

1 counts may be established on the books of any agen-  
2 cy of the United States Government or, on terms  
3 and conditions approved by the Secretary of the  
4 Treasury, in banking institutions in the United  
5 States—

6 (A) against which letters of commitment  
7 may be issued which shall constitute recordable  
8 obligations of the United States Government,  
9 and moneys due or to become due under such  
10 letters of commitment shall be assignable under  
11 the last sentence of section 3727(b) and section  
12 3727(c) of title 31, United States Code, and the  
13 second and third paragraphs of section 3737 of  
14 the Revised Statutes of the United States (41  
15 U.S.C. 15); and

16 (B) from which disbursements may be  
17 made to, or withdrawals may be made by, recip-  
18 ient countries or agencies, organizations, or per-  
19 sons upon presentation of contracts, invoices, or  
20 other appropriate documentation.

21 (2) ACCOUNTING FOR EXPENDITURES.—Ex-  
22 penditure of funds which have been made available  
23 through accounts established under paragraph (1)  
24 shall be accounted for on standard documentation

1 required for expenditure of funds of the United  
2 States Government.

3 (f) CHARGING TO APPROPRIATIONS.—

4 (1) INITIAL CHARGING.—Any appropriation or  
5 account available to carry out provisions of this Act  
6 may initially be charged in any fiscal year, within  
7 the limit of available funds, to finance expenses for  
8 which funds are available in other appropriations or  
9 accounts under that title.

10 (2) FINAL CHARGING.—As of the end of such  
11 fiscal year, such expenses shall be finally charged to  
12 applicable appropriations or accounts with proper  
13 credit to the appropriations or accounts initially uti-  
14 lized for financing purposes, except that such final  
15 charges shall not be required in the case of expenses  
16 (other than those provided under sections 8509 and  
17 8510) incurred in furnishing assistance where it is  
18 determined that the accounting costs of identifying  
19 the applicable appropriation or account to which  
20 such expenses should be charged would be dispropor-  
21 tionate to the advantage to be gained.

22 (3) APPLICATION TO PROGRAMS ADMINISTERED  
23 THROUGH DOD.—This subsection shall not apply to  
24 assistance administered through the Department of  
25 Defense under this Act.

1 (g) RESPONSIBILITY OF AGENCIES.—The agency re-  
2 ceiving the funds pursuant to the authority of subsections  
3 (a) or (b) shall be the agency responsible for the manage-  
4 ment and use of such funds.

5 **SEC. 8202. GENERAL AUTHORITIES.**

6 (a) TERMS OF ASSISTANCE.—Except as otherwise  
7 specifically prohibited in this Act, assistance under this  
8 Act may be furnished on a grant, loan, or guaranty basis,  
9 or on such terms, including cash, credit, or other terms  
10 of repayment (including repayment in foreign currencies  
11 or by transfer to the United States Government of arti-  
12 cles), or as a contribution to an international organization  
13 or arrangement, as may be determined to be best suited  
14 to the achievement of the purposes of this Act.

15 (b) TERMS AND CONDITIONS.—The President may  
16 furnish assistance under this Act on such terms and condi-  
17 tions (consistent with other provisions of law) as the Presi-  
18 dent deems appropriate, and, consistent with the provi-  
19 sions of this Act, may charge such fees for guarantees and  
20 loans under this Act as the President deems appropriate.  
21 Credit assistance shall be consistent with the provisions  
22 of the Federal Credit Reform Act of 1990. In the case  
23 of contributions or other assistance provided for an inter-  
24 national organization or arrangement under this or any  
25 other Act, such organization or arrangement may utilize

1 its own procurement, administrative, accounting, and  
2 audit rules and procedures.

3 (c) ADVANCES, CONTRACTS, ETC.—In furtherance of  
4 the purposes and subject to the limitations of this Act,  
5 the President in providing assistance under this or any  
6 other Act may make loans (in conformity with the provi-  
7 sions of the Federal Credit Reform Act of 1990), ad-  
8 vances, and grants to, make and perform agreements and  
9 contracts with, or enter into other transactions with, any  
10 person, corporation, or other body of persons, any govern-  
11 ment or government agency, and any international organi-  
12 zation or arrangement.

13 (d) GIFTS.—The President may accept and use in  
14 furtherance of the purposes of this Act, money, funds,  
15 property, and services of any kind made available by gift,  
16 devise, bequest, grant, or otherwise for such purpose.

17 (e) INSURANCE.—

18 (1) FOREIGN PARTICIPANTS.—Any agency of  
19 the United States Government is authorized to pay  
20 the cost of health and accident insurance for foreign  
21 participants in any program of furnishing assistance  
22 administered by such agency while such participants  
23 are absent from their homes for the purpose of par-  
24 ticipation in such program.

1           (2) FOREIGN EMPLOYEES.—Any agency of the  
2 United States Government is authorized to pay the  
3 cost of health and accident insurance for foreign em-  
4 ployees of that agency while those employees are ab-  
5 sent from their places of employment abroad for  
6 purposes of training or other official duties.

7           (f) ADMISSION TO UNITED STATES.—Alien partici-  
8 pants in any program of furnishing assistance under this  
9 Act may be admitted to the United States if otherwise  
10 qualified as nonimmigrants under section 101(a)(15) of  
11 the Immigration and Nationality Act (8 U.S.C.  
12 1101(a)(15)), for such time and under such conditions as  
13 may be prescribed by regulations promulgated by the Sec-  
14 retary of State and the Attorney General.

15           (g) ASSISTANCE AUTHORITIES.—In furnishing and  
16 administering assistance under this Act, the President—

17           (1) may issue letters of credit and letters of  
18 commitment;

19           (2) may collect, compromise, reschedule or oth-  
20 erwise settle any obligations assigned to, or held by,  
21 and any legal or equitable rights accruing to, the  
22 President and may (as the President deems appro-  
23 priate) refer any such obligations or rights to the  
24 Attorney General for suit or collection;

25           (3) may—

1 (A) acquire and dispose of (upon such  
2 terms and conditions as the President deems  
3 appropriate) any property, including any instru-  
4 ment evidencing indebtedness or ownership, and

5 (B) guarantee payment against any such  
6 instrument;

7 (4) may establish the character of, and decide  
8 the necessity for, obligations and expenditures of  
9 funds used in furnishing and administering such as-  
10 sistance and the manner in which such obligations  
11 and expenditures shall be incurred, allowed, and  
12 paid, subject to provisions of law specifically applica-  
13 ble to corporations of the United States Govern-  
14 ment;

15 (5) shall cause to be maintained an integral set  
16 of accounts which shall be audited by the General  
17 Accounting Office in accordance with principles and  
18 procedures applicable to commercial corporate trans-  
19 actions as provided by chapter 91 of title 31, United  
20 States Code;

21 (6) may transfer such of the funds appropriated  
22 or otherwise made available under titles II and III  
23 of this Act as the President may determine for as-  
24 sistance to a recipient country to the account in  
25 which funds for the procurement of defense articles

1 and defense services under section 21 and section 22  
2 of the Arms Export Control Act have been deposited  
3 for such recipient, to be merged with such deposited  
4 funds, and to be used solely to meet obligations of  
5 the recipient for payment for sales under that Act.  
6 Sales which are wholly paid from funds made avail-  
7 able on a nonrepayable basis and transferred under  
8 this paragraph, from funds made available under the  
9 former authority of section 503(a)(3) of the Foreign  
10 Assistance Act of 1961, or from funds made avail-  
11 able on a non-repayable basis under the former au-  
12 thority of section 23 of the Arms Export Control Act  
13 shall be priced to exclude the costs of salaries of  
14 members of the Armed Forces of the United States  
15 (other than the Coast Guard).

16 (h) GUARANTEES.—Guarantees issued to carry out  
17 the purposes of this Act shall be subject to the following:

18 (1) FULL FAITH AND CREDIT.—The full faith  
19 and credit of the United States may be pledged for  
20 the full payment and performance of guarantees is-  
21 sued under this Act or predecessor legislation.

22 (2) CHARGES.—The President may charge ap-  
23 propriate fees and/or interest in connection with the  
24 activities carried out under such authority.

1           (3) RELATIONSHIP TO OTHER PROVISIONS OF  
2           LAW.—Guarantees may be provided under this Act  
3           without regard to section 8402 of this Act.

4           (4) DENOMINATION OF LIABILITY.—The losses  
5           guaranteed may be in dollars or in other currencies.  
6           In the case of losses guaranteed in currencies other  
7           than dollars, the guarantees issued shall be subject  
8           to an overall payment limitation expressed in dollars.

9           (i) SUBSIDY COST OF GUARANTEES AND LOANS.—  
10          The President may use funds made available under this  
11          Act to pay the cost (as defined in section 13201 of the  
12          Budget Enforcement Act of 1990) of direct loans and loan  
13          guarantees made or entered into (and associated adminis-  
14          trative costs) in furtherance of the purposes of this Act.  
15          Funds appropriated to pay the cost (as defined in section  
16          13201 of the Budget Enforcement Act of 1990) of direct  
17          loans and loan guarantees made or entered into to carry  
18          out the provisions of this Act shall be provided in conform-  
19          ity with section 504(b)(1) of the Federal Credit Reform  
20          Act of 1990.

21          (j) CLAIMS RELATING TO GUARANTEES.—Claims  
22          arising as a result of any guarantee program authorized  
23          by this Act may be settled, and disputes arising as the  
24          result thereof may be arbitrated with the consent of the  
25          parties, on such terms and conditions as the President

1 may direct. Payment made pursuant to any such settle-  
2 ment, or as a result of an arbitration award, shall be final  
3 and conclusive notwithstanding any other provision of law.

4 (k) FINANCIAL TRANSACTIONS WITH FOREIGN GOV-  
5 ERNMENTS IN DEFAULT OF OBLIGATIONS TO THE UNIT-  
6 ED STATES.—Section 955 of title 18, United States Code,  
7 shall not apply to any person—

8 (1) who acts for or participates in any oper-  
9 ation or transaction arising under this Act, or

10 (2) who acquires any obligation issued in con-  
11 nection with any operation or transaction arising  
12 under this Act.

13 (l) EDUCATIONAL INSTITUTIONS.—Any cost-type  
14 contract or agreement (including grants) entered into with  
15 an institution of higher education for the purpose of carry-  
16 ing out programs authorized by this Act may provide for  
17 the payment of the reimbursable indirect costs of that in-  
18 stitution on the basis of predetermined fixed-percentage  
19 rates applied to the total or an element thereof, of the  
20 reimbursable direct costs incurred.

21 (m) TRAINING WORKING CAPITAL FUND.—The head  
22 of any agency administering assistance under this Act is  
23 authorized to establish, with funds made available for as-  
24 sistance under this Act (or predecessor legislation) admin-  
25 istered by such agency, a working capital fund, which shall

1 be available without fiscal year limitation, for expenses  
2 and equipment necessary to the maintenance and oper-  
3 ation of a program of providing short-term and long-term  
4 training and training-related services of foreign nationals  
5 in the United States or third countries, including such ex-  
6 penses as (1) tuition and fees, (2) room, board, and main-  
7 tenance allowances, and (3) contracts and the cost of ad-  
8 ministering contracts entered into in furtherance of the  
9 program.

10 (n) **MULTIYEAR COMMITMENTS.**—A contract or  
11 agreement which entails commitments for the expenditure  
12 of funds under this Act may, subject to any future action  
13 of the Congress, extend at any time for not more than  
14 5 years.

15 **SEC. 8203. AUTHORIZED ADMINISTRATIVE USES OF FUNDS.**

16 (a) **PERSONNEL, PRINTING, PROCUREMENT OF SUP-**  
17 **PLIES, AND OTHER ADMINISTRATIVE EXPENSES.**—Funds  
18 made available to carry out this Act may be used for the  
19 following:

20 (1) Compensation, allowances, and travel of  
21 personnel, including Foreign Service personnel,  
22 whose services are utilized primarily for the purposes  
23 of this Act, and for other administrative and operat-  
24 ing expense purposes (other than compensation of  
25 personnel) without regard to such laws and regula-

1 tions governing the obligation and expenditure of  
2 funds of the United States Government as may be  
3 necessary to accomplish the purposes of this Act.

4 (2) Printing and binding without regard to the  
5 provisions of any other law.

6 (3) Expenditures outside the United States for  
7 the procurement of supplies and services and for  
8 other administrative and operating purposes (other  
9 than compensation of personnel) without regard to  
10 the Claims Act, 31 U.S.C. 3721 and such laws and  
11 regulations governing the obligation and expenditure  
12 of funds of the United States Government (other  
13 than sections 1341, 1342, and 1517 of title 31,  
14 United States Code) as may be necessary to accom-  
15 plish the purposes of this Act.

16 (b) USES OF ASSISTANCE FUNDS.—

17 (1) AUTHORIZED USES.—Funds described in  
18 paragraph (2) shall be available for the following:

19 (A) Expenses of attendance at meetings  
20 concerned with the purposes of this Act, includ-  
21 ing (notwithstanding section 1346(a) and  
22 1346(c) of title 31, United States Code), ex-  
23 penses in connection with meetings of persons  
24 whose employment is authorized by section  
25 8503.

1           (B) Contracting with individuals for per-  
2           sonal services. Such individuals shall not be re-  
3           garded as employees of the United States Gov-  
4           ernment for the purpose of any law adminis-  
5           tered by the Office of Personnel Management,  
6           except that the head of the contracting agency  
7           may determine the applicability to such individ-  
8           uals of any other law administered by such  
9           agency concerning the employment of such indi-  
10          viduals.

11          (C) Purchase, maintenance, operation, and  
12          hire of aircraft, except that aircraft for admin-  
13          istrative purposes may be purchased only as  
14          specifically provided for in an appropriation or  
15          other Act.

16          (D)(i) Purchase and hire of passenger  
17          motor vehicles, subject to clause (ii).

18          (ii) Passenger motor vehicles other than  
19          one for the official use of the Administrator of  
20          the United States Agency for International De-  
21          velopment may be purchased for use in the  
22          United States only as may be specifically pro-  
23          vided in an appropriation or other Act.

24          (E) Entertainment and representation.

25          (F) Awards.

1 (G) Exchange of funds without regard to  
2 loss by exchange.

3 (H) Expenditures (not to exceed \$50,000  
4 in any fiscal year except as may otherwise be  
5 provided in an appropriation or other Act) of a  
6 confidential character other than entertainment.  
7 A certificate of the amount of such expenditure,  
8 the nature of which it is considered inadvisable  
9 to specify, shall be made by the President, and  
10 every such certificate shall be deemed a suffi-  
11 cient voucher for the amount therein specified.

12 (I) Insurance of official motor vehicles or  
13 aircraft acquired for use in foreign countries.

14 (J) Expenses of—

15 (i) preparing and transporting to their  
16 former homes (or with respect to foreign  
17 participants engaged in any program under  
18 this Act to their former homes or places of  
19 burial), and

20 (ii) caring for and disposing of the re-  
21 mains of an individual, or the remains of  
22 a member of an individual's family, who  
23 may die while such individual is away from  
24 home participating in activities carried out  
25 with funds described in paragraph (2).

1 (K) Purchase of uniforms.

2 (L) Payment of per diem in lieu of subsist-  
3 ence to foreign participants engaged in any pro-  
4 gram under this Act while such participants are  
5 away from their homes in countries other than  
6 the United States, at rates not in excess of  
7 those prescribed by the standardized Govern-  
8 ment travel regulations, notwithstanding any  
9 other provision of law.

10 (M) Use in accordance with authorities of  
11 the Foreign Service Act of 1980 (22 U.S.C.  
12 3901 et seq.) not otherwise provided for.

13 (N) Ice and drinking water for use outside  
14 the United States.

15 (O) Services of commissioned officers of  
16 the National Oceanic and Atmospheric Admin-  
17 istration. For the purposes of providing such  
18 services, the National Oceanic and Atmospheric  
19 Administration may appoint not to exceed 20  
20 commissioned officers in addition to those oth-  
21 erwise authorized.

22 (P) Expenses in connection with—

23 (i) travel of personnel outside the  
24 United States, including travel expenses of  
25 dependents (including expenses during nec-

1            necessary stopovers while engaged in such  
2            travel), and the transportation of personal  
3            effects, household goods, and automobiles  
4            of such personnel when any part of such  
5            travel or transportation begins in one fiscal  
6            year pursuant to travel orders issued in  
7            that fiscal year, notwithstanding the fact  
8            that such travel or transportation may not  
9            be completed during the same fiscal year;  
10           and

11           (ii) the costs of transporting auto-  
12           mobiles to and from a place of storage,  
13           and the costs of storing automobiles of  
14           such personnel, when it is in the public in-  
15           terest or more economical to authorize  
16           storage.

17           (Q) Assistance for the implementation of  
18           programs under the Agricultural Trade Devel-  
19           opment and Assistance Act of 1954, the Agri-  
20           cultural Act of 1949, and the Food for Progress  
21           Act of 1985.

22           (R) Other expenses determined by the  
23           President to be necessary to carry out the pur-  
24           poses of this Act.

1 (2) FUNDS WHICH MAY BE USED.—Paragraph

2 (1) applies to—

3 (A) appropriations to carry out this Act,

4 (B) allocations or transfers to or from any  
5 agency of the United States Government, from  
6 other appropriations, for functions directly re-  
7 lated to the purposes of this Act, and

8 (C) funds made available for other pur-  
9 poses to the United States Agency for Inter-  
10 national Development.

11 (c) FACILITIES.—

12 (1) LIVING QUARTERS, OFFICES, SCHOOLS, AND  
13 HOSPITALS.—Notwithstanding any other provision  
14 of law, funds available for assistance under this Act  
15 may be used in any fiscal year (in addition to funds  
16 available for such use under other authorities in this  
17 Act)—

18 (A) to rent, lease, construct or otherwise  
19 acquire essential living quarters, office space,  
20 and necessary supporting facilities for use of  
21 personnel carrying out activities authorized by  
22 this Act, including to maintain, furnish, im-  
23 prove, and make necessary repairs to such  
24 property, which may also include the cost of  
25 fuel, water, and utilities for such properties;

1 (B) to construct or otherwise acquire out-  
2 side the United States schools (including dor-  
3 mitories and boarding facilities) and hospitals  
4 for use of personnel carrying out activities au-  
5 thorized by this Act, United States Government  
6 personnel, and their dependents; and

7 (C) to staff, operate, and maintain such  
8 schools and hospitals.

9 (2) DISPOSAL.—Property acquired under this  
10 subsection (or predecessor provisions of this Act)  
11 may be disposed of, and the proceeds of such dis-  
12 posal shall remain available until expended for use  
13 for the purposes specified in paragraph (1).

14 (d) EDUCATION OF DEPENDENTS.—Funds available  
15 for assistance under this Act may be used in any fiscal  
16 year to provide assistance to schools established, or to be  
17 established, outside the United States whenever it is deter-  
18 mined that such action would be more economical or would  
19 best serve the interests of the United States in providing  
20 for the education of dependents of personnel carrying out  
21 activities authorized by this Act and dependents of United  
22 States Government personnel, in lieu of acquisition or con-  
23 struction pursuant to subsection (c) of this section.

24 (e) TRAINING OF PERSONNEL.—

1           (1) PAYMENT OF COSTS.—Funds available  
2           under this Act may be used to pay costs of training  
3           United States citizen personnel employed or assigned  
4           pursuant to section 8502(d), through interchange or  
5           otherwise, at any State or local unit of government,  
6           public or private nonprofit institution, trade, labor,  
7           agricultural, or scientific association or organization,  
8           or commercial firm.

9           (2) LIMITATION ON DUAL EMPLOYMENT.—Such  
10          training shall not be considered employment or hold-  
11          ing of office under section 5533 of title 5, United  
12          States Code.

13          (3) ACCEPTANCE OF CERTAIN PAYMENTS.—Any  
14          payments or contributions in connection with such  
15          training may, as deemed appropriate by the head of  
16          the agency of the United States Government author-  
17          izing such training, be made by private or public  
18          sources and be accepted by any trainee, or may be  
19          accepted by and credited to the current applicable  
20          appropriation of such agency. Any such payments or  
21          contributions to any employee in the nature of com-  
22          pensation shall be in lieu, or in reduction, of com-  
23          pensation received from the United States Govern-  
24          ment.

1 Subchapter B—Department of Defense Administrative  
2 Authorities

3 **SEC. 8211. ADMINISTRATIVE EXPENSES.**

4 Funds allocated to the Department of Defense for the  
5 purpose of providing assistance under this Act shall be  
6 available for the following:

7 (1) Administrative, extraordinary (not to exceed  
8 \$300,000 in any fiscal year), and operating expenses  
9 incurred in furnishing assistance under this Act ad-  
10 ministered through the Department of Defense, in-  
11 cluding the purchase of passenger motor vehicles for  
12 replacement only for use outside of the United  
13 States.

14 (2) Reimbursement of actual expenses of mili-  
15 tary officers detailed or assigned as tour directors in  
16 connection with orientation visits of foreign military  
17 and related civilian personnel, in accordance with the  
18 provisions of section 5702 of title 5, United States  
19 Code, applicable to civilian officers and employees.

20 (3) Maintenance, repair, alteration, and fur-  
21 nishing of United States-owned facilities in the Dis-  
22 trict of Columbia or elsewhere for the training of  
23 foreign military and related civilian personnel with-  
24 out regard to the provisions of section 3733 of the  
25 Revised Statutes (41 U.S.C. 12) or other provision

1 of law requiring a specific authorization or specific  
2 appropriation for such public contracts.

3 **SEC. 8212. END USE AND RETRANSFER ASSURANCES.**

4 (a) CONDITIONS.—Defense articles or defense serv-  
5 ices may not be made available under this Act to a foreign  
6 country, unless that country has agreed to the following  
7 (in addition to such other provisions as the President may  
8 require):

9 (1) The country will not, without the consent of  
10 the President—

11 (A) transfer title to, or possession of, any  
12 defense articles or defense services so furnished  
13 to it to anyone not an officer, employee, or  
14 agent of that country, and

15 (B) use or permit the use of such articles  
16 or services for purposes other than those for  
17 which furnished.

18 (2) The country will maintain the security of  
19 such articles or services, and will provide substan-  
20 tially the same degree of security protection afforded  
21 to such articles or services by the United States  
22 Government.

23 (b) INELIGIBILITY.—

24 (1) TERMINATION OF ASSISTANCE FOR SUB-  
25 STANTIAL VIOLATIONS.—Assistance administered by

1 the Department of Defense under this Act to any  
2 country and deliveries of defense articles and defense  
3 services provided with such assistance shall be termi-  
4 nated, and new commitments to provide such assist-  
5 ance to that country shall not be made, as herein-  
6 after provided if such country uses defense articles  
7 or defense services described in paragraph (2) in  
8 substantial violation (either in terms of quantities or  
9 in terms of the gravity of the consequences regard-  
10 less of the quantities involved) of any agreement  
11 pursuant to which those defense articles or defense  
12 services were furnished—

13 (A) by using such articles or services for a  
14 purpose not provided for in this Act or, if such  
15 agreement provides that such articles or serv-  
16 ices may only be used for purposes more lim-  
17 ited, for a purpose not authorized under such  
18 agreement;

19 (B) by transferring such articles or serv-  
20 ices to, or permitting any use of such articles  
21 or services by, anyone not an officer, employee,  
22 or agent of the recipient country; or

23 (C) by failing to maintain the security of  
24 such articles or services.

1           (2) DEFENSE ARTICLES AND DEFENSE SERV-  
2           ICES SUBJECT TO REQUIREMENTS.—Paragraph (1)  
3           applies with respect to any defense articles or de-  
4           fense services furnished (through financing or other-  
5           wise) under this Act, or furnished under any prede-  
6           cessor foreign assistance legislation.

7           (c) EXCEPTION.—No prior consent shall be required  
8           under this subchapter and section 3 of the Arms Export  
9           Control Act for transfer by a foreign country of defense  
10          articles sold by the United States under that Act under  
11          the following circumstances—

12           (1) such articles constitute components incor-  
13          porated into a foreign defense article;

14           (2) the recipient is the government of a NATO  
15          country, or the government of Australia or Japan;

16           (3) the United States-origin components were  
17          not significant military equipment, were not military  
18          defense equipment for which notification to Congress  
19          was required by section 36(b) of the Arms Export  
20          Control Act, and are not identified by regulation as  
21          Missile Technology Control Regime items; and

22           (4) the foreign country or persons transferring  
23          the items provide notification to the United States  
24          Government within thirty days following such trans-  
25          fer.

1 **SEC. 8213. APPROVAL OF THIRD COUNTRY TRANSFERS.**

2 (a) IN GENERAL.—In considering a request for ap-  
3 proval of any transfer of any weapon, weapons system,  
4 munitions, aircraft, military vessel, or other implement of  
5 war to another country, the President shall not give his  
6 consent under section 8212 to the transfer unless the  
7 United States itself would transfer the defense article  
8 under consideration to that country.

9 (b) SIGNIFICANT MILITARY EQUIPMENT.—In addi-  
10 tion, the President shall not give consent under this sub-  
11 chapter to the transfer of any significant military equip-  
12 ment on the United States Munitions List unless the for-  
13 eign country requesting consent to transfer agrees to de-  
14 militarize such equipment prior to transfer, or the pro-  
15 posed recipient provides a commitment in writing to the  
16 United States Government that it will not transfer such  
17 equipment if not demilitarized to any other foreign coun-  
18 try or person without first obtaining the consent of the  
19 President.

20 **SEC. 8214. EXCHANGE TRAINING.**

21 The President is authorized to provide for attendance  
22 of foreign military personnel at professional military edu-  
23 cation institutions in the United States (other than service  
24 academies) without charge, and without charge to funds  
25 available to carry out titles II and III notwithstanding sec-  
26 tion 8201, if such attendance is pursuant to an agreement

1 providing for the exchange of students on a generally re-  
2 ciprocal basis each fiscal year between those United States  
3 professional military education institutions and com-  
4 parable institutions of foreign countries and international  
5 organizations.

6 CHAPTER 3—SPECIAL REQUIREMENTS AND AUTHORI-  
7 TIES RELATING TO APPROPRIATIONS AND LOCAL  
8 CURRENCIES

9 Subchapter A—Provisions Relating to Appropriations

10 **SEC. 8301. REQUIREMENT FOR AUTHORIZATION OF APPRO-**  
11 **PRIATIONS.**

12 (a) REQUIREMENT FOR AUTHORIZATION.—Funds  
13 appropriated for foreign assistance under this Act shall  
14 not be available for obligation or expenditure—

15 (1) unless the appropriation thereof has been  
16 specifically authorized by law; or

17 (2) in excess of an amount prescribed by law.

18 (b) SUBSEQUENT AUTHORIZATIONS.—To the extent  
19 that legislation enacted after the making of an appropria-  
20 tion for foreign assistance under this Act authorizes the  
21 obligation or expenditure thereof, the limitation contained  
22 in subsection (a) shall not apply.

23 (c) RELATION TO OTHER PROVISIONS.—The provi-  
24 sions of this section shall not be superseded except by a

1 provision of law that specifically repeals or modifies the  
2 provisions of this section.

3 **SEC. 8302. AUTHORITY FOR EXTENDED PERIOD OF AVAIL-**  
4 **ABILITY OF APPROPRIATIONS.**

5 Amounts appropriated to carry out this Act are au-  
6 thorized—

7 (1) to be made available, in appropriations  
8 Acts, until expended; and

9 (2) in addition to amounts otherwise available  
10 for such purposes.

11 **SEC. 8303. REDUCTION IN EARMARKS.**

12 (a) **PROPORTIONAL REDUCTIONS.**—If—

13 (1) the amount appropriated for a fiscal period  
14 to carry out any provision of this Act is less than  
15 the amount authorized to be appropriated to carry  
16 out such provision, and

17 (2) the provision or provisions authorizing such  
18 appropriations provides that a specified amount of  
19 the amount authorized to be appropriated to carry  
20 out that provision for that fiscal period shall be  
21 available only for a particular country, organization,  
22 or purpose,

23 then the amount so specified shall be deemed to be re-  
24 duced to the amount which bears the same ratio to the

1 specified amount as the amount appropriated bears to the  
2 amount authorized to be appropriated.

3 (b)(1) Funds may be made available notwithstanding  
4 any provision of law described in paragraph (2) if—

5 (A) compliance with such provision is made im-  
6 possible by operation of law, or

7 (B) the President determines that the country  
8 or organization for whom such funds would have  
9 been made available has significantly reduced its  
10 military, political, or economic cooperation with the  
11 United States during the preceding 12 month pe-  
12 riod.

13 (2) The provisions of law to which this subsection ap-  
14 plies are any provisions requiring that a specified amount  
15 of funds appropriated to carry out any provision of this  
16 Act shall be available only for a particular country, organi-  
17 zation, or purpose.

18 **SEC. 8304. OBLIGATION UPON APPORTIONMENT.**

19 Funds appropriated to carry out this Act may be obli-  
20 gated upon apportionment in accordance with title 31, sec-  
21 tion 1501(a)(5)(C), United States Code.

22 Subchapter B—Local Currencies

23 **SEC. 8311. USE OF CERTAIN FOREIGN CURRENCIES.**

24 (a) AUTHORITY TO USE FOREIGN CURRENCIES FOR  
25 ASSISTANCE PROGRAMS.—Except as otherwise provided

1 in this Act or other provisions of law, foreign currencies  
2 described in subsection (b) are authorized to be appro-  
3 priated for use in providing assistance under this Act.

4 (b) FOREIGN CURRENCIES WHICH MAY BE USED  
5 FOR ASSISTANCE.—The foreign currencies which may be  
6 used under subsection (a) are any foreign currencies re-  
7 ceived as a result of the furnishing of assistance under  
8 this Act (or any predecessor legislation authorizing non-  
9 military assistance) other than assistance administered  
10 through the Department of Defense which are in excess  
11 of—

12 (1) the amounts reserved under authority of  
13 section 105(d) of the Mutual Educational and Cul-  
14 tural Exchange Act of 1961 or any other Act relat-  
15 ing to educational and cultural exchanges; and

16 (2) the amounts required for payment by the  
17 agencies of the United States Government of their  
18 obligations outside the United States, as such re-  
19 quirements may be established from time to time by  
20 the President.

21 (c) PAYMENT OF OBLIGATIONS OF GOVERNMENT  
22 AGENCIES.—Foreign currencies described in subsection  
23 (b) which are in excess of the amounts described in para-  
24 graph (1) of that subsection may be sold by the Secretary  
25 of the Treasury to agencies of the United States Govern-

1 ment for payment of their obligations outside the United  
2 States.

3 (d) USE OF FOREIGN CURRENCIES NOT OWNED BY  
4 THE UNITED STATES GOVERNMENT.—With the concur-  
5 rence of the relevant inspector general, the use of foreign  
6 currencies that accrue or are otherwise available as a re-  
7 sult of assistance provided under this Act (including pred-  
8 ecessor legislation) that are not owned by the United  
9 States Government, shall be the responsibility of the gov-  
10 ernment owning such currencies to audit.

11 **SEC. 8312. INTEREST ON U.S. OWNED FOREIGN CURRENCY**  
12 **PROCEEDS.**

13 (a) REQUIREMENT FOR PAYMENT OF INTEREST.—  
14 In cases where assistance is to be furnished to any recipi-  
15 ent country under this Act on a basis which will result  
16 in the accrual of foreign currency proceeds to the United  
17 States, agreements with respect to such assistance should  
18 include provisions for the receipt of interest income on the  
19 foreign currency proceeds deposited in authorized deposi-  
20 tories.

21 (b) WAIVER OF REQUIREMENT.—The President may  
22 waive any requirement for receipt of such income if the  
23 President decides it would not be in the national interest  
24 to conclude arrangements for the receipt of interest in-  
25 come pursuant to subsection (a).



1 In such fields as education, health, housing, engineering,  
2 surveying, mapping, construction or agriculture, the facili-  
3 ties and resources of Federal agencies, which do not ad-  
4 minister programs under this Act, may be utilized when  
5 such facilities are particularly or uniquely suitable for  
6 technical assistance, are not competitive with private en-  
7 terprise, and can be made available without interfering un-  
8 duly with domestic programs.

9 (c) ASSISTANCE PROVIDED THROUGH THE DEPART-  
10 MENT OF DEFENSE.—The President shall assure that  
11 there is made available to suppliers in the United States,  
12 and particularly to small independent enterprises, infor-  
13 mation with respect to purchases of defense articles and  
14 defense services made by the Department of Defense pur-  
15 suant to this Act. Such information shall be furnished as  
16 far in advance as possible.

17 **SEC. 8402. PROCUREMENT STANDARDS AND PROCEDURES.**

18 (a)(1) LIMITATIONS ON PROCUREMENT OUTSIDE  
19 THE UNITED STATES.—Funds made available for pro-  
20 grams under this Act may be used by the President for  
21 procurement—

22 (A) only in the United States, the recipient  
23 country, or developing countries; or

24 (B) in any other country but only if—

1 (i) such program requires articles or serv-  
2 ices of a type that are not produced in and  
3 available for purchase in any country specified  
4 in subparagraph (A); or

5 (ii) the President determines, on a case-by-  
6 case basis, that procurement in such other  
7 country is necessary—

8 (I) to meet unforeseen circumstances,  
9 such as emergency situations, where it is  
10 important to permit procurement in a  
11 country not specified in subparagraph (A);  
12 or

13 (II) to promote efficiency in the use of  
14 United States foreign assistance resources,  
15 including to avoid impairment of foreign  
16 assistance objectives.

17 (2) For purposes of this subsection, the term “devel-  
18 oping countries” shall not include advanced developing  
19 countries.

20 (b) BULK COMMODITIES.—No funds made available  
21 under this Act shall be used for the purchase in bulk of  
22 any commodities at prices higher than the market price  
23 prevailing in the United States at the time of purchase,  
24 adjusted for differences in the cost of transportation to  
25 destination, quality, and terms of payment.

1 (c) PROCUREMENT METHOD FOR INSTITUTIONS OF  
2 HIGHER EDUCATION.—The President may establish sepa-  
3 rate procurement standards and procedures for projects  
4 under this Act to limit competition to a selection among  
5 institutions of higher education when the projects would  
6 benefit substantially from the resources and special capa-  
7 bilities of such institutions.

8 **SEC. 8403. SHIPPING ON UNITED STATES VESSELS.**

9 (a) CERTAIN LAWS NOT APPLICABLE.—The ocean  
10 transportation between foreign countries of articles pur-  
11 chased with foreign currencies made available or derived  
12 from funds made available under this Act or the Agricul-  
13 tural Trade Development and Assistance Act of 1954 (7  
14 U.S.C. 1691 and following), or any predecessor Acts, and  
15 transfers of fresh fruit and fresh fruit products under this  
16 Act, shall not be governed by section 901(b) of the Mer-  
17 chant Marine Act, 1936 (46 U.S.C. app. 1241(b)), or any  
18 other law relating to the ocean transportation of commod-  
19 ities on United States flag vessels.

20 (b) SHIPPING DIFFERENTIAL.—For purposes of fa-  
21 cilitating implementation of section 901(b) of the Mer-  
22 chant Marine Act, 1936 (46 U.S.C. app. 1241(b)), funds  
23 made available for commodities and services under this  
24 Act may be used to make grants to recipients or otherwise  
25 pay all or any portion of such differential as is determined

1 by the Secretary of Transportation to exist between Unit-  
2 ed States and foreign-flag vessel charter or freight rates.  
3 Grants made under this section shall be paid with United  
4 States-owned foreign currencies wherever feasible.

5 **SEC. 8404. EXCESS AND OTHER AVAILABLE PROPERTY.**

6 (a) POLICY REGARDING USE OF EXCESS AND OTHER  
7 AVAILABLE PROPERTY.—In furnishing assistance under  
8 this Act—

9 (1) excess personal property, or

10 (2) if a substantial savings would occur, other  
11 property already owned by an agency of the United  
12 States Government,

13 may be utilized wherever practicable in lieu of or supple-  
14 mentary to the procurement of new items for United  
15 States-assisted projects and programs.

16 (b) AUTHORITY TO USE CERTAIN PROPERTY FOR  
17 ASSISTANCE PURPOSES.—The President is authorized to  
18 use funds made available under this Act to acquire—

19 (1) property classified as domestic or foreign  
20 excess pursuant to the Federal Property and Admin-  
21 istrative Services Act of 1949 (40 U.S.C. 471 and  
22 following);

23 (2) any property available from an agency of  
24 the United States Government; or

25 (3) other property,

1 for use of such property as assistance in furtherance of  
2 the purposes of this Act. Property acquired pursuant to  
3 this section may be furnished pursuant to any provision  
4 of this Act for which funds are authorized for the furnish-  
5 ing of assistance.

6 (c)(1) The President is also authorized for purposes  
7 described in subsection (b) to maintain in a separate ac-  
8 count funds made available under this Act, free from fiscal  
9 year limitations (notwithstanding section 1535(d) of title  
10 31, United States Code) to pay costs (including personnel  
11 costs) of acquisition and storage (including in advance of  
12 known requirements), renovation and rehabilitation, pack-  
13 ing, crating, handling, transportation, and related costs of  
14 handling and providing such property as assistance.

15 (2) The separate account established pursuant to this  
16 section may be repaid—

17 (A) from funds made available pursuant to any  
18 provision of this Act for which funds are authorized  
19 for the furnishing of assistance for all costs in-  
20 curred; or

21 (B) pursuant to section 7110 for all costs in-  
22 curred.

23 (d) CONDITIONS ON USE OF EXCESS PROPERTY.—

24 (1) LIMITATION.—Government-owned excess  
25 property may not be made available for use under

1 this Act unless approval is given and a determina-  
2 tion is made in accordance with paragraph (2)—

3 (A) before the shipment of such property  
4 for use in a specified country, or

5 (B) if the property is already in such coun-  
6 try, before the transfer of the property.

7 (2) DETERMINATION.—A shipment or transfer  
8 subject to paragraph (1) may take place only after  
9 the President approves the shipment or transfer and  
10 makes a written determination—

11 (A) that there is a need for such property  
12 in the quantity requested and that such prop-  
13 erty is suitable for the purpose requested;

14 (B) as to the status and responsibility of  
15 the designated end-user and his ability effec-  
16 tively to use and maintain such property; and

17 (C) that the residual value, serviceability,  
18 and appearance of such property would not re-  
19 flect unfavorably on the image of the United  
20 States and would justify the costs of packing,  
21 crating, handling, transportation, and other ac-  
22 cessorial costs, and that the residual value at  
23 least equals the total of these costs.

24 (e) THIS SECTION SHALL NOT APPLY.—

1 (1) in the case of excess property of the De-  
2 partment of Defense that is furnished as assistance  
3 under section 8405 of this Act; and

4 (2) in the case of funds made available for as-  
5 sistance under this Act that is administered through  
6 the Department of Defense.

7 **SEC. 8405. GRANT TRANSFERS OF EXCESS DEFENSE ARTI-**  
8 **CLES.**

9 (a) **AUTHORITY.**—Notwithstanding any other provi-  
10 sion of law, the President may transfer excess defense ar-  
11 ticles to countries for which receipt of such articles was  
12 separately justified in the fiscal year in which the transfer  
13 is authorized, such excess defense articles as may be nec-  
14 essary to carry out the purposes of titles II or III of this  
15 Act.

16 (b) **GENERALLY APPLICABLE PROVISIONS.**—

17 (1) **DEFINITION.**—For purposes of this section,  
18 excess property of the Coast Guard may be trans-  
19 ferred on the same basis as excess defense articles  
20 otherwise authorized to be transferred by this sec-  
21 tion.

22 (2) **TERMS OF TRANSFERS.**—Excess defense ar-  
23 ticles may be transferred under this section without  
24 cost to the recipient country or international organi-  
25 zation.

1           (3) LIMITATIONS ON TRANSFERS.—The Presi-  
2           dent may transfer excess defense articles under this  
3           section only if—

4                   (A) they are drawn from existing stocks of  
5                   the Department of Defense (or the Coast  
6                   Guard);

7                   (B) funds available to the Department of  
8                   Defense (or the Coast Guard) for the procure-  
9                   ment of defense equipment are not expended in  
10                  connection with the transfer;

11                  (C) the transfer of the excess defense arti-  
12                  cles will not have an adverse impact on the mili-  
13                  tary readiness of the United States; and

14                  (D) transferring the articles under the au-  
15                  thority of those sections is preferable to selling  
16                  them, after taking into account the potential  
17                  proceeds from, and likelihood of, such sales,  
18                  and the comparative foreign policy benefits that  
19                  may accrue to the United States as the result  
20                  of either a transfer or sale.

21           (4) ADVANCE NOTIFICATION TO CONGRESS.—  
22           The President may not transfer excess defense arti-  
23           cles that are significant military equipment or an ar-  
24           ticle valued (in terms of its original acquisition cost)  
25           at \$7,000,000 or more, under this section until 15

1 days after the President has provided notice of the  
2 proposed transfer to the Committee on Armed Serv-  
3 ices, the Committee on Foreign Affairs, and the  
4 Committee on Appropriations of the House of Rep-  
5 resentatives and the Committee on Armed Services,  
6 the Committee on Foreign Relations, and the Com-  
7 mittee on Appropriations of the Senate.

8 (5) WAIVER OF REQUIREMENT FOR REIM-  
9 BURSEMENT OF DEPARTMENT OF DEFENSE EX-  
10 PENSES.—Section 8201 shall not apply with respect  
11 to transfers of excess defense articles under this sec-  
12 tion.

13 (6) TRANSPORTATION AND RELATED COSTS.—  
14 Funds available to the Department of Defense (or  
15 the Coast Guard) shall not be expended for crating,  
16 packing, handling and transportation of excess de-  
17 fense articles transferred under the authority of this  
18 section, except under the following conditions:

19 (A) where it is determined that it is in the  
20 United States national interest to do so,

21 (B) the recipient is an international orga-  
22 nization or is a developing country receiving  
23 less than \$10,000,000 of assistance described in  
24 subparagraphs (A) and (B) of section 8551(21)

1 of this Act in the fiscal year in which the trans-  
2 portation is provided,

3 (C) the total weight of the transfer does  
4 not exceed 25,000 pounds,

5 (D) such overseas transportation is accom-  
6 plished on a space available basis, and

7 (E) the recipient agrees to pay packing,  
8 crating, and other handling costs incurred as a  
9 result of the transfer.

10 **SEC. 8406. STOCKPILING OF DEFENSE ARTICLES FOR FOR-**  
11 **EIGN COUNTRIES.**

12 (a) REMOVAL FROM STOCKPILING.—Defense articles  
13 in the inventory of the Department of Defense which are  
14 set aside, reserved, or in any way earmarked or intended  
15 for future use by any foreign country may not be made  
16 available to or for use by any foreign country unless—

17 (1) such transfer is authorized under this Act  
18 or the Arms Export Control Act; and

19 (2) the value of such transfer is charged  
20 against funds authorized to carry out the provisions  
21 of this Act or against any limitations specified in  
22 such legislation, as appropriate, for the fiscal period  
23 in which the defense articles are transferred.

24 (b) VALUE.—

1           (1) DEFINITION.—For purposes of subsection  
2           (a), ‘value’ means acquisition cost plus crating,  
3           packing, handling, and transportation costs incurred  
4           in carrying out this section.

5           (2) LIMITATION.—A defense article transferred  
6           from any stockpile which is made available to or for  
7           use by any foreign country may not be considered an  
8           excess defense article for the purpose of determining  
9           the value of that defense article.

10 **SEC. 8407. LOCATION OF STOCKPILES.**

11        Except for stockpiles located in the Republic of  
12        Korea, Thailand, a country which is a member of the  
13        North Atlantic Treaty Organization, a country which is  
14        a major non-NATO ally, or such other countries as the  
15        President may designate, no stockpile may be located out-  
16        side the boundaries of a United States military base or  
17        a military base used primarily by the United States.

18 **SEC. 8408. ADDITIONS TO WAR RESERVE STOCKS.**

19        (a) LIMITATION.—The value of defense articles to be  
20        added to those set aside, earmarked, reserved, or intended  
21        for use as war reserve stocks for allied or other foreign  
22        countries (other than for purposes of the North Atlantic  
23        Treaty Organization) in stockpiles located in foreign coun-  
24        tries may not exceed in any fiscal year an amount specified

1 in legislation authorizing military assistance programs for  
2 that fiscal year.

3 (b) AUTHORIZATION OF ADDITIONS.—The value of  
4 such additions to stockpiles in foreign countries shall not  
5 exceed such sums as may be authorized for a fiscal year.

6 **SEC. 8409. RETENTION AND USE OF CERTAIN ITEMS AND**  
7 **FUNDS.**

8 (a) RETENTION AND USE OF CERTAIN ARTICLES.—

9 (1) AUTHORITY TO RETAIN, TRANSFER, AND  
10 USE.—Any articles procured to carry out this Act  
11 shall be retained by, or (upon reimbursement) trans-  
12 ferred to and for the use of, such agency of the  
13 United States Government as the President deems  
14 appropriate in lieu of being disposed of to a foreign  
15 country or international organization, whenever in  
16 the judgment of the President the best interests of  
17 the United States will be served thereby.

18 (2) LAWS GOVERNING DISPOSAL OF GOVERN-  
19 MENT PROPERTY.—Any articles so retained may be  
20 disposed of without regard to provisions of law relat-  
21 ing to the disposal of property owned by the United  
22 States Government, when necessary to prevent spoil-  
23 age or wastage of such articles or to conserve their  
24 usefulness.

1           (3) PROCEEDS CREDITED TO APPROPRIA-  
2           TIONS.—Funds realized from any disposal or trans-  
3           fer shall revert to the respective appropriation, fund,  
4           or account used to procure such articles or to the  
5           appropriation, fund, or account currently available  
6           for the same general purpose.

7           (b) ARTICLES RECEIVED AS PAYMENT.—Whenever  
8           articles are transferred to the United States Government  
9           as repayment of assistance under this Act or the former  
10          authority of the Foreign Assistance Act, such articles may  
11          be used in furtherance of the purposes and within the limi-  
12          tations of this Act.

13          (c) FAILED TRANSACTIONS.—Funds realized as a re-  
14          sult of any failure of a transaction financed under this  
15          Act to conform to the requirements of this Act, to applica-  
16          ble rules and regulations of the United States Govern-  
17          ment, or to the terms of any agreement or contract en-  
18          tered into under this Act, shall revert to the respective  
19          appropriation, fund, or account used to finance such  
20          transaction or to the appropriation, fund, or account cur-  
21          rently available for the same general purpose.

22          (d) DISPOSAL OF DEFENSE ARTICLES.—Funds real-  
23          ized by the United States Government from the sale,  
24          transfer, or disposal of defense articles furnished under  
25          the former authority of chapter 2 of part II of the Foreign

1 Assistance Act of 1961, and no longer needed for the pur-  
2 poses for which furnished, shall be credited to the respec-  
3 tive appropriation, fund, or account currently available for  
4 the same general purpose.

5 CHAPTER 5—PERSONNEL AND ADMINISTRATIVE  
6 EXPENSES

7 Subchapter A—General

8 **SEC. 8501. STATUTORY OFFICERS IN THE UNITED STATES**  
9 **AGENCY FOR INTERNATIONAL DEVELOP-**  
10 **MENT.**

11 (a) APPOINTMENT.—The President may appoint, by  
12 and with the advice and consent of the Senate, 12 officers  
13 in the United States Agency for International Develop-  
14 ment.

15 (b) TITLE.—The President may designate the title of  
16 any officer appointed under subsection (a).

17 (c) ORDER OF SUCCESSION.—The President may  
18 also fix the order of succession among the officers ap-  
19 pointed under subsection (a) of this section in the event  
20 of the absence, death, resignation, or disability of one or  
21 more of those officers.

22 **SEC. 8502. EMPLOYMENT OF PERSONNEL.**

23 (a) AUTHORITY.—Any agency or officer of the United  
24 States Government carrying out functions under this Act  
25 is authorized to employ such personnel as the President

1 deems necessary to carry out the provisions and purposes  
2 of this Act.

3 (b) ASSISTANCE FUNCTIONS IN THE UNITED  
4 STATES.—

5 (1) APPOINTMENTS WITHOUT REGARD TO CER-  
6 TAIN CIVIL SERVICE LAWS.—Of the personnel em-  
7 ployed in the United States by the United States  
8 Agency for International Development, 110 may be  
9 appointed or removed without regard to the provi-  
10 sions of title 5, United States Code, governing ap-  
11 pointments in the competitive service, and may be  
12 compensated without regard to the provisions of  
13 chapter 51 or subchapter III of chapter 53 of such  
14 title, subject to paragraph (2) of this subsection.

15 (2) COMPENSATION.—Of the personnel ap-  
16 pointed under paragraph (1), 51 may be com-  
17 pensated at rates higher than those payable for GS-  
18 15 of the General Schedule under section 5332 of  
19 title 5, United States Code, but not in excess of the  
20 highest rate payable under section 5376 of such  
21 title.

22 (3) REINSTATEMENT RIGHTS.—Under such  
23 regulations as the President may prescribe, any indi-  
24 vidual employed under paragraph (1) may be enti-  
25 tled, upon removal (except for cause) from the posi-

1       tion to which the appointment was made, to rein-  
2       statement to the position occupied by that individual  
3       at the time of appointment or to a position of com-  
4       parable grade and pay.

5       (c) DEPARTMENT OF DEFENSE FUNCTIONS IN THE  
6 UNITED STATES.—Of the personnel employed in the Unit-  
7 ed States by the Department of Defense to carry out this  
8 Act or the Arms Export Control Act not to exceed 8 may  
9 be compensated at rates higher than those payable for  
10 GS–15 of the General Schedule under section 5332 of title  
11 5 of the United States Code, but not in excess of the high-  
12 est rate payable under section 5376 of such title. Such  
13 positions shall be in addition to those authorized by law  
14 to be filled by Presidential appointment, and in addition  
15 to the number authorized by section 5108 of title 5, Unit-  
16 ed States Code.

17       (d) PERFORMANCE OF FUNCTIONS OUTSIDE THE  
18 UNITED STATES.—

19           (1) AUTHORITY TO EMPLOY OR ASSIGN.—For  
20 the purpose of performing functions under this Act  
21 outside the United States, the President may—

22                   (A) employ or assign individuals, or

23                   (B) authorize the employment or assign-  
24 ment of officers or employees by agencies of the  
25 United States Government which are not au-

1           thorized to utilize the Foreign Service personnel  
2           system.

3           (2) COMPENSATION.—Individuals employed or  
4           assigned under paragraph (1) shall receive com-  
5           pensation at any of the rates provided for under sec-  
6           tion 402 or section 403 of the Foreign Service Act  
7           of 1980, or under chapter 53 of title 5, United  
8           States Code, or at any other rate authorized by law,  
9           together with allowances and benefits under the For-  
10          eign Service Act of 1980.

11          (3) REEMPLOYMENT RIGHTS.—Individuals so  
12          employed or assigned shall be entitled to the same  
13          benefits as are provided by section 310 of that Act  
14          for individuals appointed to the Foreign Service, ex-  
15          cept to the extent that the President may specify  
16          otherwise in cases in which the period of employ-  
17          ment or assignment exceeds 30 months.

18          (e) CERTAIN FUNDS DEEMED OBLIGATED FOR CER-  
19          TAIN SERVICES.—Funds provided for in agreements with  
20          foreign countries for the furnishing of services under this  
21          Act with respect to specific projects shall be deemed to  
22          be obligated for the services of personnel employed by  
23          agencies of the United States Government (other than the  
24          United States Agency for International Development or

1 the Department of Defense) as well as personnel not em-  
2 ployed by the United States Government.

3 **SEC. 8503. EXPERTS, CONSULTANTS, AND RETIRED OFFI-**  
4 **CERS.**

5 (a) **AUTHORITY TO EMPLOY.**—Experts and consult-  
6 ants or organizations thereof may, in accordance with sec-  
7 tion 3109 of title 5 of the United States Code, be em-  
8 ployed for the performance of functions under this Act.

9 (b) **MANDATORY RETIREMENT AGE NOT APPLICA-**  
10 **BLE.**—Service of an individual as an expert or consultant  
11 under subsection (a) of this section shall not be considered  
12 as employment or holding of office or position bringing  
13 such individual within the provisions of section 3323(a)  
14 of title 5 of the United States Code.

15 (c) **EMPLOYMENT OF CERTAIN PERSONS WITHOUT**  
16 **COMPENSATION.**—Persons of outstanding experience and  
17 ability may be employed without compensation by any  
18 agency of the United States Government for the perform-  
19 ance of functions under this Act in accordance with the  
20 provisions of section 710(b) of the Defense Production Act  
21 of 1950 (50 U.S.C. App. 2160(b)), and regulations issued  
22 thereunder.

1 **SEC. 8504. DETAIL OF PERSONNEL TO FOREIGN GOVERN-**  
2 **MENTS AND INTERNATIONAL ORGANIZA-**  
3 **TIONS.**

4 (a) DETAILS TO FOREIGN GOVERNMENTS.—When  
5 consistent with and in furtherance of the purposes of this  
6 Act, the head of any agency of the United States Govern-  
7 ment is authorized to detail any officer or employee of that  
8 agency to any office or position with any foreign govern-  
9 ment or foreign government agency, where acceptance of  
10 such office or position does not involve the taking of an  
11 oath of allegiance to another government or acceptance of  
12 compensation or other benefits from any foreign country  
13 by such officer or employee.

14 (b) DETAILS TO INTERNATIONAL ORGANIZATIONS.—  
15 When consistent with and in furtherance of the purposes  
16 of this Act, the head of any agency of the United States  
17 Government is authorized to detail to any international  
18 organization or arrangement, any officer or employee of  
19 that agency to serve with, or as a member of, the inter-  
20 national staff of such organization, or to render any tech-  
21 nical, scientific, or professional advice or service to, or in  
22 cooperation with, such organization.

23 (c) STATUS OF PERSONNEL DETAILED.—

24 (1) RETENTION OF BENEFITS.—Any officer or  
25 employee, while detailed under this section—

1 (A) shall be considered an officer or em-  
2 ployee of the United States Government and of  
3 the agency of the United States Government  
4 from which detailed for the purpose of preserv-  
5 ing his or her allowances, privileges, rights, se-  
6 niority, and other benefits as such; and

7 (B) shall continue to receive compensation,  
8 allowances, and benefits from funds appro-  
9 priated to that agency or made available to that  
10 agency under this Act, or may be detailed on a  
11 leave without pay status.

12 (2) ALLOWANCES.—Any officer or employee as-  
13 signed, detailed, or appointed under this section, sec-  
14 tion 8503, section 8505, or section 8506 may receive  
15 (under such regulations as the President may pre-  
16 scribe) representation allowances similar to those al-  
17 lowed under section 905 of the Foreign Service Act  
18 of 1980. The authorization of such allowances and  
19 other benefits and the payment thereof out of any  
20 appropriations available therefor shall be considered  
21 as meeting all the requirements of section 5536 of  
22 title 5, United States Code.

23 (d) TERMS OF DETAIL.—Details may be made under  
24 this section or section 408 of the Mutual Security Act of  
25 1954 in accordance with any of the following paragraphs:

1           (1) Without reimbursement to the United  
2 States Government by the foreign government or  
3 international organization;

4           (2) Upon agreement by the foreign government  
5 or international organization to reimburse the United  
6 States Government for compensation, travel ex-  
7 penses, benefits, and allowances, or any part thereof,  
8 payable to the officer or employee concerned during  
9 the period of detail. Such reimbursements (including  
10 foreign currencies) shall be credited to the appro-  
11 priation, fund, or account utilized for paying such  
12 compensation, travel expenses, benefits, or allow-  
13 ances, or to the appropriation, fund, or account cur-  
14 rently available for such purposes;

15           (3) Upon an advance of funds, property, or  
16 services by the foreign government or international  
17 organization to the United States Government ac-  
18 cepted with the approval of the President for speci-  
19 fied uses in furtherance of the purposes of this Act.  
20 Funds so advanced may be established as a separate  
21 fund in the Treasury of the United States Govern-  
22 ment, to be available for the specified uses, and to  
23 be used for reimbursement of appropriations or di-  
24 rect expenditure subject to the provisions of this  
25 Act, any unexpended balance of such account to be

1 returned to the foreign government or international  
2 organization; or

3 (4) Subject to the receipt by the United States  
4 Government of a credit to be applied against the  
5 payment by the United States Government of its  
6 share of the expenses of the international organiza-  
7 tion to which the officer or employee is detailed,  
8 such credit to be based upon the compensation, trav-  
9 el expenses, benefits and allowances, or any part  
10 thereof, payable to such officer or employee during  
11 the period of detail in accordance with subsection  
12 (c).

13 **SEC. 8505. HEAD OF OFFICES ABROAD.**

14 (a) APPOINTMENT.—The President may appoint a  
15 head and deputy head of each office or staff maintained  
16 under section 8106.

17 (b) COMPENSATION AND ALLOWANCES.—Such head  
18 shall be entitled to receive such compensation and allow-  
19 ances as are authorized by the Foreign Service Act of  
20 1980, not to exceed those authorized for a chief of mission  
21 (as defined in section 102(a)(3) of that Act), as the Presi-  
22 dent deems appropriate.

23 **SEC. 8506. CHAIRMAN OF OECD DEVELOPMENT ASSIST-**  
24 **ANCE COMMITTEE.**

25 (a) APPOINTMENT.—The President may—

1           (1) appoint any United States citizen who is  
2           not an employee of the United States Government,  
3           or

4           (2) assign any United States citizen who is an  
5           employee of the United States Government, to serve  
6           as Chairman of the Development Assistance Com-  
7           mittee (or any successor committee) of the Organi-  
8           zation for Economic Cooperation and Development,  
9           upon election thereto by members of that Commit-  
10          tee.

11          (b) COMPENSATION AND ALLOWANCES.—An individ-  
12          ual appointed or assigned under subsection (a) may re-  
13          ceive such compensation and allowances as are authorized  
14          by the Foreign Service Act of 1980, not to exceed those  
15          authorized for a chief of mission (as defined in section  
16          102(a)(3) of that Act), as the President deems appro-  
17          priate. Such individual, if appointed under subsection  
18          (a)(1), shall be deemed to be an employee of the United  
19          States Government for purposes of chapters 81, 83, 84,  
20          87, and 89 of title 5, United States Code. Such individual  
21          may also, in the President's discretion, receive any other  
22          benefits and perquisites available under this Act to heads  
23          of offices or staffs maintained under section 8106.

1 **SEC. 8507. ASSIGNMENT OF DOD PERSONNEL TO CIVIL**  
2 **OFFICES.**

3 Notwithstanding section 973(b) of title 10, United  
4 States Code, personnel of the Department of Defense may  
5 be assigned or detailed to any civil office to carry out this  
6 Act.

7 **SEC. 8508. DISCRIMINATION AGAINST UNITED STATES PER-**  
8 **SONNEL PROVIDING ASSISTANCE.**

9 It is the Sense of the Congress that—

10 (1) the assignment of officers and employees of  
11 the United States to carry out any assistance pro-  
12 gram funded under this Act in any foreign country,  
13 should not take into account the race, religion, na-  
14 tional origin, or sex of any such officer or employee,  
15 and such assignments should be made solely on the  
16 basis of ability and relevant experience; and

17 (2) assistance under this Act should not be fur-  
18 nished to any foreign country, the laws, regulations,  
19 official policies, or governmental practices of which  
20 prevent any United States person (as defined in sec-  
21 tion 7701(a)(30) of the Internal Revenue Code of  
22 1954) from participating in the furnishing of assist-  
23 ance under this Act on the basis of race, religion,  
24 national origin, or sex.

1 **SEC. 8509. AVAILABILITY OF FUNDS FOR OPERATING EX-**  
2 **PENSES GENERALLY.**

3 (a) IN GENERAL.—Funds shall be available to carry  
4 out the provisions of this section as authorized and appro-  
5 priated to the President each fiscal year.

6 (b) ADDITIONAL AMOUNTS.—There are authorized to  
7 be appropriated to the President such additional amounts  
8 as may be necessary for increases in salary, pay, retire-  
9 ment, and other employee benefits authorized by law, and  
10 for other nondiscretionary costs of such agency.

11 **SEC. 8510. AVAILABILITY OF FUNDS FOR OPERATING EX-**  
12 **PENSES OF THE INSPECTOR GENERAL.**

13 (a) IN GENERAL.—Funds shall be available to carry  
14 out the provisions of this section as authorized and appro-  
15 priated to the President each fiscal year.

16 (b) ADDITIONAL AMOUNTS.—There are authorized to  
17 be appropriated to the President such additional amounts  
18 as may be necessary for increases in salary, pay, retire-  
19 ment, and other employee benefits authorized by law, and  
20 for other nondiscretionary costs of such office.

21 **SEC. 8511. AVAILABILITY OF FUNDS.**

22 Notwithstanding any other provision of law, the Unit-  
23 ed States Agency for International Development may obli-  
24 gate and expend funds in advance of appropriations in an  
25 amount sufficient to maintain operations at posts abroad  
26 for up to three days.

1 Subchapter B—Overseas Management of Assistance and  
2 Sales Programs Administered Through The Depart-  
3 ment of Defense

4 **SEC. 8521. AUTHORIZED FUNCTIONS.**

5 (a) IN GENERAL.—In order to carry out responsibil-  
6 ities for the management of assistance and sales programs  
7 administered through the Department of Defense under  
8 this Act and under the Arms Export Control Act, the  
9 President may assign members of the Armed Forces to  
10 a foreign country to perform one or more of the following  
11 functions:

12 (1) Equipment and services case management.

13 (2) Training management.

14 (3) Program monitoring.

15 (4) Evaluation and planning of the host govern-  
16 ment's military capabilities and requirements.

17 (5) Administrative support.

18 (6) Promoting rationalization, standardization,  
19 interoperability, and other defense cooperation meas-  
20 ures.

21 (7) Liaison functions exclusive of advisory and  
22 training assistance.

23 (b) ADVISORY AND TRAINING ASSISTANCE.—Advi-  
24 sory and training assistance conducted by members of the  
25 Armed Forces assigned for purposes of providing defense

1 articles or defense services shall be kept to an absolute  
2 minimum. Advising and training assistance in countries  
3 to which members of the Armed Forces are assigned for  
4 such purposes should be provided primarily by other per-  
5 sonnel who are not assigned for such purposes and who  
6 are detailed for limited periods to perform specific tasks.

7 **SEC. 8522. COSTS.**

8       The entire costs (excluding salaries of members of the  
9 Armed Forces other than the Coast Guard) of overseas  
10 management of programs for providing defense articles  
11 and defense services under this Act shall be charged to  
12 or reimbursed from funds allocated to the Department of  
13 Defense, pursuant to the authorities of this Act, other  
14 than any such costs which are either—

15           (1) paid directly for such defense services under  
16       section 21(a) of the Arms Export Control Act, or

17           (2) reimbursed from charges for services col-  
18       lected from foreign governments pursuant to section  
19       21(e) and section 43(b) of that Act.

20 **SEC. 8523. ROLE OF CHIEF OF MISSION.**

21       Members of the Armed Forces assigned to a foreign  
22 country under section 8521 of this Act shall serve under  
23 the direction and supervision of the Chief of the United  
24 States Diplomatic Mission to that country.

1 Subchapter C—Administrative Provisions for the Trade  
2 and Development Agency

3 **SEC. 8531. DIRECTOR AND PERSONNEL.**

4 (a) DIRECTOR.—There shall be at the head of the  
5 Trade and Development Agency a Director who shall be  
6 appointed by the President, by and with the advice and  
7 consent of the Senate.

8 (b) OFFICERS AND EMPLOYEES.—

9 (1) The Director may appoint such officers and  
10 employees of the Trade and Development Agency as  
11 the Director considers appropriate.

12 (2) The officers and employees appointed under  
13 this paragraph shall have such functions as the Di-  
14 rector may determine.

15 (3) Of the officers and employees appointed  
16 under this paragraph, two may be appointed without  
17 regard to the provisions of title 5, United States  
18 Code, governing appointments in the competitive  
19 service, and may be compensated without regard to  
20 the provisions of chapter 51 or subchapter III of  
21 chapter 53 of such title.

22 (4) Under such regulations as the President  
23 may prescribe, any individual appointed under sub-  
24 paragraph (C) may be entitled, upon removal (except  
25 for cause) from the position to which the appoint-

1       ment was made, to reinstatement to the position oc-  
2       cupied by that individual at the time of appointment  
3       or to a position of comparable grade and pay.

4   **SEC. 8532. AUDITS.**

5       (a) IN GENERAL.—The Trade and Development  
6 Agency shall be subject to the provisions of chapter 35  
7 of title 31, United States Code, except as otherwise pro-  
8 vided in this section.

9       (b) INDEPENDENT AUDIT.—An independent certified  
10 public accountant shall perform a financial and compli-  
11 ance audit of the financial statements of the Trade and  
12 Development Agency each year, in accordance with gen-  
13 erally accepted Government auditing standards for a fi-  
14 nancial and compliance audit, taking into consideration  
15 any standards recommended by the Comptroller General.  
16 The independent certified public accountant shall report  
17 the results of such audit to the Director of the Trade and  
18 Development Agency. The financial statements of the  
19 Trade and Development Agency shall be presented in ac-  
20 cordance with generally accepted accounting principles.  
21 These financial statements and the report of the account-  
22 ant shall be included in a report which contains, to the  
23 extent applicable, the information identified in section  
24 3512 of title 31, United States Code, and which the Trade  
25 and Development Agency shall submit to the Congress not

1 later than 6½ months after the end of the last fiscal year  
2 covered by the audit. The Comptroller General may review  
3 the audit conducted by the accountant and the report to  
4 the Congress in the manner and at such times as the  
5 Comptroller General considers necessary.

6 (c) AUDIT BY COMPTROLLER GENERAL.—In lieu of  
7 the financial and compliance audit required by paragraph  
8 (2), the Comptroller General shall, if the Comptroller Gen-  
9 eral considers it necessary or upon the request of the Con-  
10 gress, audit the financial statements of the Trade and De-  
11 velopment Agency in the manner provided in paragraph  
12 (2).

13 (d) AVAILABILITY OF INFORMATION.—All books, ac-  
14 counts, financial records, reports, files, workpapers, and  
15 property belonging to or in use by the Trade and Develop-  
16 ment Agency and the accountant who conducts the audit  
17 under paragraph (2), which are necessary for purposes of  
18 this subsection, shall be made available to the representa-  
19 tives of the General Accounting Office designated by the  
20 Comptroller General.

21 **SEC. 8533. ANNUAL REPORT.**

22 The President shall, not later than December 31 of  
23 each year, submit to the Committee on Foreign Affairs  
24 of the House of Representatives and the Committee on  
25 Foreign Relations of the Senate a report on the activities

1 of the Trade and Development Agency in the preceding  
2 fiscal year.

3 Subchapter D—Administrative Provisions for the  
4 Overseas Private Investment Corporation

5 **SEC. 8541. STOCK OF THE CORPORATION.**

6 The Secretary of the Treasury shall hold the capital  
7 stock of the Corporation.

8 **SEC. 8542. ORGANIZATION AND MANAGEMENT.**

9 (a) STRUCTURE OF THE CORPORATION.—The Cor-  
10 poration shall have a Board of Directors, a President, an  
11 Executive Vice President, and such other officers and staff  
12 as the Board of Directors may determine.

13 (b) BOARD OF DIRECTORS.—

14 (1) IN GENERAL.—All powers of the Corpora-  
15 tion shall vest in and be exercised by or under the  
16 authority of its Board of Directors (hereafter in this  
17 subchapter referred to as ‘the Board’) which shall  
18 consist of 15 Directors (including the Chair and  
19 Vice Chair), with 8 Directors constituting a quorum  
20 for the transaction of business.

21 (2) COMPOSITION OF THE BOARD.—

22 (A) CHAIR.—The Chair of the Board shall  
23 be the Administrator of the United States  
24 Agency for International Development, ex  
25 officio.

1           (B) VICE CHAIR.—The Vice Chair of the  
2 Board shall be the United States Trade Rep-  
3 resentative, ex officio, except that the United  
4 States Trade Representative may designate the  
5 Deputy United States Trade Representative to  
6 serve as Vice Chairman in place of the United  
7 States Trade Representative.

8           (C) PRESIDENT OF OPIC.—The President  
9 of the Corporation shall serve as a Director, ex  
10 officio.

11           (D) PUBLIC SECTOR DIRECTORS.—(i) In  
12 addition to the directors provided for in sub-  
13 paragraphs (A) through (C), five Directors who  
14 are officers or employees of the Government of  
15 the United States shall be designated by the  
16 President of the United States, including an of-  
17 ficer or employee of the Department of Labor.

18           (ii) The Directors designated under this  
19 subparagraph shall receive no additional com-  
20 pensation by virtue of their service as such a  
21 Director.

22           (E) PRIVATE SECTOR DIRECTORS.—Eight  
23 Directors who are not otherwise officers or em-  
24 ployees of the Government of the United States  
25 shall be appointed by the President of the Unit-

1 ed States, by and with the advice and consent  
2 of the Senate. Of these, at least—

3 (i) two shall be experienced in small  
4 business,

5 (ii) one shall be experienced in orga-  
6 nized labor, and

7 (iii) one shall be experienced in co-  
8 operatives.

9 (F) EACH DIRECTOR APPOINTED UNDER  
10 SUBPARAGRAPH (E)—

11 (i) shall be appointed for a term of  
12 not more than 3 years; the terms of not  
13 more than three such Directors shall expire  
14 in any 1 year;

15 (ii) shall serve until their successors  
16 are appointed and qualified and may be  
17 reappointed to subsequent terms; and

18 (iii) shall be compensated at the daily  
19 equivalent of the annual rate of pay in ef-  
20 fect for level IV of the Executive Schedule  
21 under section 5315 of title 5, United  
22 States Code, for each day (including travel  
23 time) during which such Director is actu-  
24 ally engaged in the business of the Cor-  
25 poration, and may be paid travel or trans-

1                   portation expenses to the extent authorized  
2                   for employees serving intermittently in the  
3                   Government service under section 5703 of  
4                   title 5, United States Code.

5           (c) APPOINTMENT OF THE PRESIDENT.—The Presi-  
6   dent of the Corporation shall be appointed by the Presi-  
7   dent of the United States, by and with the advice and con-  
8   sent of the Senate. In making such appointment, the  
9   President shall take into account the private business ex-  
10  perience of the appointee. The President of the Corpora-  
11  tion shall be its Chief Executive Officer and shall be re-  
12  sponsible for the operations and management of the Cor-  
13  poration, subject to bylaws and policies established by the  
14  Board.

15           (d) OFFICERS AND STAFF.—

16           (1) EXECUTIVE VICE PRESIDENT.—The Execu-  
17   tive Vice President of the Corporation shall be ap-  
18   pointed by the President of the United States, by  
19   and with the advice and consent of the Senate.

20           (2) OTHER OFFICERS AND STAFF.—(A) The  
21   Corporation may appoint such other officers and  
22   such employees (including attorneys) and agents as  
23   the Corporation considers appropriate.

1           (B) The officers, employees, and agents ap-  
2           pointed under this subsection shall have such func-  
3           tions as the Corporation may determine.

4           (C) Of the officers, employees, and agents ap-  
5           pointed under this paragraph, 20 may be appointed,  
6           compensated or removed without regard to civil serv-  
7           ice laws and regulations.

8           (D) Under such regulations as the President of  
9           the United States may prescribe, any individual ap-  
10          pointed under subparagraph (C) may be entitled,  
11          upon removal (except for cause) from the position to  
12          which the appointment was made, to reinstatement  
13          to the position occupied by that individual at the  
14          time of appointment or to a position of comparable  
15          grade and pay.

16 **SEC. 8543. INCOME AND REVENUES.**

17          In order to carry out the purposes of the Corporation,  
18          all revenues and income transferred to or earned by the  
19          Corporation, from whatever source derived, except for pay-  
20          ments to the financing account, shall be held by the Cor-  
21          poration and shall be available to carry out its purposes,  
22          including without limitation—

23                 (1) payment of all expenses of the Corporation,  
24                 including investment promotion expenses;

1           (2) transfers and additions to the insurance re-  
2       serve, financing accounts and such other funds, ac-  
3       counts or reserves as the Corporation may establish,  
4       at such time and in such amounts as the Board may  
5       determine; and

6           (3) payment of dividends, on capital stock,  
7       which shall consist of and be paid from net earnings  
8       of the Corporation after payments, transfers, and  
9       additions under paragraphs (1) and (2).

10 **SEC. 8544. GENERAL PROVISIONS RELATING TO INSUR-**  
11 **ANCE AND FINANCING PROGRAM.**

12       (a) AGREEMENTS WITH COUNTRIES.—Insurance, re-  
13 insurance, and guarantees issued under chapter 1 of title  
14 V shall not cover investment made in connection with  
15 projects in any country or area unless the President of  
16 the United States has agreed with the government of such  
17 country or area to institute a program for such insurance,  
18 reinsurance, or guarantees.

19       (b) PROTECTION OF INTERESTS OF THE CORPORA-  
20 TION.—The Corporation shall determine that suitable ar-  
21 rangements exist for protecting the interest of the Cor-  
22 poration in connection with any insurance, reinsurance, or  
23 guarantee issued under chapter 1 of title V, including ar-  
24 rangements concerning ownership, use, and disposition of  
25 the currency, credits, assets, or investments on account

1 of which payment under such insurance, guarantee, or re-  
2 insurance is to be made, and any right, title, claim, or  
3 cause of action existing in connection therewith.

4 (c) FULL FAITH AND CREDIT PLEDGED.—All guar-  
5 antees issued pursuant to predecessor guarantee author-  
6 ity, and all insurance, reinsurance, and guarantees issued  
7 pursuant to chapter 1 of title V shall constitute obliga-  
8 tions, in accordance with the terms of such insurance, re-  
9 insurance, or guarantees, of the United States of America,  
10 and the full faith and credit of the United States of Amer-  
11 ica is hereby pledged for the full payment and performance  
12 of such obligations.

13 (d) FEES.—Fees may be charged for providing insur-  
14 ance, reinsurance, financing, and other services under  
15 chapter 1 of title V in amounts to be determined by the  
16 Corporation. Fees paid for project-specific transaction  
17 costs and other transaction costs, including but not limited  
18 to project-related travel and expenses for legal representa-  
19 tion, associated with services provided to specific investors  
20 or potential investors pursuant to section 5102, including  
21 financing, insurance, reinsurance, missions, seminars, con-  
22 ferences, and other pre-investment services, shall be avail-  
23 able for obligation for the purposes for which they were  
24 collected notwithstanding any other provision of law.  
25 Transaction costs relating to investment financing com-

1 mitments entered into pursuant to section 5102(b) shall  
2 be considered cash flows from the Government resulting  
3 from financing commitments and shall be paid out of the  
4 appropriate financing account established pursuant to sec-  
5 tion 505(b) of the Federal Credit Reform Act of 1990.

6 (e) INSURANCE, REINSURANCE, AND FINANCING  
7 LIMITED TO 20 YEARS.—No insurance, reinsurance, or fi-  
8 nancing of any equity investment under chapter 1 of title  
9 V shall extend beyond 20 years from the date on which  
10 such insurance, reinsurance, or financing is issued.

11 (f) AMOUNT OF COMPENSATION PAID ON CLAIMS.—  
12 Compensation for any insurance, reinsurance, or financing  
13 issued under chapter 1 of title V shall not exceed the dol-  
14 lar value, as of the date of the investment, of the invest-  
15 ment made in the project with the approval of the Cor-  
16 poration plus interest, earnings, or profits actually ac-  
17 crued on such investment to the extent provided by such  
18 insurance, reinsurance, or guarantee, except that the Cor-  
19 poration may provide that—

20 (1) appropriate adjustments in the insured dol-  
21 lar value may be made to reflect the replacement  
22 cost of project assets;

23 (2) compensation for a claim of loss under in-  
24 surance of an equity investment may be computed

1 on the basis of the net book value attributable to  
2 such equity investment on the date of loss; and

3 (3) compensation for loss due to business inter-  
4 ruption may be computed on a basis to be deter-  
5 mined by the Corporation which reflects amounts  
6 lost.

7 Notwithstanding the preceding sentence, the Corporation  
8 shall limit the amount of direct insurance and reinsurance  
9 issued under section 5102 or 5103 so that risk of loss  
10 as to at least 10 percent of the total investment of the  
11 insured and its affiliates in the project is borne by the  
12 insured and such affiliates, except that this limitation  
13 shall not apply to direct insurance or reinsurance of loans  
14 by banks or other financial institutions to unrelated par-  
15 ties.

16 (g) LIMITATION WITH RESPECT TO FOREIGN CRED-  
17 IT INSTITUTIONS.—Insurance, guarantees, or reinsurance  
18 of a loan or equity investment of an eligible investor in  
19 a foreign bank, finance company, or other credit institu-  
20 tion shall extend only to such loan or equity investment  
21 and not to any individual loan or equity investment made  
22 by such foreign bank, finance company, or other credit in-  
23 stitution.

24 (h) SETTLEMENT AND ARBITRATION OF CLAIMS.—  
25 Claims arising as a result of insurance, reinsurance, or

1 guarantee operations under chapter 1 of title V or under  
2 predecessor guarantee authority may be settled, and dis-  
3 putes arising as a result thereof may be arbitrated with  
4 the consent of the parties, on such terms and conditions  
5 as the Corporation may determine. Payment made pursu-  
6 ant to any such settlement, or as a result of an arbitration  
7 award, shall be final and conclusive notwithstanding any  
8 other provision of law.

9 (i) CONTRACTS PRESUMED TO COMPLY WITH  
10 ACT.—Each insurance, reinsurance, or guarantee contract  
11 executed by such officer or officers as may be designated  
12 by the Board shall be conclusively presumed to be issued  
13 in compliance with the requirements of this Act.

14 (j) PENALTIES FOR FRAUD.—Whoever knowingly  
15 makes any false statement or report, or willfully  
16 overvalues any land, property, or security, for the purpose  
17 of influencing in any way the action of the Corporation  
18 with respect to any insurance, reinsurance, guarantee,  
19 loan, equity investment, or other activity of the Corpora-  
20 tion under section 5102 or any change or extension of any  
21 such insurance, reinsurance, guarantee, loan, equity in-  
22 vestment, or activity, by renewal, deferment of action or  
23 otherwise, or the acceptance, release, or substitution of se-  
24 curity therefor, shall be fined not more than \$1,000,000  
25 or imprisoned not more than 30 years, or both.

1       (k) USE OF LOCAL CURRENCIES.—Direct loans or  
2 investments made in order to preserve the value of funds  
3 received in inconvertible foreign currency by the Corpora-  
4 tion as a result of activities conducted pursuant to section  
5 5102(a) shall not be considered in determining whether  
6 the Corporation has made or has outstanding loans, guar-  
7 anties, or investments to the extent of any limitation on  
8 obligations, commitments, and equity investment imposed  
9 by or pursuant to chapter 1 of title V. The provision of  
10 section 504(b) of the Federal Credit Reform Act of 1990  
11 shall not apply to direct loan obligations made with funds  
12 described in this subsection.

13       (l) TERMINATION.—Provisions of this or any other  
14 Act requiring the termination of assistance under this or  
15 any other Act shall not be construed to require the termi-  
16 nation of contracts or commitments that were entered or  
17 were being processed under chapter 1 of title V prior to  
18 the effective date of the termination of assistance.

19 **SEC. 8545. GENERAL PROVISIONS AND POWERS.**

20       (a) PRINCIPAL OFFICE.—The Corporation shall have  
21 its principal office in the District of Columbia and shall  
22 be deemed, for purposes of venue in civil actions, to be  
23 a resident of the District of Columbia.

24       (b) AUDITS.—

1           (1) IN GENERAL.—The Corporation shall be  
2 subject to the applicable provisions of chapter 91 of  
3 title 31, United States Code, except as otherwise  
4 provided in this Act.

5           (2) INDEPENDENT AUDIT.—An independent  
6 certified public accountant shall perform a financial  
7 and compliance audit of the financial statements of  
8 the Corporation each year, in accordance with gen-  
9 erally accepted Government auditing standards for a  
10 financial and compliance audit. The independent cer-  
11 tified public accountant shall report the results of  
12 such audit to the Board. The financial statements of  
13 the Corporation shall be presented in accordance  
14 with generally accepted accounting principles. These  
15 financial statements and the report of the account-  
16 ant shall be included in a report which contains, to  
17 the extent applicable, the information identified in  
18 section 9106 of title 31, United States Code, and  
19 which the Corporation shall submit to the Congress  
20 not later than 6½ months after the end of the last  
21 fiscal year covered by the audit. The Comptroller  
22 General may review the audit conducted by the ac-  
23 countant and report to the Congress in the manner  
24 and at such times as the Comptroller General con-  
25 siders necessary.

1           (3) AUDIT BY COMPTROLLER GENERAL.—The  
2           Comptroller General shall, if the Comptroller Gen-  
3           eral considers it necessary or upon the request of the  
4           Congress, audit the financial statements of the Cor-  
5           poration in the manner provided in paragraph (2).

6           (4) AVAILABILITY OF INFORMATION.—All  
7           books, accounts, financial records, reports, files,  
8           work papers, and property belonging to or in use by  
9           the Corporation and the accountant who conducts  
10          the audit under paragraph (2), which are necessary  
11          for purposes of this subsection, shall be made avail-  
12          able to the representatives of the General Account-  
13          ing Office designated by the Comptroller General.

14          (c) POWERS.—To carry out the purposes of chapter  
15 1 of title V, the Corporation is authorized—

16           (1) to adopt and use a corporate seal, which  
17           shall be judicially noticed;

18           (2) to sue and be sued in its corporate name;

19           (3) to adopt, amend, and repeal bylaws govern-  
20           ing the conduct of its business and the performance  
21           of the powers and duties granted to or imposed upon  
22           it by law;

23           (4) to acquire, hold, or dispose of, upon such  
24           terms and conditions as the Corporation may deter-

1 mine, any property, real, personal, or mixed, tan-  
2 gible or intangible, or any interest therein;

3 (5) to invest funds derived from fees and other  
4 revenues in obligations of the United States and to  
5 use the proceeds therefrom, including earnings and  
6 profits, as it considers appropriate;

7 (6) to indemnify directors, officers, employees,  
8 and agents of the Corporation for liabilities and ex-  
9 penses incurred in connection with their Corporation  
10 activities;

11 (7) to require bonds of officers, employees, and  
12 agents and to pay the premiums therefor;

13 (8) notwithstanding any other provision of law,  
14 to represent itself or to contract for representation  
15 in all legal and arbitral proceedings;

16 (9) to enter into limited-term contracts with na-  
17 tionals of the United States for personal services to  
18 carry out activities in the United States and abroad  
19 under section 5102;

20 (10) to purchase, discount, rediscount, sell, and  
21 negotiate, with or without its endorsement or guar-  
22 antee, and guarantee notes, participation certifi-  
23 cates, and other evidence of indebtedness (except  
24 that the Corporation shall not issue its own securi-  
25 ties, except participation certificates for the purpose

1 of carrying out section 5101(c)(3), participation cer-  
2 tificates in connection with transactions authorized  
3 by 5102(b), or participation certificates as evidence  
4 of indebtedness held by the Corporation in connec-  
5 tion with settlement of claims under section  
6 8544(h));

7 (11) to make and carry out such contracts and  
8 agreements as are necessary and advisable in the  
9 conduct of its business;

10 (12) to exercise any priority of the government  
11 of the United States in collecting debts from the es-  
12 tates of bankrupt, insolvent, or decedent parties;

13 (13) to determine the character of and the ne-  
14 cessity for its obligations and expenditures, and the  
15 manner in which they shall be incurred, allowed, and  
16 paid, subject to provisions of law specifically applica-  
17 ble to Government corporations;

18 (14) to collect or compromise any obligations  
19 assigned to or held by the Corporation, including  
20 any legal or equitable rights accruing to the Cor-  
21 poration; and

22 (15) to take such actions as may be necessary  
23 or appropriate to carry out the powers of the Cor-  
24 poration.

25 (d) INSPECTOR GENERAL.—

1           (1) AUTHORITY.—The Inspector General of the  
2 United States Agency for International Development  
3 may conduct audits, investigations, and inspections  
4 of all phases of the Corporation’s operations and ac-  
5 tivities.

6           (2) RELATION TO PRESIDENT OF CORPORA-  
7 TION.—The Inspector General shall report to and be  
8 under the general supervision of the President of the  
9 Corporation with respect to activities undertaken  
10 pursuant to this subsection, except that the Presi-  
11 dent of the Corporation shall not prevent or prohibit  
12 the Inspector General from initiating, carrying out,  
13 or completing any such activity in accordance with  
14 the duties, authorities, and responsibilities contained  
15 in the Inspector General Act of 1978 and any other  
16 applicable law or regulation.

17           (3) EXPENSES.—The Inspector General shall be  
18 reimbursed by the Corporation for all expenses in-  
19 curred by the Inspector General in connection with  
20 the Inspector General’s responsibilities under this  
21 subsection.

22           (4) INSPECTOR GENERAL ACT.—For purposes  
23 of the Inspector General Act of 1978, the Corpora-  
24 tion shall continue to be considered a Federal entity

1 and the President of the Corporation shall be consid-  
2 ered the head of the Federal entity.

3 (5) SEMIANNUAL REPORT.—The semiannual re-  
4 port required under section 5 of the Inspector Gen-  
5 eral Act of 1978 shall include information relating  
6 to activities of the Inspector General undertaken  
7 pursuant to this subsection.

8 (e) EXEMPTION FROM STATE AND LOCAL TAX-  
9 ATION.—The Corporation (including its franchise, capital,  
10 reserves, surplus, advances, intangible property, and in-  
11 come) shall be exempt from all taxation at any time im-  
12 posed by any State, the District of Columbia, or any coun-  
13 ty, municipality, or local taxing authority.

14 **SEC. 8546. ANNUAL REPORT; MAINTENANCE OF INFORMA-**  
15 **TION.**

16 (a) ANNUAL REPORT.—After the end of each fiscal  
17 year, the President shall submit to the Congress a com-  
18 plete and detailed report of the Corporation's operations  
19 during such fiscal year. Such report shall include—

20 (1) an assessment, based upon the development  
21 impact profiles required by section 5105(a), of the  
22 economic and social development impact and benefits  
23 of the projects with respect to which such profiles  
24 are prepared, and of the extent to which the oper-  
25 ations of the Corporation complement or are com-

1       patible with the development assistance programs of  
2       the United States and other donors; and

3               (2) a description of any project for which the  
4       Corporation refused to provide any insurance, rein-  
5       surance, financing, or other financial support, on ac-  
6       count of violations of human rights referred to in  
7       section 8543(d).

8       (b) PROJECTIONS OF EFFECTS ON EMPLOYMENT.—

9               (1) IN GENERAL.—Each annual report required  
10      by subsection (a) shall contain projections of the ef-  
11      fects on employment in the United States of all  
12      projects for which, during the fiscal year covered by  
13      the report, the Corporation initially issued any in-  
14      surance, reinsurance, or guarantee or provided fi-  
15      nancing. Each such report shall include projections  
16      of—

17               (A) the amount of United States exports to  
18      be generated by those projects, both during the  
19      start-up phase and over a period of years;

20               (B) the final destination of the products to  
21      be produced as a result of those projects; and

22               (C) the impact such production will have  
23      on the production of similar products in the  
24      United States with regard to both domestic  
25      sales and exports.

1           (2) INFORMATION IN AGGREGATE FORM.—The  
2           projections required by this subsection shall be based  
3           on an analysis of each of the projects described in  
4           paragraph (1). Such projections may, however,  
5           present information and analysis in aggregate form,  
6           but only if—

7                   (A) those projects which are projected to  
8                   have a positive effect on employment in the  
9                   United States and those projects which are pro-  
10                  jected to have a negative effect on employment  
11                  in the United States are grouped separately;  
12                  and

13                   (B) there is set forth for each such group-  
14                   ing the key characteristics of the projects within  
15                   that grouping, including the number of projects  
16                   in each economic sector, the countries in which  
17                   the projects in each economic sector are located,  
18                   and the projected level of the impact of the  
19                   projects in each economic sector on employment  
20                   in the United States and on United States  
21                   trade.

22           (c) MAINTENANCE OF INFORMATION.—The Corpora-  
23           tion shall maintain as part of its records—

24                   (1) all information collected in preparing the re-  
25                   port required by section 240A(c) of the Foreign As-

1       sistance Act of 1961 (as in effect before the enact-  
2       ment of the Overseas Private Investment Corpora-  
3       tion Amendments Act of 1988), whether the infor-  
4       mation was collected by the Corporation itself or by  
5       a contractor; and

6             (2) a copy of the analysis of each project ana-  
7       lyzed in preparing the projections required by sub-  
8       section (b) of this section or the report required by  
9       section 240A(c) of the Foreign Assistance Act of  
10      1961 (as in effect before the enactment of the Over-  
11      seas Private Investment Corporation Amendments  
12      Act of 1988).

13      (d) PROTECTION OF CERTAIN INFORMATION.—Sub-  
14      section (b) does not require the inclusion in any informa-  
15      tion submitted pursuant to that subsection of any infor-  
16      mation which would not be required to be made available  
17      to the public pursuant to section 552 of title 5, United  
18      States Code (relating to freedom of information).

19      **SEC. 8547. DEFINITIONS.**

20      As used in chapter 1 of title V and this subchapter,  
21      the following terms have the following meanings:

22             (1) BOARD.—The term “Board” means the  
23      Board of Directors of the Overseas Private Invest-  
24      ment Corporation.

1           (2) CORPORATION.—The term “Corporation”  
2 means the Overseas Private Investment Corporation.

3           (3) ELIGIBLE INVESTOR.—(A) The term “eligi-  
4 ble investor” means—

5                   (i) a United States citizen;

6                   (ii) a corporation, partnership, or other as-  
7 sociation, including a nonprofit association,  
8 which is created under the laws of the United  
9 States, any State, the District of Columbia, or  
10 any commonwealth, territory, or possession of  
11 the United States, and which is substantially  
12 beneficially owned by United States citizens;  
13 and

14                   (iii) a foreign corporation, partnership, or  
15 other association which is wholly owned by one  
16 or more United States citizens or corporations,  
17 partnerships, or other associations described in  
18 clause (ii), except that the eligibility of any such  
19 foreign corporation shall be determined without  
20 regard to any shares held by other than United  
21 States citizens or corporations, partnerships, or  
22 other associations described in clause (ii) if, in  
23 the aggregate, such shares equal less than 5  
24 percent of the total issued and subscribed share  
25 capital of such foreign corporation.

1 (B) For purposes of subparagraph (A)—

2 (i) in the case of insurance or a guarantee  
3 for any loan investment, a final determination  
4 of whether a person is an eligible investor may  
5 be made at the time the insurance or guarantee  
6 is issued; and

7 (ii) in the case of insurance or a guarantee  
8 for any other investment, an investor must be  
9 an eligible investor at the time a claim arises as  
10 well as the time the insurance or guarantee is  
11 issued.

12 (4) EXPROPRIATION.—The term “expropria-  
13 tion” includes any abrogation, repudiation, or im-  
14 pairment by a foreign government of its own con-  
15 tract with an investor with respect to a project,  
16 where such abrogation, repudiation, or impairment  
17 is not caused by the investor’s own fault or mis-  
18 conduct, and materially adversely affects the contin-  
19 ued operation of the project.

20 (5) INVESTMENT.—The term “investment” in-  
21 cludes any contribution or commitment of funds,  
22 commodities, services, patents, processes, or tech-  
23 niques, in the form of—

24 (A) a loan or loans to an approved project,

1 (B) the purchase of a share of ownership  
2 in any such project,

3 (C) participation in royalties, earnings, or  
4 profits of any such project, and

5 (D) the furnishing of commodities or serv-  
6 ices pursuant to a lease or other contract.

7 (6) PREDECESSOR GUARANTEE AUTHORITY.—

8 The term “predecessor guarantee authority” means  
9 prior guarantee authorities (other than housing  
10 guarantee authorities) repealed by the Foreign As-  
11 sistance Act of 1969, sections 202(b) and 413(b) of  
12 the Mutual Security Act of 1954, and section  
13 111(b)(3) of the Economic Cooperation Act of 1948  
14 (exclusive of authority relating to informational  
15 media guarantees).

16 Subchapter E—Definitions and Miscellaneous Provisions

17 **SEC. 8551. DEFINITIONS.**

18 (a) For purposes of this Act, the following terms have  
19 the following meanings:

20 (1) AGENCY OF THE UNITED STATES GOVERN-  
21 MENT.—The term “agency of the United States  
22 Government” includes any agency, department,  
23 board, wholly or partly owned corporation, instru-  
24 mentality, commission, or establishment of the Unit-  
25 ed States Government.

1           (2) COUNTRY.—The term “country” includes  
2     area.

3           (3) DEVELOPING COUNTRY.—The term “devel-  
4     oping country” includes advanced developing coun-  
5     try.

6           (4) FUNCTION.—The term “function” includes  
7     any duty, obligation, power, authority, responsibility,  
8     right, privilege, discretion, or activity.

9           (5) GROSS VIOLATIONS OF INTERNATIONALLY  
10    RECOGNIZED HUMAN RIGHTS.—The term “gross vio-  
11    lations of internationally recognized human rights”  
12    includes torture or cruel, inhuman, or degrading  
13    treatment or punishment, prolonged detention with-  
14    out charges and trial, causing the disappearance of  
15    persons by the abduction and clandestine detention  
16    of those persons, and other flagrant denial of the  
17    right to life, liberty, or the security of person.

18          (6) INCLUDES.—The term “includes” means in-  
19    cludes but is not limited to.

20          (7) NOTWITHSTANDING.—The terms “notwith-  
21    standing any other provision of law” and “notwith-  
22    standing any provision of this or any other Act”  
23    shall not apply to title 31, United States Code, the  
24    Congressional Budget and Impoundment Control  
25    Act of 1974, the Balanced Budget and Emergency

1 Deficit Control Act of 1985, and the Budget En-  
2 forcement Act of 1990.

3 (8) OFFICER OR EMPLOYEE.—The term “offi-  
4 cer or employee” means civilian personnel of the  
5 United States Government and members of the  
6 Armed Forces.

7 (9) NONNUCLEAR-WEAPON STATE.—The term  
8 “nonnuclear-weapon state” means any country  
9 which is not a nuclear-weapon state, as defined in  
10 article IX(3) of the Treaty on the Non-Proliferation  
11 of Nuclear Weapons.

12 (10) UNITED STATES.—The term “United  
13 States”, when used in the geographic sense, includes  
14 the Commonwealth of Puerto Rico, the Common-  
15 wealth of the Northern Mariana Islands, Guam,  
16 American Samoa, the Virgin Islands, and any other  
17 territory or possession of the United States.

18 (11) MAJOR ILLICIT DRUG PRODUCING COUN-  
19 TRY.—The term “major illicit drug producing coun-  
20 try” means a country producing five metric tons or  
21 more of opium or opium derivative during a fiscal  
22 year or producing five hundred metric tons or more  
23 of coca or marijuana (as the case may be) during a  
24 fiscal year.

1           (12) MAJOR DRUG TRANSIT COUNTRY.—The  
2 term “major drug transit country” means a coun-  
3 try—

4           (A) that is a significant direct source of il-  
5 licit narcotic or psychotropic drugs or other  
6 controlled substances significantly affecting the  
7 United States;

8           (B) through which are transported such  
9 drugs or substances; or

10          (C) through which significant sums of  
11 drug-related profits or monies are laundered  
12 with the knowledge or complicity of the govern-  
13 ment.

14          (13) NARCOTIC AND PSYCHOTROPIC DRUGS  
15 AND OTHER CONTROLLED SUBSTANCES.—The term  
16 “narcotic and psychotropic drugs and other con-  
17 trolled substances” has the same meaning as is  
18 given by any applicable international narcotics con-  
19 trol agreement or domestic law of the country or  
20 countries concerned.

21          (14) AGRICULTURE.—The term “agriculture”  
22 includes aquaculture and fisheries.

23          (15) FARMERS.—The term “farmers” includes  
24 fishermen and other persons employed in cultivating

1 and harvesting food resources from salt and fresh  
2 waters.

3 (16) INSTITUTION OF HIGHER EDUCATION.—  
4 The term “institution of higher education” has the  
5 same meaning that term is given by section 1201(a)  
6 of the Higher Education Act of 1965.

7 (17) ARMED FORCES.—The term “Armed  
8 Forces” means the Army, Navy, Air Force, Marine  
9 Corps, and Coast Guard of the United States.

10 (18) DEFENSE ARTICLE AND RELATED  
11 TERMS.—The terms “defense article”, “significant  
12 military equipment” and “major defense equipment”  
13 shall have the same meaning as in the Arms Export  
14 Control Act. The term “defense service” includes  
15 any service (including education and training), test,  
16 inspection, repair, publication, or technical or other  
17 assistance or defense information used for the pur-  
18 pose of furnishing assistance administered through  
19 the Department of Defense under this Act.

20 (19) EXCESS DEFENSE ARTICLES.—The term  
21 “excess defense articles” means the quantity of de-  
22 fense articles owned by the United States Govern-  
23 ment, and not procured in anticipation of defense  
24 assistance or sales requirements, or pursuant to a  
25 defense assistance or sales order, which is in excess

1 of the Approved Acquisition Objective of all Depart-  
2 ment of Defense Components at the time such arti-  
3 cles are dropped from inventory by the supplying  
4 agency for delivery to countries or international or-  
5 ganizations under this Act.

6 (20) VALUE.—The term “value” means—

7 (A) with respect to an excess defense arti-  
8 cle, the actual value of the article plus the gross  
9 cost incurred by the United States Government  
10 in repairing, rehabilitating, or modifying the ar-  
11 ticle, except that for purposes of section  
12 8201(c) such actual value shall not be taken  
13 into account;

14 (B) with respect to a nonexcess defense ar-  
15 ticle delivered from inventory to a foreign coun-  
16 try or international organization under this Act,  
17 the acquisition cost to the United States Gov-  
18 ernment, adjusted as appropriate for condition  
19 and market value;

20 (C) with respect to a nonexcess defense ar-  
21 ticle delivered from new procurement to a for-  
22 eign country or international organization  
23 under this Act, the contract or production costs  
24 of such article.

1           (21) ASSISTANCE ADMINISTERED THROUGH  
2 THE DEPARTMENT OF DEFENSE.—The term “assist-  
3 ance administered through the Department of De-  
4 fense” means—

5           (A) the financing (including the guarantee  
6 of financing) of sales of defense articles (includ-  
7 ing excess defense articles) and defense services  
8 (including education and training) made or li-  
9 censed pursuant to sections 21, 22, 29, and 38  
10 of the Arms Export Control Act and the lease  
11 of defense articles made pursuant to chapter 6  
12 of that Act;

13           (B) the provision of education or training  
14 through the Department of Defense under this  
15 Act;

16           (C) the provision of excess defense articles  
17 through the Department of Defense under sec-  
18 tion 8405 of this Act; or

19           (D) the provision of assistance through the  
20 Department of Defense under sections 3103,  
21 3204, 7111 and 7115(b) of this Act.

22 **SEC. 8552. ACTIVITIES UNDER OTHER LAWS NOT AF-**  
23 **FFECTED.**

24           Unless expressly provided to the contrary, provisions  
25 of this Act and other provisions of law applicable to for-

1 eign assistance shall not be construed to prohibit (or, with  
2 respect to the Export-Import Bank of the United States,  
3 apply to) activities authorized by or conducted under the  
4 Peace Corps Act, the United States Information and Edu-  
5 cational Exchange Act of 1948, the Mutual Educational  
6 and Cultural Exchange Act of 1961, the Export-Import  
7 Bank Act of 1945, the Agricultural Act of 1949, the Agri-  
8 cultural Trade Development and Assistance Act of 1954,  
9 the Food for Progress Act of 1985, the Inter-American  
10 Foundation Act, the African Development Foundation  
11 Act, commercial export promotion activities of the Depart-  
12 ment of Agriculture (including the Commodity Credit Cor-  
13 poration), or to programs for which funds are made avail-  
14 able outside Budget Function 150.

15 TITLE IX—TECHNICAL AND CONFORMING  
16 PROVISIONS

17 **SEC. 9101. EFFECTIVE DATE.**

18 Except as otherwise provided in this Act, the provi-  
19 sions of this Act shall take effect on October 1, 1994.

20 **SEC. 9102. SAVINGS PROVISIONS.**

21 (a) IN GENERAL.—(1) Except as may be expressly  
22 provided to the contrary in this Act, all determinations,  
23 authorizations, regulations, orders, contracts, agreements,  
24 and other actions issued, undertaken, or entered into  
25 under authority of any provision of law repealed by this

1 Act shall continue in full force and effect until modified  
2 by appropriate authority.

3 (2) Wherever provisions of this Act establish condi-  
4 tions which must be complied with before use may be  
5 made of authority contained in, or funds made available  
6 to carry out the provisions of, this Act, compliance with,  
7 or satisfaction of, substantially similar conditions under  
8 provisions repealed by this Act shall be deemed to con-  
9 stitute compliance with the conditions established by this  
10 Act.

11 (3) Funds made available pursuant to provisions of  
12 law repealed by this Act shall, unless otherwise authorized  
13 or provided by law, remain available for their original pur-  
14 poses in accordance with the provisions of law originally  
15 applicable thereto, or in accordance with the provisions of  
16 law currently applicable to those purposes.

17 (4) References in law to provisions repealed by this  
18 Act may hereafter be deemed to be references to cor-  
19 responding provisions of this Act, on a case-by-case basis  
20 as may be appropriate.

21 (b) CERTAIN PRESIDENTIAL APPOINTEES.—The re-  
22 peal by this Act of any provision of the Foreign Assistance  
23 Act of 1961 providing for the appointment of an individual  
24 to a position by the President, by and with the advice and  
25 consent of the Senate, and the reenactment by this Act

1 of that provision in substantively identical form does not  
2 require the reappointment of the individual holding that  
3 position on the effective date specified in section 9101.

4 (c) SECTION 124(c) AUTHORITY.—Section 124(c) of  
5 the Foreign Assistance Act of 1961, as in effect before  
6 the effective date specified in section 9101 of this Act,  
7 shall be deemed to remain in effect on and after that date.  
8 For purposes of this section, references in section 124(c)  
9 to sections 101 and 102 of the Foreign Assistance Act  
10 of 1961 shall be deemed to be references to sections 1101  
11 and 1102 of this Act, respectively.

12 (d) GUARANTEES AND LOANS UNDER FORMER AU-  
13 THORITY.—Guarantees committed or outstanding under  
14 the former authorities of sections 108, 222, and 222A of  
15 the Foreign Assistance Act of 1961, as in effect before  
16 the effective date specified in section 9101 of this Act,  
17 loans obligated under section 108 on or before such date,  
18 the fees and interest collected in connection with such  
19 guarantees and loans, and income on claims receivable  
20 with respect to such guarantees and loans, shall continue  
21 to be subject to provisions of such Act originally applicable  
22 to those guarantees and loans and the Federal Credit Re-  
23 form Act of 1990.

24 **SEC. 9103. MISCELLANEOUS PROVISIONS.**

25 (a) FEDERAL ACT OF STATE DOCTRINE.—

1           (1) IN GENERAL.—Notwithstanding any other  
2 provision of law, no court in the United States shall  
3 decline on the ground of the federal act of state doc-  
4 trine to make a determination on the merits giving  
5 effect to the principles of international law in a case  
6 in which claim of title or other right to property is  
7 asserted by any party, including a foreign state (or  
8 a party claiming through such state), based upon (or  
9 traced through) a confiscation or other taking after  
10 January 1, 1959, by an act of that state in violation  
11 of the principles of international law, including the  
12 principles of compensation and the other standards  
13 set out in section 620(e)(1) of the Foreign Assist-  
14 ance Act of 1961 as in effect before the effective  
15 date of this section.

16           (2) EXCEPTIONS.—This subsection shall not be  
17 applicable—

18                   (A) in any case in which an act of a for-  
19 eign state is not contrary to international law  
20 or with respect to a claim of title or other right  
21 to property acquired pursuant to an irrevocable  
22 letter of credit of not more than 180 days dura-  
23 tion issued in good faith prior to the time of the  
24 confiscation or other taking; or

1 (B) in any case with respect to which the  
2 President determines that application of the act  
3 of state doctrine is required in that particular  
4 case by the foreign policy interests of the Unit-  
5 ed States and a suggestion to this effect is filed  
6 on his behalf in that case with the court.

7 (b) ACCOUNTING AND VALUATION OF FOREIGN CUR-  
8 RENCIES.—

9 (1) Under the direction of the President, the  
10 Secretary of the Treasury shall have responsibility  
11 for valuation and central accounting with respect to  
12 foreign credits (including currencies) owed to or  
13 owned by the United States. In order to carry out  
14 such responsibility, the Secretary shall issue regula-  
15 tions binding upon all agencies of the United States  
16 Government.

17 (2) The Secretary of the Treasury shall have  
18 sole authority to establish for all foreign currencies  
19 or credits the exchange rates at which such cur-  
20 rencies are to be reported by all agencies of the Gov-  
21 ernment.

22 (c) VALUATION OF EXPROPRIATED PROPERTY.—

23 (1) VALUATION.—If the President requests  
24 such an evaluation, the Foreign Claims Settlement  
25 Commission is authorized to evaluate the value of

1 the property which is the subject of an action de-  
2 scribed in section 7201(a)(3) of this Act and render  
3 an advisory report with respect to the value of such  
4 property to the President.

5 (2) DEFINITION OF UNITED STATES PERSON.—

6 For purposes of section (a)(3), the term ‘United  
7 States person’ means a United States citizen or a  
8 corporation, partnership, or association at least 50  
9 percent beneficially owned by United States citizens.

10 (d) PARTICIPATION IN FOREIGN POLICE ACTIONS.—

11 (1) PROHIBITION ON EFFECTING AN ARREST.—

12 No officer or employee of the United States may di-  
13 rectly effect an arrest in any foreign country as part  
14 of any foreign police action with respect to narcotics  
15 control efforts, notwithstanding any other provision  
16 of law.

17 (2) EXCEPTIONS.—Paragraph (1) does not pro-

18 hibit an officer or employee of the United States—

19 (A) with the approval of the United States  
20 chief of mission, from being present when for-  
21 eign officers are effecting an arrest or from as-  
22 sisting foreign officers who are effecting an  
23 arrest.

24 (B) from taking direct action to protect  
25 life or safety if exigent circumstances arise

1           which are unanticipated and which pose an im-  
2           mediate threat to United States officers or em-  
3           ployees, officers or employees of a foreign gov-  
4           ernment, or members of the public.

5           (3) MARITIME LAW ENFORCEMENT.—With the  
6           agreement of a foreign country, paragraph (1) does  
7           not apply with respect to maritime law enforcement  
8           operations in the territorial sea of that country.

9           (4) INTERROGATIONS.—No officer or employee  
10          of the United States may interrogate or be present  
11          during the interrogation of any United States person  
12          arrested in any foreign country with respect to nar-  
13          cotics control efforts without the written consent of  
14          such person.

15          (5) EXCEPTION FOR STATUS OF FORCES AR-  
16          RANGEMENTS.—This section does not apply to the  
17          activities of the United States Armed Forces in car-  
18          rying out their responsibilities under applicable Sta-  
19          tus of Forces arrangements.

20          (6) DEFINITION.—For purposes of this sub-  
21          section, the term “legal and law enforcement meas-  
22          ures” means—

23                  (A) the enactment and implementation of  
24                  laws and regulations or the implementation of  
25                  existing laws and regulations to provide for the

1 progressive control, reduction, and gradual  
2 elimination of the illicit cultivation, production,  
3 processing, transportation, and distribution of  
4 narcotic drugs and other controlled substances;  
5 and

6 (B) the effective organization, staffing,  
7 equipping, funding, and activation of those gov-  
8 ernmental authorities responsible for narcotics  
9 control.

10 **SEC. 9104. CONFORMING AND OTHER AMENDMENTS.**

11 (a) TITLE 5, UNITED STATES CODE.—Subchapter II  
12 of chapter 53 of title 5, United States Code, is amended—

13 (1) in section 5314, by striking out “Director,  
14 Institute for Scientific and Technological Coopera-  
15 tion.”;

16 (2) in section 5315, by striking out “Deputy  
17 Director, Institute for Scientific and Technological  
18 Cooperation.”; and

19 (3) in section 5316, by striking out “Additional  
20 officers, Institute for Scientific and Technological  
21 Cooperation (2).”.

22 (b) TITLE 15, UNITED STATES CODE.—Section  
23 638(e)(1) of title 15, United States Code is amended by  
24 striking out “for the Agency” through “countries” and in-  
25 serting in lieu thereof “the provisions of this section shall

1 not be applicable to the programs administered by the  
2 United States Agency for International Development”.

3 (c) ARMS EXPORT CONTROL ACT—The Arms Export  
4 Control Act is amended as follows:

5 (1) Section 2(b) is amended by striking out—

6 (A) “or financing for” in paragraph (1);

7 and

8 (B) “financing,” both other places it ap-  
9 pears.

10 (2) Section 3(c) is amended—

11 (A) in paragraph (1), by striking out  
12 “(1)(A) No” and all that follows through “(B)  
13 No cash” and inserting in lieu thereof “(1)  
14 No”;

15 (B) in paragraph (1), as amended by sub-  
16 paragraph (A), by striking out “under this Act,  
17 or any predecessor Act,” and inserting in lieu  
18 thereof “, through sale, financing or otherwise,  
19 under this Act or the Peace, Prosperity, and  
20 Democracy Act of 1994 (or under any prede-  
21 cessor military sales or foreign assistance  
22 legislation)”;

23 (C) in paragraph (3)(A), by striking out  
24 “subparagraph (A)” and all that follows

1 through “such paragraphs,” and inserting in  
2 lieu thereof “paragraph (1)”; and

3 (D) in paragraph (3)(B), by striking out  
4 “subparagraph (B) of”.

5 (3) Section 3 is amended—

6 (A) in subsection (d), by striking out “sec-  
7 tion 505(a)(1) or 505(a)(4) of the Foreign As-  
8 sistance Act of 1961” and inserting in lieu  
9 thereof “section 8212(a)(1) of the Peace, Pros-  
10 perity, and Democracy Act of 1994”; and

11 (B) in subsection (e), by striking out “sec-  
12 tion 505 of the Foreign Assistance Act of  
13 1961” and inserting in lieu thereof “section  
14 8212(a)(1) of the Peace, Prosperity, and De-  
15 mocracy Act of 1994”.

16 (4) Section 4 is amended by inserting after  
17 “such friendly countries” “or, if financed with as-  
18 sistance furnished under the Peace, Prosperity, and  
19 Democracy Act of 1994, for such other purposes as  
20 are provided for under that Act”.

21 (5) Section 5(a) is amended by striking out “,  
22 and no credits (including participations in credits) or  
23 guaranties extended to or for” and inserting in lieu  
24 thereof “to”.

25 (6) Section 6 is amended—

1 (A) by striking out “, no credits or guaran-  
2 tees may be extended,”; and

3 (B) by inserting “and no assistance admin-  
4 istered through the Department of Defense may  
5 be furnished under the Peace, Prosperity, and  
6 Democracy Act of 1994” after “this Act”.

7 (7) Section 21 is amended—

8 (A) by amending (a)(1)(c) to read as fol-  
9 lows, “in the case of the sale of a defense serv-  
10 ice, the full cost to the United States Govern-  
11 ment of furnishing such service, except that in  
12 the case of training sold to a purchaser that is  
13 concurrently receiving assistance under the  
14 Peace, Prosperity, and Democracy Act of 1994  
15 or is separately justified for the fiscal year in  
16 which the associated letter of offer is issued,  
17 only those additional costs that are incurred by  
18 the United States in furnishing such training”;

19 (B) by amending subsection (c)(1) to read  
20 as follows:

21 “(A) Members of the Armed Forces as-  
22 signed or detailed to provide defense services  
23 under this Act may not perform duties of a  
24 combatant nature, including any duty related to  
25 training and advising that may engage United

1 States Armed Forces personnel in combat ac-  
2 tivities, outside the United States in connection  
3 with the performance of those defense services.

4 “(B) Subparagraph (A) shall not apply if  
5 the President determines, and reports to the  
6 Congress, that its application would not be in  
7 the national interest of the United States.”; and

8 (C) in subsection (e)—

9 (i) by deleting subparagraph (1)(B);

10 (ii) by deleting “(C)” in subparagraph  
11 (1)(c) and inserting in lieu thereof “(D)”;

12 (iii) by deleting paragraph (2); and

13 (iv) by deleting “(3)” and inserting in  
14 lieu thereof “(2)”.

15 (8) Section 23 is repealed.

16 (9) Section 24 is amended—

17 (A) by amending the section caption to  
18 read “Provisions Relating to Former Credit and  
19 Guaranty Authorities”;

20 (B) in subsection (a), by striking out  
21 “The” in the first sentence and inserting in lieu  
22 thereof “To the extent necessary to carry out  
23 the provisions under the heading “Foreign Mili-  
24 tary Sales Debt Reform” in title III of the For-  
25 eign Operations, Export Financing, and Related

1 Programs Appropriations Act, 1988 (as con-  
2 tained in section 101(e) of Public Law 100-  
3 202), the”;

4 (C) in subsection (b) by inserting “be-  
5 fore the effective date of the Peace, Pros-  
6 perity, and Democracy Act of 1994” after  
7 “section 23”; and

8 (D) by striking out subsection (c) and  
9 inserting in lieu thereof the following:

10 “(c) The single reserve established under this section  
11 for the payment of claims under guarantees issued under  
12 the authority of this section may be referred to as the  
13 ‘Foreign Military Loan Liquidating Account’.

14 “(d) Any guarantees issued under the authority of  
15 this section are backed by the full faith and credit of the  
16 United States.”.

17 (10) Section 25(a) is amended—

18 (A) in paragraph (5)(A) by striking out  
19 “military education” and all that follows  
20 through “guarantees,” and inserting in lieu  
21 thereof “and assistance administered through  
22 the Department of Defense under the Peace,  
23 Prosperity, and Democracy Act of 1994,”;

24 (B) in paragraph (5)(B) by striking out  
25 “credits or guaranties under this Act” and in-

1           serting in lieu thereof “assistance administered  
2           through the Department of Defense under the  
3           Peace, Prosperity, and Democracy Act of  
4           1994”; and

5           (C) in paragraph (11) by inserting before  
6           the semicolon at the end of the paragraph the  
7           following: “, and the status of each provision of  
8           assistance administered through the Depart-  
9           ment of Defense for the procurement of defense  
10          articles or defense services under the Peace,  
11          Prosperity, and Democracy Act of 1994 with  
12          respect to which there remains outstanding any  
13          unpaid obligation or potential liability”.

14          (11) Section 25(d), as added by 112(b) of the  
15          International Security and Development Cooperation  
16          Act of 1985, is amended by striking out “under this  
17          Act or under section 503(a)(3) of the Foreign As-  
18          sistance Act of 1961” and inserting in lieu thereof  
19          “with assistance administered through the Depart-  
20          ment of Defense under the Peace, Prosperity, and  
21          Democracy Act of 1994”.

22          (12) Section 31 is amended—

23                  (A) by striking out “Authorization and Ag-  
24                  gregate Ceiling on Foreign Military Sales Cred-

1 its.” and all that follows through “(d)” and in-  
2 serting in lieu thereof “Aggregate Costs”; and

3 (B) by striking out “of chapter 2 of part  
4 II of the Foreign Assistance Act of 1961” and  
5 inserting in lieu thereof “the Peace, Prosperity,  
6 and Democracy Act of 1994”.

7 (13) Section 36(a) is amended—

8 (A) in paragraph (7), by striking out  
9 “under chapters 2, 5, 6 or 8 of part II of the  
10 Foreign Assistance Act of 1961” and inserting  
11 in lieu thereof “assistance administered through  
12 the Department of Defense under the Peace,  
13 Prosperity, and Democracy Act of 1994”; and

14 (B) in paragraph (10), by striking out  
15 “section 505(a)(1)(B) of the Foreign Assistance  
16 Act of 1961” and inserting in lieu thereof “sec-  
17 tions 8212 and 8213 of the Peace, Prosperity,  
18 and Democracy Act of 1994”.

19 (14) Section 37 is amended—

20 (A) in the section caption by striking out  
21 “Relating to Foreign Military Sales Credits”;

22 (B) in subsection (a), by striking out “sec-  
23 tion 23” and inserting in lieu thereof “the  
24 former authority of section 23 or under the au-

1           thority of the Peace, Prosperity, and Democ-  
2           racy Act of 1994”; and

3           (C) in subsection (b), by inserting “the  
4           former authority of” after “extended pursuant  
5           to”.

6           (15) Section 42 is amended—

7           (A) in subsection (a) by striking out “, but  
8           subject to subsection (b) of this section,” in the  
9           first sentence and inserting in lieu thereof “;”;

10          (B) in subsection (b), by striking out “No  
11          credit sale shall be extended under section 23,  
12          and no guarantee shall be issued under section  
13          24” and inserting in lieu thereof “No assistance  
14          shall be furnished under the Peace, Prosperity,  
15          and Democracy Act of 1994 to be administered  
16          through the Department of Defense for the fi-  
17          nancing of sales of defense articles or services”;  
18          and

19          (C) in subsection (d)(1), by striking out  
20          “and guaranties under sections 21, 22, 23, 24,”  
21          and inserting in lieu thereof “under sections 21,  
22          22,”.

23          (16) Section 47(1) is amended by deleting “sec-  
24          tion 644(g) of the Foreign Assistance Act of 1991”

1 and inserting in lieu thereof, “section 8551(19) of  
2 the Peace, Prosperity, and Democracy Act of 1994”.

3 (d) UNITED STATES AGENCY FOR INTERNATIONAL  
4 DEVELOPMENT.—References in any Act to the “Agency  
5 for International Development” shall be deemed to be a  
6 reference to the United States Agency for International  
7 Development.

8 **SEC. 9105. TRANSITION RULES FOR MILITARY ASSISTANCE.**

9 (a) DISPOSITION OF CERTAIN PREVIOUSLY PRO-  
10 VIDED MILITARY EQUIPMENT.—The President may waive  
11 requirements imposed pursuant to sections 505(a)(4) and  
12 (f) of the Foreign Assistance Act of 1961, as in effect be-  
13 fore the effective date of this title, with respect to defense  
14 articles or related training or other defense services fur-  
15 nished before that date.

16 (b) COMMITMENT OF PRIOR YEAR MILITARY ASSIST-  
17 ANCE.—If the President at any time notifies Congress  
18 that no further sales will be made pursuant to the Arms  
19 Export Control Act after the date of such notification to  
20 a specified country under circumstances then prevailing,  
21 any uncommitted funds allocated for such country that  
22 were transferred under the authority of section 8202(g)(6)  
23 of this Act, the former authority of section 23 of the Arms  
24 Export Control Act, and the former authority of section  
25 503(a)(3) of the Foreign Assistance Act of 1961 for the

1 purpose of financing such sales may be committed to fi-  
2 nance such sales to other eligible countries subject to ad-  
3 vance notification to the Committees on Appropriations  
4 and Foreign Relations of the Senate and the Committees  
5 on Appropriations and Foreign Affairs of the House of  
6 Representatives.

7 (c) SALES.—Sales under the Arms Export Control  
8 Act which are wholly paid from funds that, prior to the  
9 effective date of this Act, were transferred under the  
10 former authority of section 503(a)(3) of the Foreign As-  
11 sistance Act of 1961 or were made available on a  
12 nonrepayable or grant basis under section 23 of the Arms  
13 Export Control Act, shall be priced on the same basis as  
14 described in section 8201(d).

15 **SEC. 9106. REPEAL OF OBSOLETE PROVISIONS.**

16 (a) 1992 JOBS THROUGH EXPORTS ACT.—Title III  
17 of the Jobs Through Exports Act of 1992 is repealed.

18 (b) 1988 OPIC ACT.—The Overseas Private Invest-  
19 ment Corporation Amendments Act of 1988 (as enacted  
20 by reference by section 555 of the Foreign Operations, Ex-  
21 port Financing, and Related Programs Appropriations  
22 Act, 1989) is repealed.

23 (c) 1988 INTERNATIONAL NARCOTICS CONTROL  
24 ACT.—The International Narcotics Control Act of 1988  
25 is repealed.

1 (d) 1988 FOREIGN OPERATIONS APPROPRIATIONS  
2 ACT.—Section 537(h)(2) of the Foreign Operations, Ex-  
3 port Financing, and Related Programs Appropriations  
4 Act, 1988, as included in Public Law 100–202, is re-  
5 pealed.

6 (e) NARCOTICS CONTROL TRADE ACT.—Sections  
7 802(e) and 804 of the Narcotics Control Trade Act (which  
8 is title VIII of the Trade Act of 1974) are repealed.

9 (f) 1987 FOREIGN ASSISTANCE APPROPRIATIONS  
10 ACT.—Section 539(g)(2) of the Foreign Assistance and  
11 Related Programs Appropriations Act, 1987, as included  
12 in Public Law 99–591, is repealed.

13 (g) 1986 DRUG ACT.—The International Narcotics  
14 Control Act of 1986 (which is title II of the Anti-Drug  
15 Abuse Act of 1986) is repealed.

16 (h) 1986 ASSISTANCE ACT.—The Special Foreign  
17 Assistance Act of 1986 is repealed except for section 1  
18 and section 204.

19 (i) 1986 ANGLO-IRISH AGREEMENT SUPPORT ACT.—  
20 Section 6 of the Anglo-Irish Agreement Support Act of  
21 1986 is repealed.

22 (j) 1985 ASSISTANCE ACT.—The International Secu-  
23 rity and Development Cooperation Act of 1985 is repealed  
24 except for section 1, section 131, section 132, section 504,  
25 section 505, part B of title V (other than section 558 and

1 section 559), section 1302, section 1303, and section  
2 1304.

3 (k) 1985 JORDAN SUPPLEMENTAL ACT.—The Jor-  
4 dan Supplemental Economic Assistance Authorization Act  
5 of 1985 is repealed.

6 (l) 1985 AFRICAN FAMINE ACT.—The African Fam-  
7 ine Relief and Recovery Act of 1985 is repealed.

8 (m) 1983 ASSISTANCE ACT.—The International Se-  
9 curity and Development Assistance Authorization Act of  
10 1983 is repealed.

11 (n) 1983 LEBANON ASSISTANCE ACT.—The Lebanon  
12 Emergency Assistance Act of 1983 is repealed.

13 (o) 1981 ASSISTANCE ACT.—The International Secu-  
14 rity and Development Cooperation Act of 1981 is repealed  
15 except for section 1, section 709, section 714.

16 (p) 1981 OPIC AMENDMENTS ACT.—The OPIC  
17 Amendments Act of 1981 is repealed.

18 (q) 1980 ASSISTANCE ACT.—The International Secu-  
19 rity and Development Cooperation Act of 1980 is repealed  
20 except for section 1, section 110, section 315, and title  
21 V.

22 (r) 1979 DEVELOPMENT ASSISTANCE ACT.—The  
23 International Development Cooperation Act of 1979 is re-  
24 pealed.

1 (s) 1979 SECURITY ASSISTANCE ACT.—The Inter-  
2 national Security Assistance Act of 1979 is repealed.

3 (t) 1979 SPECIAL SECURITY ASSISTANCE ACT.—The  
4 Special International Security Assistance Act of 1979 is  
5 repealed.

6 (u) 1978 DEVELOPMENT ASSISTANCE ACT.—The  
7 International Development and Food Assistance Act of  
8 1978 is repealed, except for section 1, title IV, and section  
9 603(a)(2).

10 (v) 1978 SECURITY ASSISTANCE ACT.—The Inter-  
11 national Security Assistance Act of 1978 is repealed.

12 (w) 1977 DEVELOPMENT ASSISTANCE ACT.—The  
13 International Development and Food Assistance Act of  
14 1977 is repealed except for section 1, section 132(b), and  
15 section 133.

16 (x) 1977 SECURITY ASSISTANCE ACT.—The Inter-  
17 national Security Assistance Act of 1977 is repealed.

18 (y) 1976 SECURITY ASSISTANCE ACT.—The Inter-  
19 national Security Assistance and Arms Export Control Act  
20 is repealed except for section 1, section 201(b), section  
21 212(b), section 601, and section 608.

22 (z) 1975 DEVELOPMENT ASSISTANCE ACT.—The  
23 International Development and Food Assistance Act of  
24 1975 is repealed.

1 (aa) 1975 BIB ACT.—Public Law 94–104 is re-  
2 pealed.

3 (bb) 1974 ASSISTANCE ACT.—The Foreign Assist-  
4 ance Act of 1974 is repealed.

5 (cc) 1973 EMERGENCY ASSISTANCE ACT.—The  
6 Emergency Security Assistance Act of 1973 is repealed.

7 (dd) 1973 ASSISTANCE ACT.—The Foreign Assist-  
8 ance Act of 1973 is repealed.

9 (ee) 1973 DEPARTMENT OF STATE APPROPRIATIONS  
10 AUTHORIZATION ACT.—Section 13 of the Department of  
11 State Appropriations Authorization Act of 1973 is re-  
12 pealed.

13 (ff) 1971 ASSISTANCE ACT.—The Foreign Assistance  
14 Act of 1971 is repealed.

15 (gg) 1971 SPECIAL ASSISTANCE ACT.—The Special  
16 Foreign Assistance Act of 1971 is repealed.

17 (hh) 1971 FMS ACT.—The Act entitled “An Act to  
18 amend the Foreign Military Sales Act, and for other pur-  
19 poses”, approved January 12, 1971 (Public Law 91–672),  
20 is repealed.

21 (ii) 1969 ASSISTANCE ACT.—The Foreign Assistance  
22 Act of 1969 is repealed except for the first section and  
23 part IV.

24 (jj) 1968 ASSISTANCE ACT.—The Foreign Assistance  
25 Act of 1968 is repealed.

1 (kk) 1964 ASSISTANCE ACT.—The Foreign Assist-  
2 ance Act of 1964 is repealed.

3 (ll) Foreign ASSISTANCE ACT OF 1961.—The For-  
4 eign Assistance Act of 1961, as amended, is repealed ex-  
5 cept for the first section, section 226, chapter 11 of part  
6 I, and part IV.

7 (mm) LATIN AMERICAN DEVELOPMENT ACT.—The  
8 Latin American Development Act is repealed.

9 (nn) 1959 MUTUAL SECURITY ACT.—The Mutual  
10 Security Act of 1959 is repealed.

11 (oo) 1954 MUTUAL SECURITY ACT.—Section 402  
12 and section 417 of the Mutual Security Act of 1954 are  
13 repealed.

14 (pp) 1979 REORGANIZATION PLAN.—Reorganization  
15 Plan No. 2 of 1979 is repealed.

16 (qq) FREEDOM SUPPORT ACT.—Section 907 of the  
17 FREEDOM Support Act is repealed.

18 (rr) MIGRATION AND REFUGEE ASSISTANCE ACT.—  
19 The Migration and Refugee Assistance Act of 1962 is re-  
20 pealed.

21 (ss) 1982–3 STATE AUTHORIZATION ACT.—Section  
22 109 of the Department of State Authorization Act, Fiscal  
23 Years 1982 and 1983, is repealed.

24 (tt) 1984–5 DEPARTMENT OF STATE AUTHORIZA-  
25 TION ACT.—Sections 1004 and 1005(a) of the Depart-

1 ment of State Authorization Act, Fiscal Years 1984 and  
2 1985, are repealed.

3 (uu) SAVINGS PROVISION.—Except as otherwise pro-  
4 vided in this Act, the repeal by this Act of any provision  
5 of law that amended or repealed another provision of law  
6 does not affect in any way that amendment or repeal.

○

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