HOUSE OF REPRESENTATIVES—*Friday, September 27, 1991*

CONFERENCE REPORT ON H.R. 2508

Pursuant to the order of September 27, 1991, Mr. FASCELL submitted the following conference report and statement on the bill (H.R. 2508) to amend the Foreign Assistance Act of 1961 to rewrite the authorities of that Act in order to establish more effective assistance programs and eliminate obsolete and inconsistent provisions, to amend the Arms Export Control Act and to redesignate that Act as the Defense Trade and Export Control Act, to authorize appropriations for foreign assistance programs for fiscal years 1992 and 1993, and for other purposes:

CONFERENCE REPORT (H. REPT. 102-225)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2508) to amend the Foreign Assistance Act of 1961 to rewrite the authorities of that Act in order to establish more effective assistance programs and eliminate obsolete and inconsistent provisions, to amend the Arms Export Control Act and to redesignate that Act as the Defense Trade and Export Control Act, to authorize appropriations for foreign assistance programs for fiscal years 1992 and 1993, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "International Cooperation Act of 1991".

SEC. 2. ORGANIZATION OF ACT; TABLE OF CONTENTS.

(a) ORGANIZATION OF ACT.—This Act is organized into titles as follows:

Title I—Economic Assistance
Title II—Military Assistance and Sales and Related Programs
Title III—International Narcotics Control
Title IV—Special Authorities, Restrictions, Reporting Requirements, Administrative and General Provisions, Definitions, and Conforming Amendments and Repeals
Title V—Europe
Title VI—Middle East
Title VII—Latin America and the Caribbean
Title VIII—Enterprise for the Americas
Title IX—Asia and the Pacific
Title X—Africa
Title XI—Aid, Trade, and Competitiveness
Title XII—Peace Corps
Title XIII—International Development and Finance
Title XIV—Miscellaneous

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

Sec. 1. Short title.
Sec. 2. Organization of Act; table of contents.
Sec. 3. Statement of United States foreign policy.

TITLE I—ECONOMIC ASSISTANCE

Sec. 101. General policies and objectives.
Sec. 102. Authorizations of appropriations for development assistance.
Sec. 103. Assistance for individuals with disabilities and for displaced children.
Sec. 104. Agriculture, rural development, and nutrition.
Sec. 105. Population planning.
Sec. 106. Health.
Sec. 107. Private sector, environment, energy, and other development assistance.
Sec. 108. Appropriate technology international.
Sec. 109. Private sector guarantee program.
Sec. 110. Cost sharing.
Sec. 111. Women in development.
Sec. 112. Environment and natural resources.
Sec. 113. Private voluntary organizations.
Sec. 114. Evaluation.
Sec. 115. American schools and hospitals abroad.
Sec. 116. Housing and other credit guarantee programs.
Sec. 117. Overseas Private Investment Corporation.
Sec. 118. Microenterprise development.
Sec. 119. Assistance for human rights and democratic initiatives.
Sec. 120. Voluntary contributions to international organizations and programs.
Sec. 121. Debt for development.
Sec. 122. International disaster assistance.
Sec. 123. Economic Support Fund.
Sec. 123. Authorizations of appropriations for economic support fund assistance.
Sec. 124. Purchase of United States goods and services.
Sec. 125. Trade and Development Agency.
Sec. 126. Authorizations of appropriations for operating expenses.
Sec. 127. Cooperation with nongovernmental sector.
Sec. 128. Policy and report on further management reform.

TITLE II—MILITARY ASSISTANCE AND SALES AND RELATED PROGRAMS

CHAPTER 1—MILITARY ASSISTANCE AND RELATED PROGRAMS

Sec. 201. Statement of policy and objectives.
Sec. 202. Foreign military financing assistance.
Sec. 203. Authorizations of appropriations for foreign military financing assistance.
Sec. 204. Conditions of eligibility.
Sec. 205. Defense drawdown special authorities.
Sec. 206. Improved accountability with respect to financed commercial arms sales.
Sec. 207. Stockpiles.
Sec. 208. Overseas management of assistance and sales programs.
Sec. 209. Excess defense articles.
Sec. 210. International military education and training.
Sec. 211. Peacekeeping operations.
Sec. 212. International terrorism.
Sec. 213. Responsibilities of the Secretary of Defense for end-use monitoring.
Sec. 214. Quarterly reports on procurement outside the United States.

CHAPTER 2—FOREIGN MILITARY SALES PROGRAM

Sec. 221. Arms transfer policy.
Sec. 222. Improved accounting for foreign military sales.
Sec. 223. Designation of major non-NATO allies.
Sec. 224. Certification thresholds.
Sec. 225. Standardizing congressional review procedures for arms transfers.
Sec. 226. Foreign availability.
Sec. 227. Economic impact on United States of arms sales.
Sec. 228. Coproduction agreements.
Sec. 229. Enforcement of arms export licensing requirements.
Sec. 230. Biennial review of the international traffic in arms regulations.
Sec. 231. Contract administrative service charges for NATO subsidiary bodies.
Sec. 232. Sales of depleted uranium shells.

CHAPTER 3—TECHNICAL AND CONFORMING AMENDMENTS; REPEAL OF OBSOLETE AND INCONSISTENT PROVISIONS

Sec. 241. Conforming amendments.
Sec. 242. Amendments to eliminate obsolete and inconsistent provisions.
Sec. 243. Technical corrections.

CHAPTER 4—TRANSFERS OF SPOILS OF WAR

Sec. 261. Short title.
Sec. 262. Transfers of spoils of war.
Sec. 263. Construction of provisions.
Sec. 264. Definitions.

CHAPTER 5—ARMS TRANSFERS RESTRAINT POLICY FOR THE MIDDLE EAST AND PERSIAN GULF REGION

Sec. 281. Findings.
Sec. 282. Multilateral arms transfer and control regime.
Sec. 283. Limitation on United States arms sales to the region.
Sec. 284. Reports to the Congress.
Sec. 285. Relevant congressional committees defined.

TITLE III—INTERNATIONAL NARCOTICS CONTROL

Sec. 301. Authorizations of appropriations.
Sec. 302. Amendments relating to certain authorities and requirements.
Sec. 303. Annual reporting and certification requirements.
Sec. 304. Technical and conforming provisions; repeal of obsolete provisions.
Sec. 305. Exemption of narcotics-related military assistance for fiscal years 1992 and 1993 from prohibition on assistance for law enforcement agencies.
Sec. 306. Waiver of restrictions for narcotics-related economic assistance.
Sec. 307. Export-Import Bank financing of antinarcotics-related sales of defense articles or services.

TITLE IV—SPECIAL AUTHORITIES, RESTRICTIONS, REPORTING REQUIREMENTS, ADMINISTRATIVE AND GENERAL PROVISIONS, DEFINITIONS, AND CONFORMING AMENDMENTS AND REPEALS

Chapter 1—Contingency and Other Special Authorities

Sec. 401. Presidential Contingency Fund.
Sec. 402. Democracy Contingency Fund.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Sec. 403. Unanticipated contingencies.
Sec. 404. Transfer authority.
Sec. 405. Special waiver authority.
Chapter 2—Restrictions on Assistance and Exemptions From Restrictions
Sec. 411. Restrictions on law enforcement assistance: applicability to non-funded assistance, consolidation of exceptions.
Sec. 412. Consolidation of certain restrictions.
Sec. 413. Exemptions from restrictions.
Chapter 3—Reports
Sec. 421. Human rights policy and reports.
Sec. 422. Congressional presentation documents for economic assistance.
Sec. 423. Notification of program changes.
Sec. 424. Annual allocation reports.
Chapter 4—Administrative and General Provisions
Sec. 431. Use of private enterprise.
Sec. 432. Procurement.
Sec. 433. Reimbursable programs.
Sec. 434. Special accounts for and use of host-country owned local currency.
Sec. 435. Authority for extended period of availability of appropriations.
Sec. 436. Termination expenses.
Sec. 437. Interest on local currency accruing to nongovernmental organizations.
Sec. 438. Exemptions from certain provisions restricting the availability of funds.
Sec. 439. Requirement of Senate confirmation for specific positions in the Agency for International Development.
Sec. 440. Personnel detailed to the Agency for International Development.
Sec. 441. Funds allocated to the Export-Import Bank and the Overseas Private Investment Corporation.
Sec. 442. Terms and conditions of assistance.
Sec. 443. Contracting with individuals.
Sec. 444. Facilities abroad.
Sec. 445. Coordination of United States policies and programs affecting development.
Sec. 446. Recognition of American generosity.
Sec. 447. Discrimination against United States personnel providing assistance.
Chapter 5—Definitions
Sec. 451. Definitions designating various assistance programs.
Sec. 452. Definition of appropriate congressional committees.
Sec. 453. Additional definitions.
Chapter 6—Conforming Amendments and Repeals
Sec. 461. Conforming amendments and repeal of obsolete provisions of the Foreign Assistance Act.
Sec. 462. Repeal of obsolete provisions of annual foreign assistance Acts.
Sec. 463. Some conforming amendments to other Acts.
TITLE V—EUROPE
Chapter 1—Support for East European Democracy Act
Sec. 501. Amendments to SEED Act of 1989.
Sec. 502. United States policy regarding Eastern Europe.
Sec. 503. East European countries eligible for SEED benefits.
Sec. 504. Structural adjustment.
Sec. 505. Private sector development.
Sec. 506. Trade and investment.
Sec. 507. Educational, cultural, and scientific activities.
Sec. 508. Other assistance programs.
Sec. 509. Additional SEED Program actions.
Sec. 510. Funding of SEED Program.
Sec. 511. Conforming amendments to list of SEED actions.
Sec. 512. Regional Environmental Center for Central and Eastern Europe.
Chapter 2—Other Provisions Relating to the Region
Sec. 521. Soviet-Eastern European Research and Training Program.
Sec. 522. Condemnation of anti-semitism and ethnic intolerance in Romania.
Sec. 523. Nagorno-Karabakh crisis.
Sec. 524. Andrei Sakharov educational exchange program.
Sec. 525. Crisis in Yugoslavia.
Sec. 526. Anglo-Irish International Fund.
Sec. 527. United States policy regarding the Eastern Mediterranean.
Sec. 528. Assistance for the Eastern Mediterranean.
TITLE VI—MIDDLE EAST
Sec. 601. Assistance for Israel.
Sec. 602. Assistance for Egypt.
Sec. 603. Promoting pluralism and democracy in the Middle East and North Africa.
Sec. 604. West Bank and Gaza program.
Sec. 605. Middle East cooperative scientific and technological projects.
Sec. 606. Cooperative development projects.
Sec. 607. Israeli-Palestinian people-to-people activities.
Sec. 608. Policy toward and assistance for Lebanon.
Sec. 609. Restrictions and reports with regard to Syria.
Sec. 610. Peace and stability in the Middle East.
Sec. 611. Cumulative impact on Israel of United States conventional arms transfers to the Middle East.
Sec. 612. Restrictions on negotiations with the Palestine Liberation Organization.
Sec. 613. PLO commitments compliance.
Sec. 614. United Nations General Assembly Resolution 3379.
Sec. 615. Democratic reform and human rights in Kuwait.
Sec. 616. Use of United States subcontractors in Kuwait.
Sec. 617. Iraqi war crimes and crimes against humanity.
Sec. 618. Report on transfers of spoils of war.
Sec. 619. 1981 Israeli preemptive strike against the Iraqi nuclear reactor at Osirak.
TITLE VII—LATIN AMERICA AND THE CARIBBEAN
Chapter 1—Central America and the Caribbean
SUBCHAPTER A—CENTRAL AMERICA
Sec. 701. Promoting Central American recovery and development.
Sec. 702. Assistance for Guatemala.
Sec. 703. Assistance for Nicaragua.
Sec. 704. Assistance for refugees and displaced persons.
Sec. 705. Assistance for democratic legislatures.
Sec. 706. Central American journalism program and the regional administration of justice program.
Sec. 707. Policy on military base rights in Panama.
SUBCHAPTER B—THE CARIBBEAN
Sec. 711. Caribbean regional development.
Sec. 712. Assistance for Haiti.
Sec. 713. Haitian sugar cane harvesters in the Dominican Republic.
Sec. 714. Assistance for Guyana.
Sec. 715. Democracy in Suriname.
Sec. 716. Human rights in Cuba.
Sec. 717. Prohibition on certain transactions between certain United States subsidiaries and Cuba.
SUBCHAPTER C—PROVISIONS RELATING TO BOTH CENTRAL AMERICA AND THE CARIBBEAN
Sec. 721. Military aircraft transfers.
CHAPTER 2—SOUTH AMERICA
SUBCHAPTER A—ANDEAN INITIATIVE
Sec. 731. Economic assistance and administration of justice programs for Andean countries.
Sec. 732. Military and law enforcement assistance for Andean countries.
Sec. 733. General provisions relating to assistance for Andean countries.
Sec. 734. Colombia's efforts to combat international narcotics trafficking.
SUBCHAPTER B—OTHER PROVISIONS RELATING TO SOUTH AMERICA
Sec. 741. Argentina and Brazil's common nuclear policy.
Sec. 742. Military assistance and sales for Chile.
CHAPTER 3—OTHER PROVISIONS PERTAINING TO THE REGION
Sec. 751. Inter-American Foundation.
Sec. 752. Support of international efforts against the spread of cholera.
Sec. 753. Strengthening civilian control over the military.
Sec. 754. Assistance for law enforcement.
Sec. 755. Indigenous peoples in Latin America and the Caribbean.
Sec. 756. Authority to forgive repayment of an Alliance for Progress loan.
TITLE VIII—ENTERPRISE FOR THE AMERICAS INITIATIVE
Sec. 801. Short title.
CHAPTER 1—FOREIGN ASSISTANCE ACT DEBT REDUCTION
Sec. 811. Purpose.
Sec. 812. Definitions.
Sec. 813. Eligibility for benefits under the facility.
Sec. 814. Reduction of certain debt.
Sec. 815. Repayment of principal.
Sec. 816. Interest on new obligations.
Sec. 817. Establishment of, deposits into, and disbursements from an Enterprise for the Americas Fund.
Sec. 818. Americas Framework Agreements.
Sec. 819. Enterprise for the Americas Board.
CHAPTER 2—EXPORT-IMPORT BANK DEBT REDUCTION
Sec. 821. Export-Import Bank debt reduction.
CHAPTER 3—PARTICIPATION OF THE INTER-AMERICAN DEVELOPMENT BANK
Sec. 831. Role of Inter-American Development Bank and other programs in fostering investment reform.
Sec. 832. Enterprise for the Americas Investment Fund.
CHAPTER 4—INTERNATIONAL UNIVERSITY FOR THE AMERICAS
Sec. 841. Purpose.
Sec. 842. Establishment.
Sec. 843. Faculty, students, and curriculum.
Sec. 844. Funding.
CHAPTER 5—REPORTS
Sec. 851. Annual reports to Congress.
TITLE IX—ASIA AND THE PACIFIC
CHAPTER 1—EAST ASIA AND THE PACIFIC
Sec. 901. Burma.
Sec. 902. Cambodia.
Sec. 903. Arms transfers by the People's Republic of China to certain countries.
Sec. 904. Prohibition on military assistance to Fiji.
Sec. 905. Support of humanitarian projects in Laos.
Sec. 906. Malaysia.
Sec. 907. Assistance for Mongolia.
Sec. 908. Multilateral Assistance Initiative for the Philippines

Sec. 909. South Pacific regional program.
Sec. 910. Policy toward the future of Taiwan.
Sec. 911. Admission of Asian countries into the OECD.

CHAPTER 2—SOUTH ASIA

Sec. 921. Assistance for Afghanistan.
Sec. 922. United States support for democracy and development in Bangladesh.
Sec. 923. Human rights in India.
Sec. 924. Nepal.
Sec. 925. Pakistan.
Sec. 926. Promotion of human rights in Sri Lanka.

CHAPTER 3—ECONOMIC COOPERATION PROJECTS IN CHINA AND TIBET

Sec. 941. Statement of principles.
Sec. 942. Registration requirement.
Sec. 943. Reporting requirement.
Sec. 944. Definitions.
Sec. 945. Enforcement of current law.

TITLE X—AFRICA

CHAPTER 1—DEVELOPMENT FUND FOR AFRICA

Sec. 1001. Development Fund for Africa.

CHAPTER 2—OTHER ASSISTANCE FOR AFRICA

Sec. 1021. African Development Foundation.
Sec. 1022. Support for the Southern Africa Development Coordination Conference.
Sec. 1023. Economic Support assistance for Sub-Saharan Africa.
Sec. 1024. Support for democratization in Sub-Saharan Africa.
Sec. 1025. African Center for Conflict Resolution.

CHAPTER 3—PROVISIONS RELATING TO SPECIFIC COUNTRIES

Sec. 1041. Limited assistance for Angola.
Sec. 1042. Burundi.
Sec. 1043. Kenya.
Sec. 1044. Liberia.
Sec. 1045. Malawi.
Sec. 1046. Mozambique.
Sec. 1047. South Africa.
Sec. 1048. Zaire.

CHAPTER 4—HORN OF AFRICA RECOVERY AND FOOD SECURITY

Sec. 1061. Findings
Sec. 1062. Statement of policy regarding individual countries.
Sec. 1063. Horn of Africa relief and rehabilitation program.
Sec. 1064. Horn of Africa peace initiative.
Sec. 1065. Horn of Africa food security and recovery strategy.
Sec. 1066. Prohibitions on security assistance to Ethiopia, Somalia, and Sudan.
Sec. 1067. Certification.
Sec. 1068. Reporting requirement.

CHAPTER 5—OTHER PROVISIONS

Sec. 1081. United States trade restrictions on products from Sub-Saharan Africa.
Sec. 1082. Recognition of Sub-Saharan African support during the Persian Gulf crisis.
Sec. 1083. Conditions on furnishing IMET for Sub-Saharan Africa.
Sec. 1084. Preemption of state and local sanction measures against Namibia.
Sec. 1085. Study on the impact of adjustment supported programs on the development fund for Africa.

TITLE XI—AID, TRADE, AND COMPETITIVENESS

Sec. 1101. Short title.
Sec. 1102. Capital projects office within the Agency for International Development.
Sec. 1103. Coordination.
Sec. 1104. Reports to Congress on capital projects.
Sec. 1105. Negotiations of the Organization for Economic Cooperation and Development.
Sec. 1106. Funding for capital projects.
Sec. 1107. Report on the feasibility of aid credit guarantees to finance capital projects.
Sec. 1108. Definitions.
Sec. 1109. Authorization of additional funding for the Trade and Development Agency for fiscal year 1993.

TITLE XII—PEACE CORPS

Sec. 1201. Authorizations of appropriations.
Sec. 1202. Peace Corps foreign currency fluctuations.
Sec. 1203. Evaluation of health-care services provided to Peace Corps volunteers.
Sec. 1204. Reporting requirement on employment-related matters.
Sec. 1205. Peace Corps programs in the Soviet Union.

TITLE XIII—INTERNATIONAL DEVELOPMENT AND FINANCE

CHAPTER 1—INTERNATIONAL MONETARY FUND

Sec. 1301. United States quota increase; amendments to articles of agreement; approval of pledge to sell gold.
Sec. 1302. Soviet access to the financial resources of international financial institutions.
Sec. 1303. Sense of the Congress relating to the problems of nations making the transitions to more open political and economic systems.
Sec. 1304. Publication of reports on economies of major industrialized nations.
Sec. 1305. Sense of the Congress relating to coordination of development activities of international financial institutions.
Sec. 1306. Cooperation with International Bank for Reconstruction and Development in efforts to alleviate poverty and reduce barriers to economic and social progress.
Sec. 1307. Debt and debt service reduction programs.
Sec. 1308. Environmental considerations in Fund programs.
Sec. 1309. Criteria for assessing defense expenditures.
Sec. 1310. Human rights.

CHAPTER 2—INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND AFFILIATES

Subchapter A—International Finance Corporation

Sec. 1311. Capital increase.

Subchapter B—International Bank for Reconstruction and Development

Sec. 1321. Efforts to alleviate poverty and reduce barriers to economic and social progress.
Sec. 1322. Debt and debt service reduction programs.
Sec. 1323. Technical assistance for the Baltic states and the Soviet Union.

Subchapter C—Financial Assistance for Global Environmental Protection

Sec. 1331. Short title.
Sec. 1332. Findings.
Sec. 1333. United States contribution.
Sec. 1334. Report on international debt exchanges and the environment.

CHAPTER 3—ASIAN DEVELOPMENT BANK

Sec. 1341. United States subscription to special capital increase.

CHAPTER 4—AFRICAN DEVELOPMENT FUND

Sec. 1351. United States contribution.

CHAPTER 5—EXPORT-IMPORT BANK

Sec. 1361. Repeal of inadvertently inserted material.
Sec. 1362. Appointment and compensation of bank personnel.
Sec. 1363. Increase in membership of advisory committee.
Sec. 1364. Waiver of limitations on financing for exports to the Soviet Union.
Sec. 1365. Financing of high technology exports to emerging democracies.
Sec. 1366. Promotion of competitive opportunities for United States insurance companies.
Sec. 1367. Report on demand for trade finance for the Baltic states, and for the Soviet Union and its successor states.
Sec. 1368. Sense of the Congress that the President should grant waivers for Estonia, Latvia, and Lithuania.
Sec. 1369. Effective date.

CHAPTER 6—MULTILATERAL DEVELOPMENT BANKS

Subchapter A—Energy Efficiency

Sec. 1371. Short title.
Sec. 1372. Advancing the benefits of energy efficiency through multilateral development banks.

Subchapter B—Alleviation of Poverty, Reduction of Barriers to Economic and Social Progress, and Other Provisions

Sec. 1381. Efforts to alleviate poverty and reduce barriers to economic and social progress.
Sec. 1382. United States policy regarding debt restructuring.
Sec. 1383. Participation of women in development activities.
Sec. 1384. Employment opportunities and comparable pay.
Sec. 1385. Directive relating to multilateral aid to the Horn of Africa.
Sec. 1386. Encouragement of fair labor practices.

Subchapter C—Financial Integrity

Sec. 1391. Financial integrity.

CHAPTER 7—CONSOLIDATION OF REPORTS

Sec. 1399. Consolidation of certain reports.

TITLE XIV—MISCELLANEOUS

Sec. 1401. Food as a human right.
Sec. 1402. Environmental security and foreign policy.
Sec. 1403. Reforming the United Nations response to international disasters.
Sec. 1404. Nuclear non-proliferation regimes in South Asia and other regions.

SEC. 3. STATEMENT OF UNITED STATES FOREIGN POLICY.

The Congress finds that peace and prosperity depend on the United States providing leadership in a world community increasingly receptive to democracy, open and competitive markets, and cooperation against aggression. The United States has assisted other countries to strengthen the capacity to develop their economies and human resources, improve security, and build responsible democratic institutions. The Congress recognizes that for over 40 years the threat of international communism weighed heavily on the programs and priorities of United States economic and security assistance. The economic prosperity and security of the people of the United States and of the world are best maintained and enhanced in an international community that respects individual civil and political rights and economic freedoms, provides for fundamental human needs, uses wisely the world's limited resources in a sustainable manner, and works toward the achievement of eco-

nomic well-being for all people. Freedom can only be sustained by governments whose legitimacy rests firmly on the expressed consent of the governed; who are themselves agents and protectors of individual civil, political and economic rights; and who are committed to building the economic, political and social institutions which will improve the quality of the lives of all their people.

Fostering economic, military, and other forms of international cooperation is vital to United States foreign policy. Likewise, addressing the manifestations of pervasive poverty through development assistance is essential to establishing the political, economic, and social environment necessary for sustained economic growth. Assistance under this Act should serve the following five mutually reinforcing goals:

(1) Promoting and consolidating democratic values and institutions.

(2) Promoting United States national security interests and securing peace.

(3) Promoting economic growth through competitive markets with equitable distribution of benefits.

(4) Promoting human resource development and meeting urgent humanitarian needs.

(5) Promoting common approaches to transnational threats including environmental degradation, narcotics trafficking, and terrorism.

Assistance under this Act should be coordinated with the other relevant international activities of the United States Government so as to achieve these goals.

Because strong and effective multilateralism will improve the prospects for peace and prosperity regionally and globally, other countries able to contribute should be urged to join in undertaking to meet common goals and objectives.

TITLE I—ECONOMIC ASSISTANCE

SEC. 101. GENERAL POLICIES AND OBJECTIVES.

Sections 101 and 102 of the Foreign Assistance Act of 1961 are amended to read as follows:

"SEC. 101. POLICIES CONCERNING ECONOMIC ASSISTANCE.

"(a) REASONS FOR ECONOMIC ASSISTANCE.—The Congress finds and declares as follows:

"(1) Fundamental and pervasive economic, political, and technological changes have resulted in the growing interdependence of countries and have created an increasing awareness in the United States and around the world of the need for all countries to participate in efforts to promote broad based, sustainable development.

"(2) As a people endowed with a spirit of humanitarian generosity, United States citizens have long demonstrated a moral imperative to help those in need. Economic assistance authorized by this part reflects the traditional humanitarian ideals of the American people and a commitment—

"(A) to assist in the alleviation of hunger, poverty, disease, disability, and ignorance in developing countries, and

"(B) to help alleviate the suffering brought about by natural and manmade disasters.

"(3) The efforts of developing countries to build and maintain the social, political, and economic institutions necessary to achieve self-sustaining growth and to provide opportunities to improve the quality of life for their people depend primarily upon successfully marshalling their own economic and human resources. The Congress recognizes that the magnitude of these efforts exceeds the resources of developing countries and therefore accepts that there will be a long-term need for wealthy countries to contribute additional resources for development purposes. The United States should take the lead in concert with other nations to mobilize such resources from public and private sources.

"(b) NEED FOR COORDINATED APPLICATION OF RESOURCES.—The Congress recognizes that successful achievement of the four basic objectives set forth in section 102 depends on the coordinated application of resources. Accordingly, the President should—

"(1) develop and implement a coordinated international economic and development policy and program of action designed to make progress toward the achievement of those objectives, bringing to bear all relevant activities of the United States Government, including policies concerning international trade and debt, contributions to multilateral development banks, policies concerning international monetary issues, policies concerning the furnishing of foreign military financing assistance, and policies in such areas as agriculture, the environment, and health; and

"(2) work with other donor countries and institutions to coordinate international development programs and policies.

"SEC. 102. BASIC OBJECTIVES OF ECONOMIC ASSISTANCE PROGRAMS AND UNITED STATES DEVELOPMENT COOPERATION POLICY.

"(a) FOUR BASIC OBJECTIVES.—The primary purpose of United States economic assistance is the promotion of broad based, sustainable, participatory development, with particular focus on the poor. In pursuit of that purpose, development assistance, assistance from the Development Fund for Africa, and other economic assistance programs to the extent specified in this Act, and United States economic cooperation policy generally, shall have the following four basic objectives, which are interrelated and mutually reinforcing:

"(1) POVERTY ALLEVIATION.—Alleviation of the worst manifestations of poverty through the development of human resource capacity.

"(2) SUSTAINABLE ECONOMIC GROWTH.—Promotion of broad based economic growth.

"(3) SUSTAINABLE RESOURCE MANAGEMENT.—Promotion of improved environmental, natural resource, and agricultural management to enable developing countries to achieve environmentally and economically sustainable patterns of development.

"(4) DEMOCRACY.—Promotion of democracy, respect for human rights, and political, social, and economic pluralism.

"(b) POVERTY ALLEVIATION.—

"(1) RATIONALE.—It is in the interest of the United States to assist developing countries to achieve patterns of growth and development that will measurably and sustainably alleviate the worst manifestations of poverty and allow all people, especially those with low incomes, to lead economically and socially productive lives. Further, peace and stability in the world cannot be achieved without economic development that also alleviates the worst manifestations of poverty.

"(2) ELABORATION OF OBJECTIVE.—(A) Broad based economic growth is necessary for the alleviation of the worst manifestations of poverty. Conversely, neither growth nor the alleviation of poverty can be sustained unless all people, especially the poor, have the basic assets and capabilities that foster the opportunity for participation in the economic, social, and political life of the country.

"(B) To achieve the objective of alleviating the worst manifestations of poverty will entail, among other things—

"(i) the expansion of education to all segments of the society;

"(ii) improvement in coverage, quality, and sustainability of health services;

"(iii) the systematic expansion of voluntary family planning services;

"(iv) support for activities that enhance secure access of all to adequate food and nutrition derived from sustainable agricultural production, including the effectiveness and development contribution of food assistance made available under the Agricultural Trade Development and Assistance Act of 1954 and other food assistance programs; and

"(v) support for activities that enhance universal access to safe drinking water, basic sanitation, and basic shelter necessary for health.

"(c) SUSTAINABLE ECONOMIC GROWTH.—

"(1) RATIONALE.—Broad based, sustainable economic growth is in the interest of the United States because it permits countries to progress toward economic self-reliance, to improve the living standards of their citizens, and to increase opportunities for international trade and investment. Market-oriented economic growth establishes the basis for sustainable development and reinforces democratic ideals and practices. Successful long-term development cannot occur without broad based, sustainable economic growth that enables the poor to increase their incomes and access to productive resources and services so that they can satisfy their basic needs and lead lives of decency, dignity, and hope.

"(2) ELABORATION OF OBJECTIVE.—Implementation of the objective of promoting broad based economic growth should recognize that economic, social, political, and environmental conditions vary among countries. While taking account of such differences, the economic assistance programs carried out in furtherance of the four basic objectives set forth in this section shall emphasize the following principles:

"(A) Security of economic rights for all citizens without regard to sex, race, religion, language, or social status.

"(B) Economic policies based on free market principles that increase the opportunity for all, especially the poor, to participate in economic activity.

"(C) Economic reforms, such as deregulation, privatization, labor market reform, and reduction in barriers to the free flow of trade and investment, that benefit or are sensitive to and minimize adverse impact on the poor and on the environment.

"(D) Government policies protecting economic rights, fair and open markets, and the fulfillment of basic human needs.

"(E) Adherence by governments to international economic agreements, particularly those relating to free and fair trade practices and to respect for worker rights.

"(d) SUSTAINABLE RESOURCE MANAGEMENT.—

"(1) RATIONALE.—The economic and social well-being and the security of the United States and other countries are affected by how the world's environment and physical resource base are managed. Consumption patterns, systems of industrial and agricultural production, demographic trends, and the manner of use of natural resources all impact on the opportunities for long-term development and growth and survival for all countries. Both developed and developing countries share responsibility for the rational and sustainable management of natural resources.

"(2) ELABORATION OF OBJECTIVE.—Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Economic assistance programs authorized by this part should assist countries to adopt policies and programs that promote ecologically sound patterns of growth and that assure that the burdens of improved resource management do not fall disproportionately on the poor.

"(e) DEMOCRACY.—

"(1) RATIONALE.—Democratic development, political pluralism, and respect for internationally recognized human rights are intrinsically linked to economic and social progress. Democracy can only be sustained in a society in which the legitimacy of the government rests firmly on the expressed consent of the governed; the rights

of all citizens, including minorities, are respected and protected; and there is effective civilian control over the military and security forces. It is in the interest of the United States and in keeping with our democratic traditions to support democratic aspirations and values, foster the spread of democratic institutions, and encourage universal respect for civil and political liberties.

"(2) ELABORATION OF OBJECTIVE.—Furtherance of the basic objective of democracy requires that the United States promote—

"(A) the ability of all citizens of a country to organize and associate freely and independently of the government;

"(B) the ability of all citizens to choose freely their government, to hold that government accountable, and to participate in political life;

"(C) increased respect for internationally recognized human rights and the rule of law;

"(D) respect for the diversity among the citizens of a country;

"(E) acceptance of and respect for civilian authority by all elements of society; and

"(F) processes of accountability and transparency to eliminate corruption and abuses of power.

"(f) CROSS-CUTTING ELEMENTS.—The following key elements are applicable to the design and implementation of economic assistance programs to promote the four basic objectives set forth in subsection (a):

"(1) PARTICIPATION AND CONSULTATION.—Development is a process of change that requires the best possible information and judgment about the needs, capabilities, and aspirations of those most affected, either as participants in the delivery of assistance or as beneficiaries of assistance. For development to be broad based and sustainable, it is imperative to consult with, and fully engage in the policy and program planning process, governmental and nongovernmental organizations representative of and knowledgeable about local people and their interests. It is critical to involve beneficiaries in the assessment of the social, economic, and environmental impact of development projects and programs. Use of local nongovernmental organizations is an effective means to accomplish this objective.

"(2) WOMEN IN DEVELOPMENT.—The expansion of women's economic opportunities is essential to alleviate poverty and to bring about effective broad based, sustainable development. Women must be an integral part of all aspects of any development program. The active involvement of women in economic, political, and social activities is necessary to promote democracy and to assure sustainable development. Women must participate in development as agents of change, not merely as recipients and beneficiaries of change. Women should, therefore, be integrally involved in policies, programs, and projects undertaken to achieve the objectives set forth in subsection (a).

"(3) NONGOVERNMENTAL COOPERATION IN DEVELOPMENT.—(A) Nongovernmental organizations (including private voluntary organizations, cooperatives, and credit unions) provide important mechanisms to increase the participation of rural and urban poor people in broad based sustainable development efforts and in the building of more pluralistic and open societies. The contributions of United States and indigenous nongovernmental organizations that represent and involve indigenous groups and communities should be fully utilized in meeting the four basic objectives set forth in subsection (a).

"(B) Cooperatives, credit unions, and other United States and indigenous nongovernmental organizations provide an opportunity for people to participate directly in democratic decisionmaking for their economic and social benefit through ownership and control of business enterprises and through the mobilization of local capital and savings. Such organizations should be fully utilized in fostering free market principles and the adoption of self-help approaches to development.

"(C) In implementing the policies expressed in this paragraph, specific mechanisms shall be developed for regular consultation with nongovernmental organizations in the formulation of development strategies for countries and sectors.

"(D) Nongovernmental organizations participating in the furnishing of assistance under this part should have a grassroots base and receive a significant portion of their financial support from other than government sources.

"(4) APPROPRIATE TECHNOLOGY.—The United States can make a significant contribution to development through the application of its vast array of technology. The President should ensure that such technology is appropriate for the level of development and factors of production prevalent in a particular country. In promoting such appropriate technology, the President should focus particularly on the capabilities of the private sector.

"(5) COLLABORATION.—The capabilities of many developing countries have evolved sufficiently that their institutions can collaborate on an equal basis with institutions in developed countries. At the same time, transnational threats that endanger political, economic, social, and environmental well-being require collaborative efforts among developed and developing countries. United States economic assistance should increasingly be focused on efforts to strengthen institutions in developing countries so that they may become partners in international efforts to address transnational threats. United States collaborative programs should include association with institutions in advanced developing countries.

"(6) UTILIZATION OF UNITED STATES INSTITUTIONAL CAPABILITIES.—Programs and projects undertaken to achieve the basic objectives set forth in subsection (a) should recognize and take advantage of United States capabilities in science and technology and in access to education and training in United States colleges, universities, and technical training facilities. Long-term collaboration between public and private institutions of science, technology, and education in the United States and developing countries should be promoted and encouraged, with emphasis on increasing professional capabilities in developing countries for the provision of technical assistance in activities supported by the United States.

"(7) HUMAN RIGHTS.—United States economic assistance programs and policies, while encompassing due respect for differences in cultural values and national histories, should reflect the United States commitment, in keeping with its constitutional heritage and traditions and in accordance with its international obligations as set forth in the Charter of the United Nations, to promote and encourage increased respect for human rights and fundamental freedoms (as set forth in the Universal Declaration of Human Rights) throughout the world without regard to sex, race, language, religion, or social status.

"(g) EFFECTIVE USES OF ASSISTANCE.—

"(1) BENEFICIARY COUNTRIES.—Assistance furnished under this part should be concentrated in countries that will make the most effective use of that assistance in promoting the four basic objectives set forth in subsection (a).

"(2) ASSISTANCE WITHIN COUNTRIES.—Activities should be undertaken in regions of recipient countries that offer potential for successful development and should not be undertaken if the relevant sector or national economic policies of the country are clearly unfavorable to the sustainability or broadest possible impact of the assisted program or project.

"(3) TYPES OF ACTIVITIES.—Assistance should focus on those types of activities that the United States can provide most effectively.".

SEC. 102. AUTHORIZATIONS OF APPROPRIATIONS FOR DEVELOPMENT ASSISTANCE.

(a) AMOUNTS AUTHORIZED.—Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by inserting after section 102 the following:

"SEC. 102A. AUTHORIZATIONS OF APPROPRIATIONS FOR DEVELOPMENT ASSISTANCE.

"(a) SUSTAINABLE ECONOMIC BASE.—

"(1) AMOUNTS AUTHORIZED.—To carry out section 103 (relating to agriculture, rural development and nutrition) and section 106 (relating to private sector, environment, energy, and other development assistance), there are authorized to be appropriated to the President $614,000,000 for each of fiscal years 1992 and 1993.

"(2) TARGET FOR AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION.—The administrator of the agency primarily responsible for administering this part (hereafter in this section referred to as the 'Administrator') should target at least $465,000,000 of the funds made available each fiscal year pursuant to paragraph (1) for use in carrying out section 103.

"(b) SUSTAINABLE HUMAN RESOURCES DEVELOPMENT.—

"(1) POPULATION PLANNING.—To carry out section 104(b) (relating to population planning), there are authorized to be appropriated $300,000,000 for each of fiscal years 1992 and 1993.

"(2) OTHER HUMAN RESOURCES DEVELOPMENT PROGRAMS.—To carry out section 104(c) (relating to health) and section 105 (relating to education and human resources development) including the assistance authorized by section 102B, there are authorized to be appropriated $466,000,000 for each of fiscal years 1992 and 1993.

"(3) CHILD SURVIVAL ACTIVITIES.—The Administrator should target at least $140,000,000 of the funds made available each fiscal year pursuant to paragraph (2) for use in carrying out section 104(c)(2).

"(4) AIDS.—The Administrator should target at least $65,000,000 of the funds made available each fiscal year pursuant to paragraph (2) for use in carrying out section 104(c)(4).

"(c) ADDITIONALITY OF FUNDS.—Amounts authorized to be appropriated by subsections (a)(1), (b)(1), and (b)(2) are in addition to any amounts otherwise authorized to be made available for the purposes specified in those subsections.".

(b) CONFORMING AMENDMENTS.—Chapter 1 of part I of that Act is amended—

(1) in section 103(a)—

(A) by striking out "(a)(1)" and inserting in lieu thereof "(a) AUTHORITY TO PROVIDE ASSISTANCE.—";

(B) by repealing paragraphs (2) and (3); and

(C) by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively;

(2) by repealing section 103(g);

(3) in section 104(c)(2), by striking out "(2)(A)" and inserting in lieu thereof "(2) CHILD SURVIVAL ACTIVITIES.—" and by striking subparagraphs (B) and (C); and

(4) in section 104, by repealing subsection (g); and

(5) in section 105(a), by repealing the last sentence.

SEC. 103. ASSISTANCE FOR INDIVIDUALS WITH DISABILITIES AND FOR DISPLACED CHILDREN.

Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by inserting after section 102A, as added by the preceding section of this Act, the following:

"SEC. 102B. ASSISTANCE FOR INDIVIDUALS WITH DISABILITIES AND FOR DISPLACED CHILDREN.

"Funds authorized to be appropriated for any fiscal year by section 102A(b)(2) for human resources development under sections 104(c) and 105 may be used for—

"(1) assistance to meet the needs of individuals with disabilities, including technical and other assistance for scientific and technical exchange with governmental and private entities in foreign countries that provide rehabilitation-related assistance; and

"(2) assistance to meet the needs of displaced children who have been abandoned or orphaned as a result of poverty or manmade or natural disasters.".

SEC. 104. AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION.

Section 103(b)(1) of the Foreign Assistance Act of 1961 is amended by striking out "and" following the last semicolon and by inserting before the period "; and strengthening and expanding marine fisheries and aquaculture programs".

SEC. 105. POPULATION PLANNING.

Section 104(b) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(1) GENERAL AUTHORITY.—" before the first sentence; and

(2) by adding at the end the following:

"(2) REFERRAL.—In order to reduce reliance on abortion in developing countries, funds allocated under this part for voluntary family planning projects shall be available only for projects which offer, either directly or through referral to or information about access to, a broad range of family planning methods and services. In using such funds to award grants for natural family planning, no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning; and, additionally, all such applicants shall comply with the requirements of the first sentence of this paragraph.

"(3) LIMITATION ON DIVERSION OF POPULATION FUNDS TO OTHER PURPOSES.—In implementing requirements or authorities to provide assistance from funds appropriated to carry out this chapter or this part, the amount available to carry out this subsection pursuant to section 102A(b)(1) shall not be reduced by a greater proportion than—

"(A) the amount made available pursuant to section 102A(a)(1) is reduced, or

"(B) the amount made available pursuant to section 102A(b)(2) is reduced.

"(4) UNITED NATIONS POPULATION FUND.—(A) Up to $20,000,000 of the funds authorized to be appropriated each fiscal year to carry out this subsection shall be made available only for the United Nations Population Fund only for the provision of contraceptive commodities and related logistics, notwithstanding any other provision of law or policy.

"(B) Amounts made available under this subsection for the United Nations Population Fund shall be maintained in a separate account, administered jointly by the Fund and the Permanent Representative of the United States to the United Nations General Assembly. The Fund shall be required to not commingle those funds with any other funds.

"(C) Amounts made available under this subsection for the United Nations Population Fund shall only be disbursed to Fund projects subject to the approval of the Permanent Representative of the United States to the United Nations General Assembly.

"(D) Amounts made available for the United Nations Population Fund under this subsection shall not be made available for programs in the People's Republic of China.

"(E) The prohibitions contained in subsection (f) of this section (relating to prohibitions on funding for abortion as method of family planning, coercive abortion, and involuntary sterilization) apply to the funds made available pursuant to subparagraph (A). None of the funds made available to carry out this subsection may be obligated or expended pursuant to subparagraph (A) if the President certifies that the use of those funds by the United Nations Population Fund would violate any of those prohibitions.

"(F) Any agreement entered into by the United States and the United Nations Population Fund to obligate funds pursuant to subparagraph (A) shall expressly state that the full amount granted by such agreement will be refunded to the United States if, during its five-year program which commenced in 1990, the United Nations Population Fund provides more than $57,000,000 for family planning programs in the People's Republic of China.

"(5) ELIGIBILITY.—In determining eligibility for assistance under this subsection, the President shall not subject nongovernmental and multilateral organizations to requirements more restrictive than requirements applicable to foreign governments for such assistance.".

SEC. 106. HEALTH.

Section 104(c) of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

"(4) AIDS.—In carrying out this section and in order to address the international health threat posed by the Acquired Immune Deficiency Syndrome, the President is authorized to furnish assistance for assistance to prevent and control this disease, with special emphasis on community-based education programs focused on changing attitudes and behavior. In carrying out this paragraph, the agency primarily responsible for administering this part shall seek to ensure adequate coordination with other Federal agencies, international organizations, and private and voluntary organizations. Assistance activities pursuant to this paragraph should include support for appropriate activities which are carried out by international organizations and by private and voluntary organizations.".

SEC. 107. PRIVATE SECTOR, ENVIRONMENT, ENERGY, AND OTHER DEVELOPMENT ASSISTANCE.

Section 106 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 106. PRIVATE SECTOR, ENVIRONMENT, ENERGY, AND OTHER DEVELOPMENT ASSISTANCE.

"(a) GENERAL AUTHORITY.—The President is authorized to furnish assistance for developing countries in accordance with this section.

"(b) PRIVATE SECTOR.—Assistance may be provided under this section to support the establishment of viable, competitive markets and the expansion of private enterprise, including cooperatives, in developing countries. Such assistance may include support for a country's efforts to reform policies, procedures, regulations, and laws affecting the role of the private sector in the economy, and for projects, particularly intermediary activity, to stimulate the growth of the indigenous private sector and development in both rural and urban areas.

"(c) PRIVATE AND VOLUNTARY ORGANIZATIONS AND COOPERATIVES.—Private and voluntary organizations and cooperatives bring unique skills to bear on the development process. By virtue of their links with private institutions in developing countries, such organizations and cooperatives often serve effectively to engage rural and urban poor in their country's development. In order to foster the activities of private and voluntary organizations and cooperatives (as well as regional and international development organizations), assistance may be provided under this section for programs of technical cooperation and development in conjunction with those organizations.

"(d) SUSTAINABLE DEVELOPMENT AND ENVIRONMENT AND CONSERVATION ACTIVITIES.—Assistance may be provided under this section in order to help developing countries support sustainable development and for environment and conservation activities, including activities that address global warming, tropical deforestation, and biological diversity.

"(e) ENERGY.—In order to help developing countries alleviate their energy problems, including the improvement of their ability to use indigenous energy resources to produce the energy needed by their economies, assistance may be provided under this section to enable such countries to prepare and undertake sustainable energy strategies based on 'least-cost' integrated resource plans, to improve the efficiency of energy use and supply, and to develop energy generation capabilities reliant upon resources that are secure over the long-term and available in sufficient quantity to maintain stable pricing.

"(f) SPECIAL DEVELOPMENT PROBLEMS AND RESEARCH NEEDS.—Assistance may also be provided under this section to address special development problems and research needs. Such assistance may include—

"(1) programs of research into, and evaluation of, the process of economic development in developing countries and areas, the factors affecting the relative success and costs of development activities, and the means, techniques, and such other aspects of development assistance in order to render such assistance of increasing value and benefit;

"(2) programs of reconstruction following natural or manmade disasters and programs of disaster preparedness, prevention, and mitigation, including the prediction of, and contingency planning for, natural disasters abroad;

"(3) programs of urban development; and

"(4) other programs designed to help solve special development problems, including efforts to make possible proper utilization of infrastructure and related projects funded with earlier United States assistance.".

SEC. 108. APPROPRIATE TECHNOLOGY INTERNATIONAL.

Section 107 of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

"(c) ELIGIBILITY OF APPROPRIATE TECHNOLOGY INTERNATIONAL AS A PVO.—Appropriate Technology International qualifies along with any cooperative development organization for development assistance funds made available for United States private voluntary organizations.

"(d) ADDITIONAL FUNDING.—Of the funds made available for economic support assistance for fiscal year 1992, $2,000,000 should be provided to Appropriate Technology International to enable it to emphasize large-scale replication of successful projects and partnerships with major development and financial institutions.".

SEC. 109. PRIVATE SECTOR GUARANTEE PROGRAM.

Section 108 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 108. PRIVATE SECTOR GUARANTEE PROGRAM.

"(a) FINDINGS AND POLICY.—The Congress finds and declares that—

"(1) the development of private enterprise, including cooperatives, is a vital factor in the stable growth of developing countries and in the development and stability of a free, open, and equitable international economic system;

"(2) it is, therefore, in the best interests of the United States to assist the development of the private sector in developing countries and to engage the United States private sector in that process; and

"(3) the support of private enterprise is best served by programs providing credit, training, and technical assistance in coordination with policy reform efforts.

"(b) ACTIVITIES THAT MAY BE SUPPORTED.—Assistance under this section may be provided in developing countries only to support financially viable private sector activities that are consistent with the four basic objectives set forth in section 102 and that meet one or both of the following criteria:

"(1) SMALL BUSINESS AND CAPITAL MARKETS.—The activity addresses capital and credit market imperfections and assists financial institutions in meeting the financial needs of the private sector. Such activity shall be primarily directed toward making available to small business enterprises and cooperatives necessary credit, training, and support services that are not otherwise available to them.

"(2) UNITED STATES BUSINESS.—The activity engages the United States private sector in projects to meet the needs of developing countries.

"(c) AUTHORITY.—

"(1) AUTHORITY.—To carry out the policy set forth in subsection (a) and the activities authorized in subsection (b), the President is authorized to issue guarantees assuring against losses incurred in connection with loans for activities that meet the requirements of subsection (b).

"(2) FULL FAITH AND CREDIT.—All guarantees issued under this section shall constitute obligations, in accordance with the terms of such guarantees, of the United States of America, and the full faith and credit of the United States of America is hereby pledged for the full payment and performance of such obligations.

"(3) TERMS AND CONDITIONS.—Unless the President determines otherwise, the following shall apply:

"(A) The aggregate amount of all guarantees that are provided under this section for a project may not exceed 50 percent of the total cost of the project, or $6,000,000, whichever amount is less.

"(B) The term of any such guarantee may not exceed 10 years.

"(C) As a condition to receiving a guarantee or guarantees for loans to small business enterprises and cooperatives authorized under subsection (b)(1)—

"(i) the lender shall agree to reduce its collateral requirements for loans so guaranteed, to the maximum extent possible;

"(ii) loans so guaranteed shall be to new borrowers or, if to an existing customer of the lender, shall be additional credit and may not be solely a renewal or extension of an existing loan;

"(iii) the maximum amount of any such guaranteed loan may not exceed $325,000 for a recipient that is a sole proprietor, or, if the recipient is an enterprise other than a sole proprietor, $325,000 for each coowner, shareholder, partner, cooperative member, or other owner of the enterprise; and

"(iv) the agency primarily responsible for administering this part shall work with participating lenders to develop training and technical assistance programs in cash flow analysis and lending to encourage such lenders to reduce, to the maximum extent practicable, their collateral requirements for loans guaranteed under this subparagraph.

The limitation set forth in clause (iii) shall apply for at least 85 percent of all individual beneficiaries of loans guaranteed under this section.

"(D) The President shall maintain an information system that contains operating financial data relating to loans guaranteed under this section (and any subloans made from such loans), and the projects for which the loans were made, that describes all beneficiaries of each such project, and that tracks the developmental impact of each such project, including the effect on employment, the gender of the loan recipients, and loan collateral practices. In addition, the President shall provide to the Congress, by January 31 of each year (beginning in 1993), a report that describes in detail each project for which loans guaranteed under this section are made, and includes the information referred to in the preceding sentence with respect to such project.

"(E) Not more than 20 percent of the total amount of funds loaned and contingent liabilities incurred under this section may support projects in any one country.

"(F) In determining whether an enterprise is a small business enterprise, the President shall take into account the relevant definition used by the host country government, the International Bank for Reconstruction and Development, and other international organizations.

"(4) ENFORCEABILITY.—Any guarantee issued under this section shall be conclusive evidence that such guarantee has been properly obtained, and that the underlying obligation as contracted qualifies for such guarantee. Except for fraud and material misrepresentation for which the parties seeking payment under such guarantee are responsible, such guarantee shall be presumed to be valid, legal, and enforceable.

"(5) DENOMINATION OF LIABILITY.—The losses guaranteed under this subsection may be in dollars or other currencies. In the case of losses guaranteed in currencies other than dollars, the guarantees issued shall be subject to an overall payment limitation expressed in dollars.

"(6) DISCHARGE OF LIABILITIES.—Any payments made to discharge liabilities under guarantees issued under this section shall be paid—

"(A) first, out of fees as provided in paragraph (8); and

"(B) then, out of funds made available pursuant to subsection (d).

"(7) PILOT PROGRAM FOR LIMITED DIRECT LOANS.—On a limited basis, the President is authorized to make direct loans, and charge interest therefor, to support activities authorized in subsection (b), under the following conditions:

"(A) The amount of any individual direct loan for a project may not exceed 50 percent of the total cost of the project or $3,000,000, whichever amount is less.

"(B) The aggregate amount of all such direct loans issued in any fiscal year may not exceed $10,000,000.

"(C) The term of any such loan shall not exceed 10 years.

"(D) Notification and opportunity for consultation shall be provided, at least 30 days in advance of the obligation of any funds for such direct loans in any fiscal year, to the appropriate congressional committees. Any such committee may waive such notification and opportunity for consultation with respect to that committee.

"(8) FEES.—

"(A) IN GENERAL.—A fee shall be charged for each guarantee and loan issued under this section in an amount to be determined by the President.

"(B) FINANCING ACCOUNT.—All fees collected under this paragraph in connection with direct loans obligated and guarantee commitments made after September 30, 1991, together with earnings on those fees collected with respect to such guarantees and income on claims receivable with respect to such guarantees, shall be deposited in financing accounts established under section 505 of the Federal Credit Reform Act of 1990.

"(C) USE OF FEES.—Amounts collected in the financing accounts established under subparagraph (B) shall be used to offset the cost of guarantees and loans issued under this section.

"(d) APPROPRIATIONS REQUIREMENT.—Direct loan obligations may be entered into under this section, and guarantee commitments may be issued under this section, only to the extent that the budget authority for the resulting additional cost (within the meaning of the Federal Credit Reform Act of 1990) has been provided in advance in appropriations Acts.

"(e) PROGRAM CEILING.—The level of activity under this section may not exceed—

"(1) $10,000,000 in loans in each of the fiscal years 1992 and 1993; and

"(2) $57,000,000 in contingent liability for guarantees in fiscal year 1992 and $75,000,000 in contingent liability for guarantees in fiscal year 1993.

"(f) AUTHORIZATIONS OF APPROPRIATIONS FOR ADMINISTRATIVE EXPENSES.—There are authorized to be appropriated to the President for each of fiscal years 1992 and 1993, $1,500,000 for administrative expenses to carry out this section.

"(g) GUARANTEES AND LOANS UNDER FORMER AUTHORITY.—Guarantees committed or outstanding under this section on or before September 30, 1991, loans obligated under this section on or before such date, the fees collected in connection with such guarantees and loans, and income on claims receivable with respect to such guarantees, shall continue to be subject to provisions of this Act originally applicable to those guarantees and the Federal Credit Reform Act of 1990.".

SEC. 110. COST SHARING.

Section 110 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 110. COST SHARING.

"To ensure local commitment to, and the sustainability of development activities assisted under this chapter and chapter 10, the beneficiary country should bear an appropriate share of the costs of the entire program or project with respect to which the assistance is to be furnished. A country may bear such costs on an 'in kind' basis.".

SEC. 111. WOMEN IN DEVELOPMENT.

(a) STEPS TO ENSURE WOMEN'S PARTICIPATION IN DEVELOPMENT.—Section 113 of the Foreign Assistance Act of 1961 is amended by striking out the section designation and section heading and subsection (a) and inserting in lieu thereof the following:

"SEC. 113. WOMEN IN DEVELOPMENT.

"(a) PARTICIPATION OF WOMEN.—In recognition of the essentiality that women's participation is to the success and sustainability of development projects and achievement of the objectives of this chapter, the administrator of the agency primarily responsible for administering this part shall seek to ensure that—

"(1) activities carried out under this chapter incorporate, wherever feasible, the active participation of local women and local women's organizations (including their involvement in the planning, design, implementation, and evaluation of such activities);

"(2) sex-disaggregated data is—

"(A) included in country development strategy statements for major sectors in which assistance is to be provided; and

"(B) included in project papers and program assistance approval documents;

"(3) programs, projects, and activities, where appropriate, are designed so that the percentage of women who benefit from such assistance exceeds the approximate traditional level of participation of women in the sector for which assistance is being provided;

"(4) country development strategy statements identify, for each major assistance sector—

"(A) the obstacles to increasing the level of participation of women beyond the traditional level of participation;

"(B) the steps being taken to remove or overcome such obstacles;

"(C) to the extent that steps are not being taken to remove or overcome such obstacles, why such steps are not being taken; and

"(D) the extent to which women are being integrated into the development process generally; and

"(5) project and program assistance evaluations include an assessment of the extent to which women are participating in such activity and, where appropriate, the impact of such activity on enhancing the self-reliance of women and improving their incomes.".

(b) MATCHING FUNDS FOR AID MISSIONS.—Section 113(b)(1) of that Act is amended by adding at the end the following: "Up to $6,000,000 of the funds used each fiscal year pursuant to this subsection shall be made available as matching funds to support those activities of the missions of the agency primarily responsible for administering this part that demonstrate potential for integrating women into the programs of those missions.".

(c) REPORTS.—Section 113(c) of that Act is amended to read as follows:

"(c) Not later than March 1, 1993, and every second year thereafter, the administrator of the agency primarily responsible for administering this part shall report to the Congress on—

"(1) the specific steps taken as of the time of the report in implementing each paragraph of subsection (a);

"(2) the additional steps to be taken to implement each such paragraph; and

"(3) the use of funds pursuant to subsection (b).".

SEC. 112. ENVIRONMENT AND NATURAL RESOURCES.

Section 117 of the Foreign Assistance Act of 1961 (relating to the environment and natural resources), as so redesignated by the Special Foreign Assistance Act of 1986, is amended in subsection (c)(1)—

(1) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively; and

(2) by inserting before those subparagraphs the following new subparagraph (A):

"(A) to prepare and take fully into account an initial environmental examination of every program or project to determine whether it significantly affects the environment;".

SEC. 113. PRIVATE VOLUNTARY ORGANIZATIONS.

(a) FUNDING TARGETS.—Section 123(f) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "of the fiscal years 1986 through 1989" and inserting in lieu thereof "fiscal year";

(2) by striking out "thirteen and one-half" and inserting in lieu thereof "eighteen";

(3) by striking out "121, and 491" and inserting in lieu thereof "491, and 496"; and

(4) by striking out "sixteen" and inserting in lieu thereof "twenty-five".

(b) DEVELOPMENT EDUCATION PROGRAMS.—

(1) POLICY.—Section 123 of that Act is amended by adding at the end the following:

"(i) DEVELOPMENT EDUCATION PROGRAMS.—The administrator of the agency primarily responsible for administering this part is authorized to support fully and encourage development education programs. Private and voluntary organizations and cooperatives can play an important and catalytic role in development education to inform, motivate, and involve United States citizens in programs about developing countries or in the development process. Such programs—

"(1) increase the understanding of Americans about the importance of the developing world;

"(2) transfer factual information on global, social, economic, and political structures and problems; and

"(3) foster understanding of development as a process that involves all nations.".

(2) CONFORMING AMENDMENT.—Section 316 of the International Security and Development Cooperation Act of 1980 is repealed.

SEC. 114. EVALUATION.

Section 125 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 125. EVALUATION AND ACCOUNTABILITY.

"(a) NEED FOR EVALUATION.—In order to manage effectively and responsibly the resources with which it is provided, the agency primarily responsible for administering this part must have a capacity to evaluate objectively the extent of its progress in achieving development results and to derive lessons from its development experience.

"(b) ACTIONS TO BE TAKEN.—In furtherance of subsection (a), the Administrator shall establish a program performance evaluation capacity with the following functions:

"(1) To develop a program performance information system to afford agency managers a means for monitoring achievement of impact and interim performance of the agency's major programs.

"(2) To prepare and disseminate objective and periodic reports on the agency's progress in meeting stated development objectives for major assistance categories and recipient countries, regions, sectors, and policies.

"(3) To strengthen, through training and other means, the use of evaluation as a management tool, by both the agency and its counterparts in countries receiving assistance, in the planning, designing, and implementation of foreign assistance projects and programs.

"(4) To coordinate with the Inspector General of the agency so as to ensure appropriate complementarity of efforts, recognizing that—

"(A) it is the responsibility of the agency to direct a program of independent evaluation of its programs and policies, and the operational and management systems that affect the development impact of those programs and policies; and

"(B) it is the responsibility of the Inspector General to conduct regular and comprehensive assessments and audit of financial management and administrative systems, including the adequacy of the systems for monitoring and evaluating agency projects and programs.

"(c) ROLE OF EVALUATION.—In recognition of the importance of evaluation in determining, among other things, the extent to which programs are promoting the basic objectives set forth in section 102, the Administrator shall take such steps as the Administrator deems appropriate to ensure that the agency primarily responsible for administering this part is—

"(1) planning, implementing, and disseminating programmatic evaluations of the economic assistance programs under this part that are administered by the agency;

"(2) designing and managing technical assistance and support programs to enhance the integrity and quality of all project and program evaluation work done by such agency;

"(3) maintaining and making accessible the agency's data base on project and program experience, including both the historical record and measures of impact and performance;

"(4) coordinating information exchange on evaluation priorities, findings, and methods with other donor countries and organizations; and

"(5) ensuring the quality, objectivity, and independence of the evaluation by such measures as external review of findings, use of outside governmental and nongovernmental expertise, and other measures to protect against potential conflict of interest.

"(d) ACCOUNTABILITY.—The President shall prepare an annual report, which shall be submitted to the Congress as a separate part of the annual congressional presentation documents required by section 634. This report shall include the following:

"(1) An assessment of progress toward the achievement of the four basic objectives set forth in section 102, based on the findings of evaluation studies conducted by the agency primarily responsible for administering this part and on such other empirical analyses as may be appropriate.

"(2) An analysis, on a country-by-country basis (with each country receiving economic assistance under this part being included at least once every 5 years), of the impact on economic development in each country during the preceding 3 to 5 fiscal years of United States economic assistance programs, with a discussion of the United States interests that were served by the assistance. For each such country, the analysis shall—

"(A) to the extent possible, be done on a sector-by-sector basis and identify trends within each sector;

"(B) identify economic policy reforms conducive to sustainable economic growth (in particular, reforms along market economic principles) that were promoted by the assistance;

"(C) describe, in quantified terms to the extent practicable, the specific objectives the United States sought to achieve in providing economic assistance and specify the extent to which those objectives were not achieved;

"(D) describe the amount and nature of economic assistance provided by other major donors during the preceding 3 to 5 fiscal years, set forth by the development sector to the extent possible;

"(E) discuss the commitment of the host government to addressing the country's needs in each development sector, including, to the extent possible, a description of the resources devoted by that government to each development sector during the preceding 3 to 5 fiscal years; and

"(F) describe the progress being made by such country in adopting economic policies that foster and enhance the freedom and opportunity of individuals to participate in and promote economic growth in that country, as described in section 102(c) as a basic objective of economic assistance.

The analyses pursuant to paragraph (2)(F) shall include the development of a series of factors that provide a common standard by which such progress can be evaluated and compared between countries and within countries over time.".

SEC. 115. AMERICAN SCHOOLS AND HOSPITALS ABROAD.

Section 214(c)(1) of the Foreign Assistance Act of 1961 is amended by striking out all that follows "President" and inserting in lieu thereof "$35,000,000 for each of fiscal years 1992 and 1993.".

SEC. 116. HOUSING AND OTHER CREDIT GUARANTEE PROGRAMS.

(a) AUTHORITY FOR HOUSING GUARANTEE PROGRAM.—

(1) AUTHORIZATION.—Section 222(a) of the Foreign Assistance Act of 1961 is amended—

(A) by striking out "$2,558,000,000" and inserting in lieu thereof "$3,400,000,000"; and

(B) by striking out "1992" and inserting in lieu thereof "1993".

(2) ACTIVITIES FOR WHICH GUARANTEES ISSUED.—Section 222(b) of such Act is amended—

(A) in the matter preceding paragraph (1) by striking out "shall emphasize" and inserting in lieu thereof "shall be directed to the shelter and urban services needs of the poor, including—";

(B) in paragraph (4) by striking out "and" after the semicolon;

(C) in paragraph (5) by striking out "the shelter occupied by poor." and inserting in lieu thereof "urban services; and"; and

(D) by adding at the end the following:

"(6) other urban services of particular importance to the needs of the poor.".

(3) REPEAL OF CERTAIN PROVISIONS.—Section 222 of that Act is amended by repealing subsections (c) and (k).

(b) REPEAL OF OBSOLETE PROGRAM.—Section 222A of that Act is repealed.

(c) GENERAL PROVISIONS.—Section 223 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 223. GENERAL PROVISIONS.

"(a) FEES.—A fee shall be charged for each guarantee issued under section 222 in an amount to be determined by the President. All fees collected in connection with guarantee commitments made under section 222 after September 30, 1991, shall be available to offset the cost of guarantee obligations under this section.

"(b) INTEREST RATE ON GUARANTEED INVESTMENTS.—In the case of any loan investment guaranteed under section 222, the President shall prescribe the maximum rate of interest allowable to the eligible investor. The maximum allowable rate of interest under this subsection shall be prescribed by the President as of the date the project covered by the investment is officially authorized and, prior to the execution of the contract, the President may amend such rate at his discretion, consistent with the provisions of this subsection.

"(c) LIMITATION ON GUARANTEES FOR EACH COUNTRY.—The face value of guarantees issued under section 222 in any fiscal year with respect to any country may not exceed $50,000,000.

"(d) CEILING ON AVERAGE FACE VALUE.—The average face value of guarantees issued under section 222 in any fiscal year may not exceed $25,000,000.

"(e) MAINTENANCE OF PROGRAM LEVEL.—The principal amount of guarantees issued under section 222 for each fiscal year shall be comparable to the total principal amount of such guarantees issued for fiscal year 1984, subject to dollar limitations on the issuance of guarantees under this section which are contained in section 222(a) and subject to subsection (f).

"(f) APPROPRIATIONS ACT REQUIRED.—New credit authority provided for in section 222 may be exercised only to such extent or in such amount as is provided in advance in an appropriation Act.

"(g) CERTAIN LOSSES NOT COVERED BY GUARANTEES.—No payment may be made under any guarantee issued under section 222 (or under the former guarantee authority of section 222A or predecessor guarantee authorities) for any loss arising out of fraud or misrepresentation for which the party seeking payment is responsible.

"(h) FINANCING ACCOUNT.—All fees collected under this section in connection with guarantee commitments made after September 30, 1991, together with earnings on those fees and income on claims receivable with respect to such commitments, shall be deposited in a financing account established under section 505 of the Federal Credit Reform Act of 1990. Amounts collected in the financing account may be used for the purposes specified in the last sentence of subsection (a).

"(i) DISCHARGE OF LIABILITIES.—Any payments made to discharge liabilities under guarantees issued under section 222 shall be paid—

"(1) first, out of fees referred to in subsection (a); and

"(2) then, out of funds made available pursuant to subsection (k).

"(j) FULL FAITH AND CREDIT.—All guarantees issued under section 222 (or under the former guarantee authority of section 222A or under predecessor guarantee authorities) shall constitute obligations, in accordance with the terms of such guarantees, of the United States of America and the full faith and credit of the United States of America is hereby pledged for the full payment and performance of such obligations.

"(k) AUTHORIZATION OF APPROPRIATIONS.—

"(1) FOR GUARANTEE OBLIGATIONS.—There are authorized to be appropriated to the President not more than $15,900,000 for fiscal year 1992 and not more than $10,000,000 for fiscal year 1993 to pay the cost of guarantee obligations under section 222 with a face value of $125,000,000 for each such fiscal year.

"(2) FOR ADMINISTRATIVE EXPENSES.—There are authorized to be appropriated to the President not more than $8,500,000 for each of the fiscal years 1992 and 1993 for administrative expenses necessary to carry out section 222.

"(l) GUARANTEES UNDER FORMER AUTHORITY.—Guarantees committed or outstanding under section 222 on or before September 30, 1991, or under the guarantee authority formerly contained in section 222A, the fees collected in connection with such guarantees, and income on claims receivable with respect to such guarantees, shall continue to be subject to provisions of this Act originally applicable to those guarantees and the Federal Credit Reform Act of 1990.

"(m) ISRAEL PROGRAMS.—The authority of section 222 may be exercised to issue guarantees in connection with loans made for the purpose of providing housing and infrastructure in Israel for Soviet refugees, except that such guarantees shall not be subject to the second sentence of section 222(a) (relating to total principal amount of guarantees), or to subsection (c) or (d) of this section, and subsection (k) shall not apply with respect to guarantees issued under this subsection.".

SEC. 117. OVERSEAS PRIVATE INVESTMENT CORPORATION.

Title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended as follows:

(1) Section 234(c) is amended by striking the third paragraph.

(2) Section 234(d) is amended by striking "except that—" and all that follows through the end of paragraph (2) and inserting the following: ", except that the Corporation shall not finance any survey to ascertain the existence, location, extent, or quality of oil or gas resources.".

(3) Section 234(g) is amended—

(A) by striking paragraph (2) and redesignating paragraphs (3) through (6) as paragraphs (2) through (5), respectively; and

(B) in paragraph (4), as so redesignated, by striking "$10,000,000 from its income and revenues" and inserting the following: "$35,000,000 (less amounts transferred to the fund before the date of the enactment of the International Cooperation Act of 1991) from its noncredit account revolving fund. The Corporation shall transfer to the fund in each fiscal year all amounts received by the Corporation during the preceding fiscal year as income on securities acquired under this subsection, and from the proceeds on the disposition of such securities. Purchases of, investments in, and other acquisitions of equity from the fund are authorized for any fiscal year only to the extent or in such amounts as are provided in advance in appropriations Acts.".

(4) Section 235(a) is amended—

(A) in paragraph (2) by striking "$1,500,000,000" and inserting "$2,500,000,000";

(B) by striking paragraphs (3), (4), and (5) and inserting the following:

"(3) Notwithstanding section 504(b) of the Federal Credit Reform Act of 1990 but subject to spending authority provided in advance in appropriations Acts, the Corporation is authorized to transfer up to $1,500,000 from its noncredit account revolving fund to pay for the estimated subsidy cost of a program level for the loan guarantee program under section 234(b) of $375,000,000 for fiscal year 1992. Such funds are authorized to remain available in fiscal year 1993."; and

(C) by redesignating paragraph (6) as paragraph (4).

(5) Section 235(b) is amended to read as follows:

"(b) DIRECT LOAN PROGRAM.—Notwithstanding section 504(b) of the Federal Credit Reform Act of 1990 but subject to spending authority provided in advance in appropriations Acts, the Corporation is authorized to transfer up to $4,800,000 from its noncredit account revolving fund to pay for the estimated subsidy cost of a program level for its direct loan program under section 234(c) of $50,000,000 for fiscal year 1992. Such amounts are authorized to remain available for fiscal year 1993.".

(6) Section 235(c) is amended to read as follows:

"(c) INSURANCE RESERVE.—

"(1) MAINTENANCE AND PURPOSES.—The Corporation shall maintain an insurance reserve. Such reserve shall be available for the discharge of liabilities, as provided in subsection (d), until such time as all such liabilities have been discharged or have expired or until such reserve has been expended in accordance with the provisions of this section.

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

"(A) any funds in the insurance reserve of the Corporation on the date of the enactment of the International Cooperation Act of 1991,

"(B) amounts transferred to the reserve pursuant to this title, and

"(C) such sums as are appropriated pursuant to subsection (f) for such purposes.".

(7) Section 235(d) is amended by striking the second sentence and inserting the following: "Any payments made to discharge liabilities under guarantees issued under section 234(b), or under similar predecessor guaranty authority, shall be paid in accordance with the Federal Credit Reform Act of 1990.".

(8) Section 235(f) is amended in the first sentence—

(A) by striking "and guaranty fund" and inserting "reserve"; and

(B) by striking ", reinsurance, or guaranties" and inserting "or reinsurance".

(9) Section 235 is amended by adding at the end the following:

"(g) ADMINISTRATIVE EXPENSES.—Subject to spending authority provided in advance in appropriations Acts, the Corporation is authorized to transfer up to $12,000,000 from its noncredit account revolving fund for the administrative costs of its direct loan and loan guarantee programs for fiscal year 1992. Such funds are authorized to remain available in fiscal year 1993.".

(10) Section 236 is amended—

(A) by striking "whatever source derived" and inserting "its noncredit activities";

(B) by redesignating subsections (a), (b), and (c) as paragraphs (1), (2), and (3), respectively;

(C) in paragraph (2), as so redesignated, by striking "or guaranty reserves, the Direct Investment Fund established pursuant to section 235," and inserting "reserve"; and

(D) in paragraph (3), as so redesignated, by striking "subsections (a) and (b) thereof" and inserting "paragraphs (1) and (2)".

(11) Section 237(d) is amended to read as follows:

"(d) FEES.—

"(1) IN GENERAL.—Fees may be charged for providing insurance, reinsurance, guarantees, financing, and other services under this title in amounts to be determined by the Corporation.

"(2) CREDIT TRANSACTION COSTS.—Project-specific transaction costs incurred by the Corporation relating to loan obligations or loan guarantee commitments covered by the provisions of the Federal Credit Reform Act of 1990, including the costs of project-related travel and expenses for legal representation provided by persons outside the Corporation and other similar expenses

which are charged to the borrower, shall be paid out of the appropriate financing account established under section 505(b) of such Act.

"(3) NONCREDIT TRANSACTION COSTS.—Fees paid for the project-specific transaction costs and other direct costs associated with services provided to specific investors or potential investors pursuant to section 234 (other than those covered in paragraph (2)), including financing, insurance, reinsurance, missions, seminars, conferences, and other preinvestment services, shall be available for obligation for the purposes for which they were collected, notwithstanding any other provision of law.".

(12) Section 238 is amended—

(A) in subsection (c) by striking "and" at the end;

(B) by redesignating subsection (d) as subsection (f); and

(C) by inserting after subsection (c) the following:

"(d) the term 'noncredit account revolving fund' means the account in which funds under section 236 and all funds from noncredit activities are held;

"(e) the term 'noncredit activities' means all activities of the Corporation other than its loan guarantee program under section 234(b) and its direct loan program under section 234(c); and".

(13) By inserting after section 240A the following new section:

"SEC. 240B. PROHIBITION ON NONCOMPETITIVE AWARDING OF INSURANCE CONTRACTS ON OPIC SUPPORTED EXPORTS.

"(a) REQUIREMENT FOR CERTIFICATION.—

"(1) IN GENERAL.—Except as provided in paragraph (3), the investor on whose behalf insurance, reinsurance, guaranties, or other financing is provided under this title with respect to a project shall be required to certify to the Corporation that any contract for the export of goods as part of that project will include a clause requiring that United States insurance companies have a fair and open competitive opportunity to provide insurance against risk of loss of such export.

"(2) WHEN CERTIFICATION MUST BE MADE.—The investor shall be required, in every practicable case, to so certify before the insurance, reinsurance, guarantee, or other financing is provided. In any case in which such a certification is not made in advance, the investor shall include in the certification the reasons for the failure to make a certification in advance.

"(3) EXCEPTION.—Paragraph (1) does not apply with respect to an investor who does not, because of the nature of the investment, have a controlling interest in fact in the project in question.

"(b) REPORTS BY THE UNITED STATES TRADE REPRESENTATIVE.—The United States Trade Representative shall review the actions of the Corporation under subsection (a) and, after consultation with representatives of United States insurance companies, shall report to the Congress in the report required by section 181(b) of the Trade Act of 1974 with respect to such actions.

"(c) DEFINITIONS.—For purposes of this section—

"(1) the term 'United States insurance company' includes—

"(A) an individual, partnership, corporation, holding company, or other legal entity which is authorized, or in the case of a holding company, subsidiaries of which are authorized, by a State to engage in the business of issuing insurance contracts or reinsuring the risk underwritten by insurance companies; and

"(B) foreign operations, branches, agencies, subsidiaries, affiliates, or joint ventures of any entity described in subparagraph (A); and

"(2) United States insurance companies shall be considered to have had a 'fair and open competitive opportunity to provide insurance' if they—

"(A) have received notice of the opportunity to provide insurance; and

"(B) have been evaluated on a nondiscriminatory basis.".

SEC. 118. MICROENTERPRISE DEVELOPMENT.

Chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by adding after title V the following:

"TITLE VI—MICROENTERPRISE DEVELOPMENT

"SEC. 251. MICROENTERPRISE DEVELOPMENT.

"(a) PURPOSES.—The purposes of this section are—

"(1) to provide for the continuation and expansion of the commitment of the agency primarily responsible for administering this part (hereinafter in this section referred to as the 'Agency') to microenterprise development;

"(2) to increase the amount of assistance going to credit activities designed to reach the poorest sector in developing countries; and

"(3) to increase the percentage of such credit that goes to women beneficiaries.

"(b) GENERAL AUTHORITY.—The President, acting through the administrator of the Agency (hereinafter in this section referred to as the 'Administrator'), is authorized to provide assistance for programs of credit and other assistance for microenterprises in developing countries. In addition to providing financial resources for direct credit activities of indigenous financial intermediaries, assistance under this section may include assistance for institutional development of such intermediaries (including assistance to enable private and voluntary organizations to develop the capability to serve as financial intermediaries), technical assistance, training, and policy reform. Microenterprise credit and related activities assisted under this section shall be carried out primarily through those indigenous financial intermediaries and private voluntary organizations that are oriented toward working directly with the poor and women.

"(c) ELIGIBILITY CRITERIA FOR FINANCIAL INTERMEDIARIES.—The mission of the Agency that is responsible for a country receiving assistance under this section shall establish criteria for determining the financial intermediaries that will receive assistance under this section, taking into account the following:

"(1) The extent to which the recipients of credit from the intermediary lack collateral.

"(2) The extent to which the recipients of credit from the intermediary do not have access to the local formal financial sector.

"(3) The extent to which the recipients of credit from the intermediary have relatively limited amounts of fixed assets.

"(4) The extent to which the recipients of credit from the intermediary are among the poorest people in the country.

"(5) The extent to which interest rates charged by the intermediary on loans reflect the real cost of lending.

"(6) The extent to which the intermediary reaches women as recipients of credit.

"(7) The extent to which the intermediary is oriented toward working directly with the poor and women.

"(d) LOWER TIER FOR POVERTY LENDING ACTIVITIES.—A significant portion of the amount made available each fiscal year to carry out this section shall be used to support direct credit assistance by, and the institutional development of, those financial intermediaries with a primary emphasis on assisting those people living in absolute poverty, especially women.

"(e) FOCUS ON WOMEN.—The Office of Small and Microenterprise Development in the Agency shall include in its annual action plans a strategy for increasing the access of women in developing countries to credit and other microenterprise development activities, with the goal of increasing to at least 50 percent the percentage of microenterprise credit that goes to women beneficiaries. This strategy shall be developed in consultation with the Agency's Women in Development Office.

"(f) FUNDINGS SOURCES.—Funds to carry out this section shall be derived from the following sources:

"(1) Funds available for development assistance.

"(2) Funds available for assistance from the Development Fund for Africa.

"(3) Funds available for economic support assistance.

"(4) Local currency proceeds resulting from the provision of development assistance, assistance from the Development Fund for Africa, or economic support assistance.

"(5) Local currency proceeds available for use under section 306(a) of the Agricultural Trade Development and Assistance Act of 1954 (as amended by section 1512 of the Food, Agriculture, Conservation, and Trade Act of 1990).

"(6) Local currency proceeds resulting from assistance provided under the Agricultural Trade Development and Assistance Act of 1954 as in effect immediately before the effective date of the amendment made by section 1512 of the Food, Agriculture, Conservation, and Trade Act of 1990.

"(7) Local currency generated under subsection (g).

"(g) AUTHORITY TO GENERATE LOCAL CURRENCIES.—In order to generate local currencies for use in providing assistance under this section, the President is authorized to use funds made available for development assistance, economic support assistance, or assistance from the Development Fund for Africa to provide assistance to the governments of developing countries on a loan basis repayable in local currencies, at a rate of exchange to be negotiated by the President and the foreign government. Such loans shall have a rate of interest and a repayment period determined by the President.

"(h) NONAPPLICABILITY OF CERTAIN LAWS.—Local currencies used under subsection (f)(7) shall not be subject to the requirements of section 1306 of title 31, United States Code, or other laws governing the use of foreign currencies owned by, owed to, or accruing to the United States.

"(i) FUNDING FOR FISCAL YEARS 1992 AND 1993.—

"(1) IN GENERAL.—The Administrator should use at least $85,000,000 for each of fiscal years 1992 and 1993 for microenterprise assistance pursuant to this section.

"(2) ASSISTANCE FOR THE POOREST SECTORS.—

"(A) FUNDING LEVEL.—Of the amounts used pursuant to paragraph (1), at least $20,000,000 for fiscal year 1992 and at least $30,000,000 for fiscal year 1993 should be used to support loans having a purchasing power equal to or less than $300 (in United States dollars).

"(B) INSTITUTIONAL DEVELOPMENT.—In addition to amounts made available for direct credit activities involving loans described in subparagraph (A), amounts used for institutional development of a financial intermediary described in subsection (d) shall be considered to support such loans for purposes of that subparagraph to the same extent as the aggregate amount loaned by such institution represents loans described in that subparagraph.

"(3) USE OF LOCAL CURRENCIES.—In carrying out this subsection, local currencies described in subsection (f) may be used in lieu of an equivalent amount of dollars.

"(j) MONITORING.—The Administrator shall develop a monitoring system to track the performance of the microenterprise development ac-

tivities of the Agency, including their effectiveness in reaching the poor and women. In developing this system, the Administrator shall consult with the appropriate congressional committees and with appropriate private and voluntary organizations.

"(k) REPORTS TO CONGRESS.—The Administrator shall report to the Congress annually on the microenterprise development activities of the Agency, including the agency's strategy for complying with subsections (i)(1) and (2).".

SEC. 119. ASSISTANCE FOR HUMAN RIGHTS AND DEMOCRATIC INITIATIVES.

(a) AUTHORIZATION OF ASSISTANCE.—Title IX of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended to read as follows:

"TITLE IX—HUMAN RIGHTS AND DEMOCRACY

"SEC. 281. ASSISTANCE FOR HUMAN RIGHTS AND DEMOCRATIC INITIATIVES.

"(a) AUTHORIZATION AND GENERAL PURPOSES OF ASSISTANCE.—The President may use funds made available for development assistance, economic support assistance, or assistance from the Development Fund for Africa to furnish assistance to support the programs and activities described in subsection (b) in order to—

"(1) promote increased adherence to internationally recognized human rights, as set forth in the Universal Declaration of Human Rights; and

"(2) improve the performance of institutions of democracy.

"(b) PROGRAMS AND ACTIVITIES THAT MAY BE SUPPORTED.—Funds made available under this section shall be available to support only the following:

"(1) Programs and activities to enhance the independence and effectiveness of institutions of democratic governance, including support for administrative, judicial, electoral, and legislative processes.

"(2) Programs and activities—

"(A) to encourage the growth of independent associations by strengthening professional, civic, trade union, business, community, and other organizations that contribute to the promotion of democracy, and

"(B) to enhance the organizational and leadership skills of the members of such organizations in order to increase effective citizen participation in democratic processes.

"(3) Programs and activities to increase awareness of internationally recognized human rights (including by increasing the availability of information concerning the status of respect for internationally recognized human rights) and improve the effective exercise of those rights.

"(4) Programs and activities—

"(A) to support victims of abuses of internationally recognized human rights, including (i) the direct provision of legal services, and (ii) the provision of rehabilitation services for victims of torture; and

"(B) to support organizations and institutions seeking to bring to justice those responsible for perpetrating such abuses.

"(5) Programs and activities to support a free and independent media.

"(6) Programs and activities to strengthen respect for the rule of law, including by—

"(A) providing specialized professional training, scholarships, and exchanges for continuing legal education;

"(B) promoting the role of the bar in judicial selection, enforcement of ethical standards, and legal reform;

"(C) increasing the availability of legal materials and publications; and

"(D) supporting the revision and modernization of legal codes and procedures.

"(c) ELIGIBLE RECIPIENTS OF ASSISTANCE.—Assistance under this section may be furnished to countries and organizations, both public and nongovernmental, including local, national, regional, and international organizations. A substantial portion of the funds made available each fiscal year to carry out this section shall be used for assistance provided to nongovernmental organizations.

"(d) PROHIBITION RELATING TO ELECTIONS.—Assistance under this section may not be used to influence the outcome of any election in any country.

"(e) NOTIFICATION TO CONGRESS.—At least 15 days before obligating funds under this section, the President shall notify the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A.

"(f) LIMITATION ON USE OF FUNDS FOR AFRICA.—Funds made available for assistance under the Development Fund for Africa may be used to carry out this section only with respect to countries in sub-Saharan Africa.".

(b) REPORT.—Not later than 6 months after the date of enactment of this Act, the President shall submit to the appropriate congressional committees a detailed report describing the programs and activities designed to promote democracy in foreign countries that are funded by the Department of State, the Agency for International Development, or the United States Information Agency, including funding for programs and activities of the National Endowment for Democracy. Such report shall include the budget allocations for democracy programs for fiscal year 1992 and any specific recommendations of the President for ways to improve coordination and delineate responsibilities among the various agencies.

SEC. 120. VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND PROGRAMS.

(a) AUTHORIZATIONS OF APPROPRIATIONS.—Section 302(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a) AUTHORIZATIONS OF APPROPRIATIONS.—(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter, in addition to funds otherwise available for such purposes, the following amounts for the following purposes:

"(1) For the United Nations Development Program, $125,000,000 for each of fiscal years 1992 and 1993.

"(2) For the United Nations Children's Fund, $85,000,000 for each of fiscal years 1992 and 1993.

"(3) For the United Nations Environment Program, $19,000,000 for each of fiscal years 1992 and 1993.

"(4) For the Organization of American States, $11,500,000 for each of fiscal years 1992 and 1993, of which $600,000 for fiscal year 1993 should be used for an additional contribution for the purpose of establishing an electronic network for the exchange of information on science and technology among professors, researchers, and scientists at universities in the countries that are members of the Organization of American States.

"(5) For the Special Program for Africa of the International Fund for Agricultural Development, $5,000,000 for each of fiscal years 1992 and 1993.

"(6) For the United Nations Development Fund for Women, $1,000,000 for each of fiscal years 1992 and 1993.

"(7) For the Intergovernmental Oceanographic Commission, $1,000,000 for each of fiscal years 1992 and 1993.

"(8) For the United Nations University Endowment Fund, $1,000,000 without fiscal year limitation.

"(9) For grants to international organizations, and to programs administered by such organizations, other than the organizations or programs referred to in the preceding paragraphs of this subsection, $62,910,000 for each of fiscal years 1992 and 1993.".

(b) INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT.—Section 301 of that Act is amended by inserting after subsection (a) the following:

"(b) INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT.—The President may continue United States participation in and may make contributions to the International Fund for Agricultural Development.".

(c) AUDITING OF ACCOUNTS OF INTERNATIONAL ORGANIZATIONS.—Section 301(e) of that Act is amended to read as follows:

"(e) AUDITING OF ACCOUNTS OF INTERNATIONAL ORGANIZATIONS.—

"(1) UNITED NATIONS ORGANIZATIONS.—In the case of the United Nations and its affiliated organizations, including the International Atomic Energy Agency, the President should (acting through the United States representatives to such organizations), propose and actively seek the establishment by the governing authorities of such organizations of external, professionally qualified groups of appropriate size for the purpose of providing an independent and continuous program of selective examinations, review, evaluation, and audits of the programs and activities of such organizations.

"(2) MULTILATERAL DEVELOPMENT BANKS.—

"(A) IN GENERAL.—In the case of each of the organizations specified in subparagraph (B), the President should, acting through the United States representative to such organization, propose and actively seek the establishment by the governing authorities of that organization of professionally qualified groups of appropriate size for the purpose of providing an independent and continuous program of selective examination, review, evaluation, and audits of the programs and activities of that organization.

"(B) MDBs SUBJECT TO SUBPARAGRAPH (A).—The organizations to which subparagraph (A) applies are the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guarantee Agency, the Inter-American Development Bank, the Inter-American Investment Corporation, the African Development Bank, the African Development Fund, the Asian Development Fund, the Asian Development Bank, and the European Bank for Reconstruction and Developemnt.".

(d) REPORTS ON VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS BY ALL UNITED STATES GOVERNMENT AGENCIES.—Section 306(b) of that Act is amended—

(1) in paragraph (1), by striking out the first three sentences and inserting in lieu thereof the following: "Not later than January 31 each year, the President shall submit a report to the Congress listing all voluntary contributions by the United States Government to international organizations during the preceding fiscal year."; and

(2) in paragraph (2), by striking out "promptly" and by inserting "on a quarterly basis" after "Budget".

(e) WITHHOLDING OF UNITED STATES PROPORTIONATE SHARE FOR CERTAIN PROGRAMS OF INTERNATIONAL ORGANIZATIONS.—Section 307 of that Act is amended to read as follows:

"SEC. 307. WITHHOLDING OF UNITED STATES PROPORTIONATE SHARE FOR CERTAIN PROGRAMS OF INTERNATIONAL ORGANIZATIONS.

"(a) REQUIREMENT TO WITHHOLD.—Funds authorized to be appropriated by this chapter shall not be available for the United States proportionate share for programs for countries or organizations or for projects described in subsection (d). This prohibition applies notwithstanding any provision of law that earmarks funds under

this chapter for a particular international organization or program.

"(b) USE OF FUNDS WITHHELD.—Funds returned or not made available for programs or projects pursuant to subsection (a) shall remain available until expended for use under this chapter.

"(c) OBLIGATIONS.—The President—

"(1) shall review, at least annually, the budgets and accounts of all international organizations receiving payments of any funds authorized to be appropriated by this chapter; and

"(2) shall report to the appropriate congressional committees the amounts of funds expended by each such organization for programs or projects described in subsection (d) and the amount contributed by the United States to each such organization.

"(d) DESIGNATION OF PROGRAMS AND PROJECTS.—Subsection (a) applies with respect to programs for Cuba, Iran, Libya, or the Palestine Liberation Organization and to projects whose purpose is to provide benefits to the Palestine Liberation Organization or entities associated with it.".

(f) PARTICIPATION BY ISRAEL IN THE UNITED NATIONS.—Chapter 3 of part I of that Act is amended by adding at the end the following new section:

"SEC. 308. PARTICIPATION BY ISRAEL IN THE UNITED NATIONS.

"If Israel is illegally expelled, suspended, denied its credentials, or in any other manner denied its right to participate in any principal or subsidiary organ or in any specialized, technical, or other agency of the United Nations, the United States shall suspend its contributions under this chapter to such organ or agency until the illegal action or denial of rights is reversed.".

SEC. 121. DEBT FOR DEVELOPMENT.

Chapter 7 of part I of the Foreign Assistance Act of 1961 is amended to read as follows:

"CHAPTER 7—DEBT FOR DEVELOPMENT

"SEC. 471. DEBT EXCHANGE.

"(a) AUTHORITY.—In order to promote the four basic objectives set forth in section 102, the President may use funds made available for development assistance, economic support assistance, or assistance from the Development Fund for Africa for grants to and contracts with nongovernmental organizations to enable those organizations to—

"(1) purchase debt obligations owed by a developing country to any commercial lending institution or other private party; and

"(2) cancel such debt obligation, subject to the approval of the President, to the extent that such country makes available assets or policy commitments to promote the four basic objectives set forth in section 102.

"(b) INTEREST RETENTION.—A grantee or contractor (or any subgrantee or subcontractor) of the grants or contracts referred to in subsection (a) may retain, notwithstanding any other provision of law, without deposit in the Treasury of the United States and without further appropriation by Congress, interest earned on the proceeds of any resulting debt-for-development or debt-for-environment purchase or exchange pending the disbursement of such proceeds and interest for the purposes for which assistance was provided to such party, which may include the establishment of an endowment, the income of which is used for such purposes.".

SEC. 122. INTERNATIONAL DISASTER ASSISTANCE.

(a) DISASTER PREVENTION AND MITIGATION.—Section 491(b) of the Foreign Assistance Act of 1961 is amended by inserting "prevention, and mitigation" after "preparedness,".

(b) AUTHORIZATIONS OF APPROPRIATIONS.—The first sentence of section 492(a) of that Act is amended to read as follows: "There are authorized to be appropriated to the President to carry out section 491, $70,000,000 for each of fiscal years 1992 and 1993.".

(c) BORROWING AUTHORITY.—Section 492(b) of that Act is amended to read as follows:

"(b) BORROWING AUTHORITY.—

"(1) AUTHORITY.—In addition to amounts otherwise available to carry out this chapter, up to $70,000,000 in any fiscal year may be obligated against appropriations described in paragraph (2) for use in providing assistance in accordance with the authorities and general policies of this chapter.

"(2) SOURCES OF FUNDS.—The appropriations referred to in paragraph (1) are any appropriations to carry out this Act, without regard to whether the funds are earmarked in this or any other Act. In any fiscal year, the sum of the amount obligated under paragraph (1) against appropriations for development assistance and the amount obligated under paragraph (1) against appropriations for assistance from the Development Fund for Africa may not exceed $30,000,000.

"(3) REIMBURSEMENT.—Amounts subsequently appropriated to carry out this chapter with respect to a disaster may be used to reimburse any appropriation account against which obligations were incurred under paragraph (1) with respect to that disaster.".

SEC. 123. AUTHORIZATIONS OF APPROPRIATIONS FOR ECONOMIC SUPPORT FUND ASSISTANCE.

Section 532 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 532. AUTHORIZATIONS OF APPROPRIATIONS.

"There are authorized to be appropriated to the President to carry out the purposes of this chapter, the following amounts for the following purposes:

"(1) For Israel, $1,200,000,000 for each of fiscal years 1992 and 1993. Provisions relating to the terms of such assistance are contained in section 601 of the International Cooperation Act of 1991.

"(2) For Egypt, $815,000,000 for each of fiscal years 1992 and 1993. Provisions relating to the terms of such assistance are contained in section 602 of the International Cooperation Act of 1991.

"(3) For Turkey, $190,000,000 for each of fiscal years 1992 and 1993.

"(4) For United States contributions to the International Fund for Ireland pursuant to the Anglo-Irish Agreement Support Act of 1986, $22,500,000 for each of fiscal years 1992 and 1993.

"(5) For Cyprus for a scholarship program, bicommunal projects, and measures aimed at the reunification of the island and designed to reduce tensions and to promote peace and cooperation between the two communities on Cyprus, $15,000,000 for each of fiscal years 1992 and 1993.

"(6) For Nepal, $10,000,000 for each of fiscal years 1992 and 1993.

"(7) For the South Pacific Regional Program, $10,000,000 for each of fiscal years 1992 and 1993, of which $2,000,000 for each fiscal year is authorized be appropriated for scholarships for study at postsecondary institutions of education in the United States. The amounts authorized to be appropriated by this paragraph are in addition to the amounts made available under paragraph (9) of this section for the South Pacific Regional Program under the Fisheries Treaty Program.

"(8) To finance, and (where appropriate) for United States participation in, regional cooperative programs in the Middle East in accordance with section 202(c) of the International Security and Development Cooperation Act of 1985, $7,000,000 for each of fiscal years 1992 and 1993.

"(9) To carry out the purposes of this chapter for recipients or purposes other than the countries and purposes specified in the preceding paragraphs of this subsection, $966,000,000 for each of fiscal years 1992 and 1993 .".

SEC. 124. PURCHASE OF UNITED STATES GOODS AND SERVICES.

Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended—

(1) by repealing existing section 533; and

(2) by inserting after section 532 the following new section 533:

"SEC. 533. PURCHASE OF UNITED STATES GOODS AND SERVICES.

"(a) GENERAL POLICY REGARDING FORMS OF ASSISTANCE.—Assistance under this chapter should be provided principally through commodity import programs, project assistance, sector programs, or the provision of United States goods and services. The purpose of this section is to encourage foreign governments that receive cash transfer assistance under this chapter to agree to purchase United States goods and services with the funds made available by that assistance or with equivalent amounts of funds.

"(b) AGREEMENTS TO PURCHASE UNITED STATES GOODS AND SERVICES.—Subsection (c) shall not apply to any foreign government that, prior to October 1, 1992, enters into an agreement with the United States in which that foreign government agrees to spend no less than the amounts specified in subsection (c)(2) to purchase United States goods and services with respect to each fiscal year for which that government receives cash transfer assistance under this chapter. A government shall be exempted pursuant to this subsection only so long as that government continuously maintains such an agreement.

"(c) REQUIREMENT TO PURCHASE UNITED STATES GOODS AND SERVICES.—

"(1) IN GENERAL.—Effective fiscal year 1993, assistance under this chapter may be provided to a foreign government as a cash transfer only pursuant to an agreement requiring that such government spend not less than the amount specified in paragraph (2) to purchase United States goods and services.

"(2) MINIMUM AMOUNTS REQUIRED TO BE SPENT.—The minimum amount that a foreign government receiving cash transfer assistance under this chapter for a fiscal year is required to spend to purchase United States goods and services is the amount that is not less than 75 percent of the amount of the cash transfer assistance provided to that government for that fiscal year, except that in order to achieve an orderly and efficient implementation of the requirement of paragraph (1), the minimum amount shall be the following for the following fiscal years:

"(A) For fiscal year 1993, 15 percent.

"(B) For fiscal year 1994, 35 percent.

"(C) For fiscal year 1995, 55 percent.

"(D) For fiscal year 1996 and each fiscal year thereafter, 75 percent.

"(3) EQUITABLE DISTRIBUTION.—The President should ensure that purchases of United States goods pursuant to agreements under this subsection, and the ports of departure for those goods, are distributed equitably throughout the United States.

"(4) GAO AUDITS.—Each agreement pursuant to which cash transfer assistance is provided under this subsection shall include provisions to ensure that representatives of the Comptroller General have the access to records and personnel necessary to carry out such monitoring and auditing as the Comptroller General deems appropriate.

"(d) PROVISIONS APPLICABLE TO AGREEMENTS PURSUANT TO SUBSECTION (b) OR (c).—Nothing in subsection (b) or (c), or in any agreement described in either such subsection, shall prevent a recipient government from purchasing, with cash transfer assistance under this chapter,

goods or services produced in that country. United States goods purchased pursuant to an agreement under subsection (b) or (c) shall be deemed to have been furnished in connection with funds advanced by the United States. The United States goods purchased pursuant to an agreement under subsection (b) or (c) shall be United States goods that are available in the United States at fair prices for such goods.

"(e) EXEMPTED GOVERNMENTS.—In addition to any government exempted by subsection (b), this section shall not apply to the following:

"(1) Any government that receives cash transfer assistance under this chapter of less than $25,000,000 for a fiscal year.

"(2) Any government—

"(A) that, as of April 1, 1989, was receiving cash transfer assistance under this chapter and had an agreement with the United States under which that government agreed—

"(i) to spend an amount equal to the amount of the cash transfer on the purchase of United States goods and services,

"(ii) to carry 50 percent of all bulk shipments of United States grain on 'privately owned United States-flag commercial vessels', to the extent such vessels are available at fair and reasonable rates for such vessels, and

"(iii) to purchase United States grain at levels comparable to those purchased in prior years; and

"(B) that, within 30 days after the date of enactment of the International Cooperation Act of 1991, agrees to comply thereafter, or to cause private entities to comply thereafter, with the requirements described in clauses (i), (ii), and (iii) of subparagraph (A) with respect to any fiscal year in which it receives cash transfer assistance under this chapter, except that a government shall cease to be exempted by this paragraph if, at any time after so agreeing, it ceases to agree to comply, or to cause private entities to comply, with those requirements.

"(f) WAIVER.—The President may waive the provisions of this section with respect to a foreign government to the extent the President determines that it is important to the national interest to do so. Any such waiver shall be reported to the appropriate congressional committees.

"(g) DEFINITION OF UNITED STATES GOODS.—For purposes of this section, the term 'United States goods' means goods (including components) and commodities (including agricultural commodities) grown, processed, produced, or manufactured in the United States.".

SEC. 125. TRADE AND DEVELOPMENT AGENCY.

(a) IN GENERAL.—Section 661 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 661. TRADE AND DEVELOPMENT AGENCY.

"(a) PURPOSE.—The Trade and Development Agency shall be an agency of the United States under the foreign policy guidance of the Secretary of State. The purpose of the Trade and Development Agency is to promote United States private sector participation in development projects in developing and middle-income countries, in order to promote the four basic objectives set forth in section 102 of this Act.

"(b) AUTHORITY TO PROVIDE ASSISTANCE.—

"(1) AUTHORITY.—The Director of the Trade and Development Agency is authorized to work with foreign countries, including those in which the United States development programs have been concluded or those not receiving assistance under part I, to carry out the purpose of this section by providing funds for feasibility studies, engineering design, and other activities related to development projects which provide opportunities for the use of United States exports.

"(2) USE OF FUNDS.—Funds under this section may be used to provide support for feasibility studies for the planning, development, and management of, and procurement for, bilateral and multilateral development projects, including training activities undertaken in connection with a project, for the purpose of promoting the use of United States goods and services in such projects. Funds under this section may also be used for engineering design, including—

"(A) concept design, which establishes the basic technical and operational criteria for a project, such as architectural drawings for a proposed facility, evaluation of site constraints, procurement requirements, and equipment specifications; and

"(B) detail design, which sets forth specific dimensions and criteria for structural, mechanical, electrical, and architectural operations, and identifies other resources required for project operations.

"(3) INFORMATION DISSEMINATION.—(A) The Trade and Development Agency shall disseminate information about its project activities to the private sector.

"(B) Other Federal departments and agencies shall cooperate with the Trade and Development Agency in order for the Agency to provide more effectively informational services to persons in the private sector concerning trade development and export promotion related to development projects.

"(4) NONAPPLICABILITY OF OTHER PROVISIONS.—Any funds used for purposes of this section may be used notwithstanding any other provision of law.

"(c) DIRECTOR AND PERSONNEL.—

"(1) DIRECTOR.—There shall be at the head of the Trade and Development Agency a Director who shall be appointed by the President, by and with the advice and consent of the Senate.

"(2) OFFICERS AND EMPLOYEES.—(A) The Director may appoint such officers and employees of the Trade and Development Agency as the Director considers appropriate.

"(B) The officers and employees appointed under this paragraph shall have such functions as the Director may determine.

"(C) Of the officers and employees appointed under this paragraph, 2 may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be compensated without regard to the provisions of chapter 51 or subchapter III of chapter 53 of such title.

"(D) Under such regulations as the President may prescribe, any individual appointed under subparagraph (C) may be entitled, upon removal (except for cause) from the position to which the appointment was made, to reinstatement to the position occupied by that individual at the time of appointment or to a position of comparable grade and pay.

"(d) ANNUAL REPORT.—The President shall, not later than December 31 of each year, submit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a report on the activities of the Trade and Development Agency in the preceding fiscal year.

"(e) INSPECTOR GENERAL.—

"(1) AUTHORITY.—The Inspector General of the agency primarily responsible for administering part I—

"(A) shall have full and independent authority to conduct audits, investigations, and inspections of all phases of the program and operations of the Trade and Development Agency for the purpose of promoting economy, efficiency, and effectiveness, and detecting and preventing fraud and abuse; and

"(B) shall conduct all security activities of the Trade and Development Agency relating to personnel and the control of classified material.

"(2) RELATION TO DIRECTOR OF TRADE AND DEVELOPMENT AGENCY.—The Inspector General shall report to and be under the general supervision of the Director of the Trade and Development Agency with respect to activities undertaken pursuant to this section, except that the Director shall not prevent or prohibit the Inspector General from initiating, carrying out, or completing any such activity in accordance with the duties, authorities, and responsibilities contained in the Inspector General Act of 1978, and any other applicable laws and regulations.

"(3) INSPECTOR GENERAL ACT.—For purposes of the Inspector General Act of 1978, the Trade and Development Agency shall be considered to be a Federal entity and the Director of the Trade and Development Agency shall be considered to be the head of the Federal entity.

"(4) SEMIANNUAL REPORT.—The semiannual report required under section 5 of the Inspector General Act of 1978 shall include information relating to activities of the Inspector General undertaken pursuant to this section.

"(f) FUNDING.—There are authorized to be appropriated for purposes of this section, in addition to funds otherwise available for such purposes, $55,000,000 for each of fiscal years 1992 and 1993.".

(b) RENAMING OF TRADE AND DEVELOPMENT PROGRAM; CONFORMING CHANGES.—

(1) RENAMING OF TRADE AND DEVELOPMENT PROGRAM.—The Trade and Development Program shall, on or after the effective date of this section, be known as the Trade and Development Agency.

(2) APPOINTMENT OF PRESENT DIRECTOR NOT AFFECTED.—The enactment of this Act shall not affect the appointment of the individual who is the Director of the Trade and Development Program on the effective date of this section.

(3) TRADE AND DEVELOPMENT ENHANCEMENT ACT OF 1983.—Sections 644, 645, and 646 of the Trade and Development Enhancement Act of 1983 (12 U.S.C. 635q, 635r, and 635s) are each amended by striking "Trade and Development Program" each place it appears and inserting "Trade and Development Agency".

(4) TITLE 5.—Section 5314 of title 5, United States Code, is amended by striking out

"Director, Trade and Development Program."

and inserting in lieu thereof

"Director, Trade and Development Agency.".

(5) REFERENCE IN OTHER LAWS.—Any reference in any law to the Trade and Development Program shall be deemed to be a reference to the Trade and Development Agency.

SEC. 126. AUTHORIZATIONS OF APPROPRIATIONS FOR OPERATING EXPENSES.

(a) IN GENERAL.—Section 667 of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "(a)" and by repealing subsection (b); and

(2) by amending paragraph (1) to read as follows:

"(1) $483,300,000 for each of fiscal years 1992 and 1993 for necessary operating expenses of the agency primarily responsible for administering part I of this Act; and".

(b) OPERATING EXPENSES, OFFICE OF THE INSPECTOR GENERAL.—That Act is amended by inserting after section 667 the following:

"SEC. 668. OPERATING EXPENSES, OFFICE OF THE INSPECTOR GENERAL.

"There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

"(1) $37,739,000 for each of fiscal years 1992 and 1993 for necessary operating expenses of the Office of the Inspector General of the agency primarily responsible for administering part I of this Act; and

"(2) such amounts as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs of such office.".

SEC. 127. COOPERATION WITH NONGOVERNMENTAL SECTOR.

(a) Establishment of Centers and Advisory Committees.—Part III of the Foreign Assistance

Act of 1961 is amended by adding at the end the following:

"CHAPTER 4—COOPERATION WITH NONGOVERNMENTAL SECTOR

"SEC. 681. CENTER FOR UNIVERSITY COOPERATION IN DEVELOPMENT.

"(a) FINDINGS.—The Congress finds that—

"(1) United States public and private institutions of higher education can contribute significantly to enhancing the development of developing countries;

"(2) sustained participation of United States institutions of higher education in the economic development programs of these countries and the building of indigenous university systems that support the educational, research, and service needs of their societies is vital to their achieving sustainable economic growth and open democratic political systems; and

"(3) at the same time, the participation of United States institutions of higher education in these international development efforts also supports the internationalization of those institutions by strengthening their faculty and the programs available to their students, and enhancing the quality and relevance of their research and extension efforts.

"(b) ESTABLISHMENT OF A CENTER.—The President shall maintain a Center for University Cooperation in Development (hereinafter in this section referred to as the 'Center') within the agency primarily responsible for administering part I. The Center shall seek to promote and strengthen mutually beneficial development cooperation and partnerships between such agency, United States institutions of higher education that are engaged in education, research, and public service programs relevant to the development needs of developing countries, and institutions of higher education, research, and extension in those developing countries. The Center shall—

"(1) develop basic policies, procedures, and criteria for education, research, and development programs involving United States institutions of higher education and developing country institutions;

"(2) encourage and support the development of collaborative programs that strengthen the capacity of United States institutions of higher education to undertake sustainable, long-term partnerships with institutions in developing countries and that also deepen the commitment of United States institutions of higher education to internationalization and development cooperation;

"(3) encourage and support the development of cooperative programs between United States institutions of higher education and the private sector that contribute to the sustainable development of developing countries;

"(4) undertake specialized programs that seek to bring the unique capabilities of historically black colleges and universities to bear on the development problems of developing countries and strengthen their capacity to enter into sustainable partnerships with institutions in developing countries;

"(5) facilitate access by developing countries and the agency primarily responsible for administering part I to the resources of United States institutions of higher education and the participation of these institutions in the development programs of developing countries; and

"(6) undertake studies and analyses and specialized reviews necessary to the accomplishment of paragraphs (1) through (5).

"SEC. 682. ADVISORY COMMITTEE ON UNIVERSITY COOPERATION IN DEVELOPMENT.

"The administrator of the agency primarily responsible for administering part I shall establish a permanent Advisory Committee on University Cooperation in Development, whose membership shall consist primarily of individuals who are from institutions of higher education eligible to participate in programs under part I and who have expertise and administrative experience in education, research, and public service relevant to the development needs of developing countries. The function of the Advisory Committee shall be to advise the administrator regarding programs that the agency primarily responsible for administering part I carries out with or through institutions of higher education.

"SEC. 683. CENTER FOR VOLUNTARY COOPERATION IN DEVELOPMENT.

"(a) ESTABLISHMENT.—The President shall maintain a Center for Voluntary Cooperation in Development (hereinafter in this section referred to as the 'Center') within the agency primarily responsible for administering part I.

"(b) PURPOSE.—The purpose of the Center shall be to strengthen the partnership for development among the United States Government and United States private voluntary organizations, cooperatives, and credit unions that are engaged in activities that are relevant to the development needs of developing countries and to the attainment of the four basic objectives set forth in section 102.

"(c) FUNCTIONS.—The Center shall—

"(1) participate in the development of policies, procedures, and criteria for all programs of the agency primarily responsible for administering part I that involve private voluntary organizations, cooperatives, and credit unions;

"(2) under the general policy guidance of the administrator of that agency, develop program policies, procedures, and funding criteria for support by the agency primarily responsible for administering part I of worldwide activities of such entities; and

"(3) administer comprehensive grant programs in support of long-term, worldwide programs of such entities.

"SEC. 684. ADVISORY COMMITTEE ON VOLUNTARY COOPERATION IN DEVELOPMENT.

"The administrator of the agency primarily responsible for administering part I shall establish a permanent Advisory Committee on Voluntary Cooperation in Development, whose membership shall consist primarily of representatives from private voluntary organizations, cooperatives, and credit unions that have experience working in developing countries. The function of the Advisory Committee shall be to advise the administrator regarding programs that the agency primarily responsible for administering part I carries out with or through private voluntary organizations, cooperatives, and credit unions.".

(b) CONFORMING AMENDMENT.—Title XII of chapter 2 of part I of the Foreign Assistance Act of 1961 is repealed.

SEC. 128. POLICY AND REPORT ON FURTHER MANAGEMENT REFORM.

(a) POLICY.—Section 621A of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 621A. FURTHER MANAGEMENT REFORM.

"It is the sense of the Congress that the President should continue to make efforts to improve the management of United States economic assistance programs, including—

"(1) efforts to streamline the project development process and shorten the time from project conception to implementation, including streamlining the application process for private and voluntary organizations;

"(2) efforts to increase decentralization of field missions;

"(3) efforts to reduce the number of projects and to increase the duration, and to increase the sustainability, of projects which are funded;

"(4) efforts to decrease recurring costs;

"(5) efforts to expand overseas tours for personnel and streamline mid-level management;

"(6) efforts to streamline the contract process, including streamlining the application process for businesses and others seeking funding under contracts with the agency primarily responsible for administering part I;

"(7) consistent with section 640B of this Act, efforts to improve coordination of the United States economic assistance effort, including review of existing interagency coordinating practices; and

"(8) efforts to examine the need for and importance of multidonor coordination, including in field missions.".

(b) REPORT.—Not later than 6 months after the date of enactment of this Act, the President shall submit to the appropriate congressional committees a report on—

(1) the feasibility and impact on United States foreign policy and foreign assistance objectives of reducing the number of countries receiving economic assistance; and

(2) ways to improve coordination within the United States Government and with other donors and to improve management of United States economic assistance programs, including—

(A) the feasibility of eliminating the Agency for International Development and incorporating its functions into the Department of State,

(B) the feasibility of establishing the Agency for International Development as an independent agency, and

(C) the feasibility of reorganizing the Agency for International Development to function as a foundation that funds but does not carry out programs.

TITLE II—MILITARY ASSISTANCE AND SALES AND RELATED PROGRAMS

CHAPTER 1—MILITARY ASSISTANCE AND RELATED PROGRAMS

SEC. 201. STATEMENT OF POLICY AND OBJECTIVES.

(a) REVISION.—Section 501 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 501. MILITARY ASSISTANCE POLICIES.

"(a) STATEMENT OF POLICY.—United States policy must foster a climate in which all nations can live in peace, security, and stability. It is in the interest of the United States to address those threats to such a climate that arise through the persistence of regional conflicts, the threat of aggression fostered by military imbalances among neighboring nations, the proliferation of weapons of mass destruction, the continued proliferation of conventional weapons of increasing capability, or the persistent attempts by armed groups violently to overthrow democratically elected governments.

"The United States is prepared to consider requests for assistance by foreign countries lacking the resources to meet their legitimate national security needs. Together with other assistance provided under this Act, military assistance should contribute to the development of economic and social improvements that enhance the development and maintenance of democratic political systems. Military assistance provided to friendly foreign countries should serve as a necessary transition to achieve self-sufficiency.

"Military assistance should foster cooperative security arrangements and support multilateral efforts through the United Nations and other international organizations to promote peaceful settlements of disputes.

"The President should continue to seek, through negotiations with other principal countries supplying or receiving defense articles and defense services, the establishment of effective multilateral controls on the transfer of defense articles and defense services, including controls on the furnishing of assistance for the procurement of such articles and services.

"(b) OBJECTIVES OF MILITARY ASSISTANCE.—The authorities to furnish military assistance that are provided in this part shall be exercised (subject to the supervision and direction of the Secretary of State pursuant to section 622(c)) solely to achieve the following objectives:

"(1) Exerting maximum efforts to achieve international arms control and reduction.

"(2) Promoting the establishment of a relationship between civilian and military sectors appropriate to a democratic system of government.

"(3) Enhancing the military capability of foreign countries to meet their legitimate security needs, and permitting the recipient countries to participate in regional or collective arrangements or measures consistent with the Charter of, or requested by, the United Nations.

"(4) Providing support to foreign countries to meet transnational threats, in particular to combat the flow of illicit narcotics and to combat international terrorism.

"(5) Meeting urgent humanitarian needs by improving the capability of the armed forces of foreign countries to respond to natural and manmade disasters.

"(6) Increasing the awareness of nationals of friendly countries of basic issues involving democratic values and institutions, especially respect for internationally recognized human rights.

"(7) Promoting self-defense and defense cooperation by assisting friendly countries to acquire United States defense articles and services.

"(8) Promoting the effectiveness and professionalism of military forces of friendly foreign countries.

"(9) Promoting rationalization, standardization, and interoperability of the military forces of friendly foreign countries with the Armed Forces of the United States.".

(b) CONFORMING AMENDMENT.—Section 502 of that Act is amended to read as follows:

"SEC. 502. UTILIZATION OF DEFENSE ARTICLES AND DEFENSE SERVICES BY RECIPIENT COUNTRIES.

"Defense articles and defense services may be furnished to a foreign country under chapter 2 of this part for use solely for the following purposes:

"(1) Legitimate self-defense.

"(2) Participation in regional or collective arrangements or measures consistent with the Charter of the United Nations, or participation in collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security.

"(3) Internal security.

"(4) Responding to natural and manmade disasters in order to meet urgent humanitarian needs.

"(5) Such other purposes as may be explicitly provided for in particular provisions of law.".

SEC. 202. FOREIGN MILITARY FINANCING ASSISTANCE.

(a) AUTHORITY TO FURNISH ASSISTANCE.—Section 503(a) of the Foreign Assistance Act of 1961 is amended—

(1) in the text preceding paragraph (1), by inserting "grant" after "furnish";

(2) by inserting "and" at the end of paragraph (1); and

(3) by striking paragraphs (2) and (3) and inserting in lieu thereof the following:

"(2) by financing on a grant basis (except as provided in subsection (j))—

"(A) the sale of defense articles or defense services; or

"(B) procurement by commercial leasing under subsection (d).".

(b) ARTICLES AND SERVICES LOANED UNDER DRAWDOWN AUTHORITY.—Section 503(c)(2) of that Act is amended—

(1) by striking out "and" at the end of subparagraph (A);

(2) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(C) to any defense article or defense service that is made available under the special drawdown authority of section 506(a)(1).

In the case of defense articles made available under section 506(a)(1) that are loaned under subsection (a)(1) of this section, the value of the defense articles (in terms of their replacement cost less any depreciation in their value) shall be counted against the limitation in that section.".

(c) PROVISIONS APPLICABLE TO ASSISTANCE.—Section 503 of that Act is amended by adding at the end the following:

"(d) FINANCING PROCUREMENT BY COMMERCIAL LEASING.—

"(1) AUTHORIZATION.—Financing may be provided under this section to Israel and Egypt for the procurement by leasing (including leasing with an option to purchase) of defense articles from United States commercial suppliers if the President determines that there are compelling foreign policy or national security reasons for those defense articles being provided by commercial lease rather than by government-to-government sale under the Arms Export Control Act.

"(2) MAJOR DEFENSE EQUIPMENT.—The authority of this subsection may not be used to finance the procurement of major defense equipment (as defined in section 47(5) of the Arms Export Control Act) except for helicopters and other types of aircraft having possible civilian application.

"(3) NOTIFICATION TO CONGRESS.—The authority of this subsection may be exercised only if the appropriate congressional committees are notified at least 15 days in advance in accordance with the procedures applicable to reprogramming notifications under section 634A.

"(4) LIMITATION.—Any exercise of the authority of this subsection shall be subject to specific amounts provided in advance in an appropriations Act.

"(e) OBLIGATION OF FUNDS.—

"(1) OBLIGATION UPON APPORTIONMENT.—Funds appropriated to carry out this chapter on a grant basis may be obligated for a particular country or international organization upon apportionment in accordance with paragraph (5)(C) of section 1501(a) of title 31, United States Code.

"(2) LIMITATION.—Funds appropriated to carry out this chapter on a grant basis shall be available to finance the procurement of defense articles and defense services that are not sold by the United States Government only if the country or international organization proposing to make such procurement has first signed a grant agreement with the United States Government specifying the conditions under which such procurements may be financed with such funds.

"(f) EXCLUSION OF CERTAIN COSTS FROM CERTAIN SALES.—Sales under the Arms Export Control Act which are wholly paid from funds—

"(1) which are made available on a grant basis under this chapter, or

"(2) which, prior to the effective date of this subsection, were transferred under the former authority of subsection (a)(3) of this section or were made available on a nonrepayable basis under the former authority of section 23 of the Arms Export Control Act,

shall be priced to exclude the costs of salaries of members of the Armed Forces of the United States (other than the Coast Guard).

"(g) FINANCING FOR COPRODUCTION OR LICENSED PRODUCTION.—Assistance may not be furnished under this chapter in any case involving coproduction or licensed production outside the United States of any defense article of United States origin unless the President furnishes full information regarding the proposed transaction to the appropriate congressional committees. Such information shall be furnished before the coproduction or licensed production arrangement is approved by the United States Government or, if the decision to provide assistance is made after the arrangement is approved, before the assistance is furnished. Such information shall include—

"(1) a description of the defense article that would be coproduced or produced under license outside the United States;

"(2) the estimated value of such coproduction or licensed production; and

"(3) an analysis of the economic impact on the United States of furnishing or not furnishing the proposed assistance.

"(h) PROCUREMENT INVOLVING CERTAIN VESSELS OF WAR.—

"(1) PROHIBITION.—Except as provided in paragraph (2), if the President so determines, assistance described in paragraph (3) may not be used for the procurement of—

"(A) any vessel of war built pursuant to a prime contract awarded to a foreign shipyard; or

"(B) any weapons system or other major system or subsystem for any vessel of war built pursuant to a prime contract awarded to foreign shipyard rather than a United States shipyard because of unfair foreign competition (such as subsidization or the provision of financial or material incentives to the foreign country for which the vessel is built).

"(2) EXCEPTIONS.—Paragraph (1) does not apply with respect to—

"(A) a vessel of war that is built in the foreign country that is the recipient of the assistance;

"(B) a vessel of war that is built pursuant to a prime contract signed before the effective date of this subsection; or

"(C) procurement necessary for the maintenance, repair, or replacement of any weapons system or other major system or subsystem.

"(3) ASSISTANCE SUBJECT TO PROHIBITION.—The prohibition in paragraph (1) applies with respect to any obligation of assistance under this section, and any expenditure of FMS or FMF assistance, totaling more than $1,000,000.

"(4) DEFINITIONS.—For the purposes of this subsection—

"(A) the term 'FMS or FMF assistance' means any assistance under the former authorities of section 23 of the Arms Export Control Act; and

"(B) the term 'vessel of war' means any vessel of war in Category VI of the United States Munitions List, without regard to whether the vessel is imported into or exported from the United States.

"(i) COMMITMENT OF PRIOR YEAR MILITARY ASSISTANCE FUNDS.—

"(1) AUTHORITY.—Subject to paragraphs (2) and (3), if the President at any time notifies the appropriate congressional committees that, after the date of such notification, no further sales will be made pursuant to the Arms Export Control Act to a specified country under circumstances then prevailing—

"(A) any uncommitted funds allocated for such country that, prior to the enactment of this section, were transferred under the former authority of subsection (a)(3) of this section for the purpose of financing such sales, and

"(B) any uncommitted funds allocated for such country under the former authority of section 23 of the Arms Export Control Act,

may be committed to finance sales to other eligible countries under this chapter.

"(2) CONGRESSIONAL REVIEW.—Any notification under paragraph (1) shall be submitted to the appropriate congressional committees, at least 15 days before funds are to be committed, in accordance with the procedures applicable to reprogramming notifications under section 634A.

"(3) LIMITATION.—Any exercise of the authority of paragraph (1) shall be subject to specific amounts provided in advance in an appropriation Act.

"(j) AUTHORITY FOR CREDIT ASSISTANCE FOR FISCAL YEARS 1992 AND 1993.—

"(1) IN GENERAL.—Subject to the requirements of the Federal Credit Reform Act of 1990, financing assistance may be provided under subsection (a)(2)(A) of this section on a credit basis for fiscal years 1992 and 1993 in accordance with this subsection.

"(2) LIMITATION ON CREDIT COMPONENT OF ASSISTANCE TO INDIVIDUAL COUNTRIES.—If, pursuant to this subsection, a country receives financing assistance under this chapter both on a grant basis and on a credit basis—

"(A) not more than 60 percent of the aggregate amount of such assistance for fiscal year 1992 may be provided on a credit basis, and

"(B) not more than 30 percent of the aggregate amount of such assistance for fiscal year 1993 may be provided on a credit basis.

"(3) TERMS OF CREDITS.—

"(A) REPAYMENT PERIOD.—In the case of credits provided under this subsection, the President shall require repayment in United States dollars within a period not to exceed 12 years after the loan agreement is signed on behalf of the United States Government.

"(B) INTEREST RATE.—The President shall charge interest on credits provided under this subsection at such rate as the President considers appropriate, except that such rate may not be less than 5 percent per year.

"(4) CONGRESSIONAL NOTIFICATION OF CHANGES IN CREDIT ASSISTANCE.—At least 15 days before obligating funds for credits under this subsection for a fiscal year—

"(A) for any country for which credits were not justified for that fiscal year, or

"(B) for any country in an amount greater than the amount of credits justified for that country for that fiscal year,

the President shall notify the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A.

"(5) CERTAIN GENERIC AUTHORIZATIONS SUPERSEDED.—The authorizations of appropriations provided in section 505(a) of the Federal Credit Reform Act of 1990 for the costs associated with loan programs do not apply with respect to credits under this subsection.".

SEC. 203. AUTHORIZATIONS OF APPROPRIATIONS FOR FOREIGN MILITARY FINANCING ASSISTANCE.

Section 504(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a) AUTHORIZATIONS OF APPROPRIATIONS.—There are authorized to be appropriated to the President to carry out the purposes of this chapter the following amounts for the following purposes:

"(1) For Israel, $1,800,000,000 for each of fiscal years 1992 and 1993. Provisions relating such assistance are contained in section 601 of the International Cooperation Act of 1961.

"(2) For Egypt, $1,300,000,000 for each of fiscal years 1992 and 1993. Provisions relating such assistance are contained in section 602 of the International Cooperation Act of 1961.

"(3) For Turkey, $500,000,000 for each of fiscal years 1992 and 1993.

"(4) For Greece, $350,000,000 for each of fiscal years 1992 and 1993.

"(5) For recipients or purposes other than those specified in the preceding paragraphs of this subsection, $512,000,000 for each of fiscal years 1992 and 1993.".

SEC. 204. CONDITIONS OF ELIGIBILITY.

(a) RESTRICTIONS THAT MUST BE AGREED TO BY RECIPIENT COUNTRY.—Section 505(a) of the Foreign Assistance Act of 1961 is amended—

(1) in the text preceding paragraph (1), by striking out "on a grant basis" and inserting in lieu thereof "under this chapter"; and

(2) by striking out paragraphs (1) through (4) and inserting in lieu thereof the following:

"(1) it will not, without the consent of the President—

"(A) transfer title to, or possession of, such articles or services to anyone who is not an officer, employee, or agent of that country; or

"(B) use or permit the use of such articles or services for purposes other than those for which furnished; and

"(2) it will maintain the security of such articles or services, and will provide substantially the same degree of security protection afforded to such articles or services by the United States Government.".

(b) CONFORMING AMENDMENTS.—Section 505(f) of that Act is amended—

(1) by striking out the first sentence; and

(2) in the last sentence, by striking out all that follows "requirement" through "Government" and inserting in lieu thereof "formerly imposed pursuant to this subsection and subsection (a)(4)".

SEC. 205. DEFENSE DRAWDOWN SPECIAL AUTHORITIES.

(a) MILITARY ASSISTANCE DRAWDOWN.—Section 506(a)(1) of the Foreign Assistance Act of 1961 is amended by striking out "$75,000,000" and inserting in lieu thereof "$100,000,000".

(b) NONMILITARY ASSISTANCE DRAWDOWN.—Section 506 of that Act is amended—

(1) in subsection (a)(2)(A), by striking out "direct—" and all that follows through the period and inserting in lieu thereof the following: "direct the drawdown of such articles, services, and education and training for the purposes and under the authorities of—

"(i) chapter 8 of part I (relating to international narcotics control assistance),

"(ii) chapter 9 of part I (relating to international disaster assistance), or

"(iii) the Migration and Refugee Assistance Act of 1962.";

(2) in subsection (a)(2)(B)—

(A) by striking out "$75,000,000" and inserting in lieu thereof "$100,000,000"; and

(B) by inserting before the period ", not more than $75,000,000 of which may be provided pursuant to clause (i) of that subparagraph"; and

(3) in subsection (b)(1), by adding at the end the following: "In the case of drawdowns authorized by clauses (i) and (iii) of subsection (a)(2)(A), notifications shall be provided to those committees at least 15 days in advance in accordance with the procedures applicable to reprogramming notifications under section 634A."

(c) NOTICE TO CONGRESS OF EXERCISE OF SPECIAL AUTHORITIES.—Section 652 of that Act is amended by striking out "prior to the date" and inserting in lieu thereof "before".

SEC. 206. IMPROVED ACCOUNTABILITY WITH RESPECT TO FINANCED COMMERCIAL ARMS SALES.

Chapter 2 of part II of the Foreign Assistance Act is amended by inserting after section 506 the following:

"SEC. 507. IMPROVED ACCOUNTABILITY WITH RESPECT TO FINANCED COMMERCIAL ARMS SALES.

"(a) IMPROVED ACCOUNTABILITY.—To improve accountability with respect to financed commercial arms sales, the President shall establish monitoring and auditing controls providing those sales shall be subject to requirements no less stringent in terms of accountability than those requirements of the Federal Acquisition Regulation relating to improper business practices and personal conflict of interest that are applicable to sales under the Arms Export Control Act.

"(b) DEFINITIONS.—As used in this section—

"(1) the term 'Federal Acquisition Regulation' means the single system of Government-wide procurement regulation referred to in section 6(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 405(a)); and

"(2) the term 'financed commercial arms sales' means any procurement of defense articles or defense services (other than by sale or lease under the Arms Export Control Act)—

"(A) which is financed in whole or in part with assistance under this chapter, and

"(B) with respect to which an export license is required under section 38 of Arms Export Control Act.

"(c) EFFECTIVE DATE.—The controls established pursuant to this section shall be established not later than one year after the date of enactment of this section.".

SEC. 207. STOCKPILES.

(a) ADDITIONS IN FISCAL YEARS 1992 AND 1993.—Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(2) The value of such additions to stockpiles in foreign countries shall not exceed $429,000,000 for fiscal year 1992 and shall not exceed $429,000,000 for fiscal year 1993.".

(b) CLARIFYING AMENDMENT.—Section 514(b)(1) of that Act is amended by inserting "additional" after "value of".

(c) LOCATION OF STOCKPILES.—Section 514(c) of that Act is amended to read as follows:

"(c) LOCATION OF STOCKPILES.—

"(1) LIMITATION.—Except as provided in paragraph (2), no stockpile may be located outside the boundaries of a United States military base or a military base used primarily by the United States.

"(2) EXCEPTIONS.—Paragraph (1) does not apply with respect to stockpiles located in the Republic of Korea, Thailand, any country that is a member of the North Atlantic Treaty Organization, any country that is a major non-NATO ally, or any other country the President may designate. At least 15 days before designating a country pursuant to the last clause of the preceding sentence, the President shall notify the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A.".

SEC. 208. OVERSEAS MANAGEMENT OF ASSISTANCE AND SALES PROGRAMS.

(a) SIZE OF GROUPS.—Section 515(c) of the Foreign Assistance Act of 1961 is amended by striking out "(c)(1)" and all that follows through "(2)" and inserting in lieu thereof "(c) SIZE OF GROUPS.—".

(b) COSTS.—Section 515(d) of that Act is amended by striking out "(d) Effective October 1, 1989, the entire costs (excluding salaries of the United States military personnel)" and inserting in lieu thereof "(d) COSTS.—The entire costs (excluding salaries of members of the Armed Forces, other than the Coast Guard)".

SEC. 209. EXCESS DEFENSE ARTICLES.

(a) DEFENSE MODERNIZATION ON NATO'S SOUTHERN FLANK.—

(1) RENEWAL OF AUTHORITY.—Section 516 of the Foreign Assistance Act of 1961 is amended—

(A) in subsection (a)—

(i) by striking out "during the fiscal years 1987 through 1991";

(ii) by striking out "fiscal year 1990" and inserting in lieu thereof "fiscal year 1991"; and

(B) by adding at the end of the section the following:

"(f) DURATION OF AUTHORITY.—The authority of this section shall be effective during fiscal years 1992 through 1996.".

(2) EXCESS COAST GUARD PROPERTY.—Section 516(e) of that Act is amended—

(A) by striking out "DEFINITION.—" and inserting in lieu thereof of "DEFINITIONS.—(1)"; and

(B) by adding at the end the following:

"(2) As used in this section, the term 'excess defense articles' shall be deemed to include excess property of the Coast Guard, and the term 'Department of Defense' shall be deemed, with respect to such excess property, to include the Coast Guard.".

(3) MILITARY BALANCE IN THE EASTERN MEDITERRANEAN.—Section 516 of that Act is further amended—

(A) by striking out the last sentence of subsection (a); and

(B) by adding at the end the following:

"(g) MAINTENANCE OF MILITARY BALANCE IN THE EASTERN MEDITERRANEAN.—

"(1) UNITED STATES POLICY.—Excess defense articles shall be made available under this section and section 519 consistent with the United States policy, established in section 620C of this Act, of maintaining the military balance in the Eastern Mediterranean.

"(2) MAINTENANCE OF BALANCE.—Accordingly, the President shall ensure that, over the 3-year period beginning on October 1, 1992, the ratio of—

"(A) the value of excess defense articles made available for Turkey under this section and section 519, to

"(B) the value of excess defense articles made available for Greece under this section and section 519,

closely approximates the ratio of—

"(i) the amount of foreign military financing assistance provided for Turkey under this chapter, to

"(ii) the amount of foreign military financing assistance provided for Greece under this chapter.

"(3) EXCEPTION TO REQUIREMENT.—This subsection shall not apply if either Greece or Turkey ceases to be eligible to receive excess defense articles under this section and section 519.

"(4) DEFINITION.—As used in this subsection, the term 'made available' means a good faith offer is made by the United States to furnish the excess defense articles to a country.".

(b) COUNTERNARCOTICS PROGRAMS.—Section 517 of that Act is amended—

(1) in the section heading, by striking out "MILITARY CAPABILITIES OF CERTAIN MAJOR ILLICIT DRUG PRODUCING" and inserting in lieu thereof "COUNTERNARCOTICS CAPABILITIES OF CERTAIN";

(2) in subsection (a)(1), by striking out "(as defined in section 481(i)(2))" and inserting in lieu thereof "or a major drug-transit country";

(3) in subsection (a)(3), by striking out "(as defined in section 502B(d)(1))";

(4) in subsection (b)—

(A) by inserting "and local law enforcement agencies" after "military forces"; and

(B) by striking out "with local law enforcement agencies" and inserting in lieu thereof "cooperatively";

(5) in subsection (d), by striking out "4601 of the International Narcotics Control Act of 1988" and inserting in lieu thereof "481(b) of this Act";

(6) in subsection (i), by striking out "30" and inserting in lieu thereof "15"; and

(7) by adding at the end the following:

"(j) EXCESS COAST GUARD PROPERTY.—As used in this section, the term 'excess defense articles' shall be deemed to include excess property of the Coast Guard, and the term 'Department of Defense' shall be deemed, with respect to such excess property, to include the Coast Guard.".

(c) ANNUAL CEILING.—Section 31 of the Arms Export Control Act is amended—

(1) by striking out the section designation and section heading and subsections (a), (b), and (c) and inserting in lieu thereof the following:

"SEC. 31. TRANSFERS OF EXCESS DEFENSE ARTICLES."; and

(2) in subsection (d)—

(A) by striking out "(d)" and inserting in lieu thereof "(a) ANNUAL CEILING.—"; and

(B) by striking out "$250,000,000" and inserting in lieu thereof "$500,000,000".

(d) ANNUAL REPORT.—

(1) REVISION OF REQUIREMENTS.—Section 31 of that Act, as so amended, is further amended by adding at the end the following:

"(b) ANNUAL REPORT.—The annual presentation materials for security assistance programs shall include a table listing by country the total value of all deliveries of excess defense articles during the preceding fiscal year under this Act or section 503, section 506, section 516, section 517, section 518, or section 519 of the Foreign Assistance Act of 1961 (respectively), disclosing both the aggregate original acquisition cost and the aggregate value at the time of delivery.".

(2) CONFORMING AMENDMENTS.—(A) Sections 8 and 11 of the Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", enacted January 21, 1971 (Public Law 91-672), are repealed.

(B) Subsection (e) of section 519 of the Foreign Assistance Act of 1961 is repealed, and subsection (f) of that section is redesignated as subsection (e).

(e) EXCESS COAST GUARD PROPERTY.—Section 31 of that Act, as so amended, is further amended by adding at the end the following:

"(c) EXCESS COAST GUARD PROPERTY.—As used in this section, the term 'excess defense articles' shall be deemed, where appropriate in the context, to include excess property of the Coast Guard.".

(f) EXCLUSION OF CONSTRUCTION EQUIPMENT FROM DEFINITION OF EXCESS DEFENSE ARTICLES.—Section 644(g) of that Act is amended by inserting "(other than construction equipment, including tractors, scrapers, loaders, graders, bulldozers, dump trucks, generators, and compressors)" after "articles" the first place it appears.

(g) REPEAL OF OBSOLETE AUTHORIZATION.—Section 573 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, is amended by repealing subsections (a) through (d) and subsections (f) and (g).

SEC. 210. INTERNATIONAL MILITARY EDUCATION AND TRAINING.

(a) PARTICIPANTS.—Section 541 of the Foreign Assistance Act of 1961 is amended—

(1) by inserting ", and may also include legislators," after "ministries of defense"; and

(2) by striking out "or (iii)" and inserting in lieu thereof "(iii) contribute to cooperation between military and law enforcement personnel with respect to counternarcotics law enforcement efforts, or (iv)".

(b) AUTHORIZATIONS OF APPROPRIATIONS.—Section 542 of that Act is amended by striking out all that follows "chapter" and inserting in lieu thereof "$50,500,000 for each of fiscal years 1992 and 1993.".

SEC. 211. PEACEKEEPING OPERATIONS.

(a) AUTHORITY TO PROVIDE ASSISTANCE.—Section 551 of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "friendly" and inserting in lieu thereof "foreign"; and

(2) by striking out "other programs carried out in furtherance of the national security interests of the United States" and inserting in lieu thereof "and activities and related programs".

(b) AUTHORIZATIONS OF APPROPRIATIONS.—Section 552(a) of that Act is amended by striking out all that follows "chapter," and inserting in lieu thereof "$28,000,000 for fiscal year 1992 and $28,000,000 for fiscal year 1993.".

(c) RELATION TO OTHER PROVISIONS.—Chapter 6 of part II of that Act is amended by inserting after section 552 the following:

"SEC. 553. RELATION TO OTHER PROVISIONS.

"The authority provided by this chapter to furnish assistance for the purposes specified in section 551 is in addition to any other authority which may be available for those purposes. Assistance provided under this chapter may be made available notwithstanding any provision of law that restricts assistance to foreign countries.".

SEC. 212. INTERNATIONAL TERRORISM.

(a) AUTHORIZATIONS OF APPROPRIATIONS FOR ANTITERRORISM ASSISTANCE.—Section 575(a) of the Foreign Assistance Act of 1961 is amended by striking out all that follows "chapter" and inserting in lieu thereof "$15,000,000 for fiscal year 1992 and $15,000,000 for fiscal year 1993.".

(b) CONSIDERATIONS IN PROVIDING ASSISTANCE.—Chapter 1 of part III of that Act is amended by inserting after section 620A the following:

"SEC. 620B. CONSIDERATION OF COOPERATION REGARDING INTERNATIONAL TERRORISM.

"In providing assistance under this Act, the President should take into account the cooperation provided by other countries in connection with matters related to international terrorism, including such matters as whether a country grants sanctuary from prosecution to individuals or groups that have engaged in international terrorism.".

SEC. 213. RESPONSIBILITIES OF THE SECRETARY OF DEFENSE FOR END-USE MONITORING.

Section 623(a)(3) of the Foreign Assistance Act of 1961 is amended by striking out "supervision" and inserting in lieu thereof "monitoring".

SEC. 214. QUARTERLY REPORTS ON PROCUREMENT OUTSIDE THE UNITED STATES.

Section 36(a) of the Arms Export Control Act is amended—

(1) by striking out "and" at the end of paragraph (10);

(2) by striking out the period at the end of paragraph (11) and inserting in lieu thereof "; and"; and

(3) by adding at the end after paragraph (11) the following:

"(12) a listing by country of the estimated amount of funds which will be used for procurement of defense articles and defense services outside the United States as a result of any determination made during the preceding quarter pursuant to section 604 of the Foreign Assistance Act of 1961, together with a statement of the reasons for any such determination.".

CHAPTER 2—FOREIGN MILITARY SALES PROGRAM

SEC. 221. ARMS TRANSFER POLICY.

(a) POLICY STATEMENT.—Section 1 of the Arms Export Control Act is amended to read as follows:

"SECTION 1. UNITED STATES ARMS TRANSFER POLICY.

"(a) In General.—The Congress reaffirms that an ultimate goal of the United States continues to be a world which is free from the scourge of war and the dangers and burdens of armaments. It shall be the policy of the United States to exert leadership in the world community to bring about arms control arrangements and to limit conventional arms transfers in the interest of international peace and stability.

"The Congress recognizes, however, that the United States and other free and independent countries continue to have valid requirements for effective and mutually beneficial defense relationships in order to maintain and foster international peace and security essential to social, economic, and political progress.

"(b) POLICY OBJECTIVES IN IMPLEMENTING ACT.—The policy of the United States in implementing the authorities of this Act relating to

sales and other transfers of defense articles, defense services, and design and construction services shall be based upon the following objectives:

"(1) Ensuring that such transfers are fully consistent with the foreign policy interests, national security, and arms control policies of the United States.

"(2) Ensuring that such transfers directly enhance or achieve specific national defense requirements of the recipient country or objectives of mutual concern and contribute directly to the common defense, with particular regard being given to the impact of such transfers on programs of social and economic development and on existing or incipient arms races.

"(3) Promoting defense cooperation and rationalization, standardization, and interoperability of foreign military forces with the Armed Forces of the United States.

"(4) Contributing to the deterrence of aggression and promoting regional security by enabling recipient countries to negotiate peaceful solutions to conflicts with confidence.

"(5) Enabling recipient countries to participate in regional or collective arrangements or other measures consistent with the Charter of the United Nations.".

"(6) Complementing United States efforts to restrain and control the international transfer of defense articles and defense services and to encourage international conventional arms control arrangements.

"(c) MULTILATERAL CONTROLS ON TRANSFERS OF DEFENSE ARTICLES AND DEFENSE SERVICES.—The President should continue to seek, through negotiations with other principal countries supplying or receiving defense articles and defense services, the establishment of effective multilateral controls on the transfer of defense articles and defense services.".

(b) CONFORMING AMENDMENTS RELATING TO PURPOSES FOR WHICH DEFENSE ARTICLES MAY BE USED.—

(1) REPEAL OF EXISTING PURPOSE SECTION.—Section 4 of that Act is repealed.

(2) INELIGIBILITY.—Section 3(c) of that Act is amended—

(A) in paragraph (1), as amended by chapter 3 of this title—

(i) by striking out "not authorized under section 4" and inserting in lieu thereof "not specified in paragraph (5) of this subsection (or in the case of articles or services furnished before the date of enactment of the International Cooperation Act of 1991, a purpose that was not authorized under section 4)";

(ii) by striking out "authorized under section 4" the second place it appears and inserting in lieu thereof "purposes"; and

(B) by adding at the end the following:

"(5) The purposes referred to in paragraph (1) are the following:

"(A) Legitimate self-defense.

"(B) Participation in regional or collective arrangements or measures consistent with the Charter of the United Nations, or participation in collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security.

"(C) Internal security.

"(D) Responding to natural and manmade disasters in order to meet urgent humanitarian needs.

"(E) Such other purposes as may be explicitly provided for in particular provisions of law.".

SEC. 222. IMPROVED ACCOUNTING FOR FOREIGN MILITARY SALES.

Section 37 of the Arms Export and Control Act is amended by adding at the end the following:

"(d) FMS FINANCIAL MANAGEMENT.—The President shall take the following steps to continue to improve the financial management problems with respect to payments on accounts of FMS sales:

"(1) TRUST FUND MANAGEMENT.—Certify, in accordance with the Chief Financial Officers Act of 1990, that payments with respect to any FMS sale are properly recorded by case and country with regard to financial accounts for each customer.

"(2) COORDINATION OF FMS SYSTEMS.—Improve the coordination and uniformity of the military services systems that are used to account for, control, and report upon the operation of the FMS program.

"(3) RECONCILIATION OF FMS CASES.—Reconcile the discrepancies between reported disbursements and reported performance for all uncompleted FMS sales agreements executed prior to March 1989.

"(4) NOTIFICATION.—Should the President determine that all efforts to reconcile reported disbursements and reported performance of FMS cases executed prior to March 1989 are to be terminated, he shall notify in writing the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate. Such notification shall provide the reasons for such termination and a list of unreconciled balances by country which are to be uncollected.

"(5) REPORT ON FINANCIAL MANAGEMENT OF FMS CASES.—The President shall report to the Congress no later than January 31 of each year on the following:

"(A) The status of trust fund management of FMS cases, including a list of any unreconciled balances for FMS cases executed after March 1989.

"(B) The results of efforts to improve coordination and uniformity of the military services systems that are used to account for, control, and report upon the operation of the FMS program.

"(C) The status of all unreconciled FMS cases executed prior to March 1989, including—

"(i) a listing of FMS cases closed, detailed by country and value, that have occurred since the Department of Defense implemented its revised case closure procedures;

"(ii) an aggregate value of the unreconciled balance of FMS cases;

"(iii) a list of the unreconciled balance by country; and

"(iv) a list by country of those cases closed with unreconciled balance and the amount uncollected.

"(6) FMS DEFINED.—As used in this subsection, the term 'FMS' means sales of defense articles, defense services, or design and construction services under section 21, 22, or 29 of this Act.".

SEC. 223. DESIGNATION OF MAJOR NON-NATO ALLIES.

(a) DESIGNATION.—Chapter 4 of the Arms Export Control Act is amended by adding at the end the following:

"SEC. 48. DESIGNATION OF MAJOR NON-NATO ALLIES.

"(a) INITIAL DESIGNATIONS.—Australia, Egypt, Israel, Japan, New Zealand, and the Republic of Korea are hereby designated as major non-NATO allies for purposes of this Act and the Foreign Assistance Act of 1961, except that New Zealand shall be eligible for special treatment authorized by such Acts for major non-NATO allies only to the extent that the President determines (and so notifies the appropriate congressional committees) that such special treatment is in the national security interest of the United States.

"(b) AUTHORITY TO DESIGNATE ADDITIONAL COUNTRIES.—A country not designated by subsection (a) shall be considered to be a major non-NATO ally for purposes of this Act and the Foreign Assistance Act of 1961 if the President so designates that country. Such a designation by the President shall be effective only if the President provides at least 15 days advance notification to the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961.".

(b) CONFORMING AMENDMENTS.—That Act is amended—

(1) in section 21(g)—

(A) in the first sentence, by striking out "Japan, Australia, and New Zealand, and with other countries which are", and

(B) by repealing the last sentence;

(2) in section 47—

(A) by striking out "and" at the end of paragraph (7);

(B) by striking out the period at the end of paragraph (8) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following:

"(9) 'major non-NATO ally' means a country that is so designated in accordance with section 48."; and

(3) in section 65(d)—

(A) by striking out "or major non-NATO", and

(B) by striking out "or a" and all that follows through "Code".

SEC. 224. CERTIFICATION THRESHOLDS.

(a) INCREASE IN DOLLAR THRESHOLDS.—The Arms Export Control Act is amended—

(1) in section 3(d)—

(A) in paragraphs (1) and (3), by striking out "$14,000,000" and inserting in lieu thereof "$18,000,000"; and

(B) in paragraphs (1) and (3), by striking out "$50,000,000" and inserting in lieu thereof "$75,000,000";

(2) in section 36—

(A) in subsections (b)(1), (b)(5)(C), and (c), by striking out "$14,000,000" and inserting in lieu thereof "$18,000,000";

(B) in subsections (b)(1), (b)(5)(C), and (c), by striking out "$50,000,000" and inserting in lieu thereof "$75,000,000"; and

(C) in subsections (b)(1) and (b)(5)(C), by striking out "200,000,000" and inserting in lieu thereof "$300,000,000"; and

(3) in section 63—

(A) by striking out "$14,000,000" and inserting in lieu thereof "$18,000,000"; and

(B) by striking out "$50,000,000" and inserting in lieu thereof "$75,000,000".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply with respect to certifications submitted on or after the effective date of those amendments.

SEC. 225. STANDARDIZING CONGRESSIONAL REVIEW PROCEDURES FOR ARMS TRANSFERS.

(a) THIRD COUNTRY TRANSFERS UNDER FMS SALES.—Section 3(d)(2) of the Arms Export Control Act is amended—

(1) in subparagraph (A), by striking out ", as provided for in sections 36(b)(2) and 36(b)(3) of this Act";

(2) in subparagraph (B), by striking out "law" and inserting in lieu thereof "joint resolution"; and

(3) by adding at the end the following:

"(C) If the President states in his certification under subparagraph (A) or (B) that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States, thus waiving the requirements of that subparagraph, the President shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate immediate consent to the transfer and a discussion of the national security interests involved.

"(D)(i) Any joint resolution under this paragraph shall be considered in the Senate in ac-

cordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(ii) For the purpose of expediting the consideration and enactment of joint resolutions under this paragraph, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.".

(b) THIRD COUNTRY TRANSFERS UNDER COMMERCIAL SALES.—Section 3(d)(3) of that Act is amended—

(1) by inserting "(A)" after "(3)";

(2) in the first sentence—

(A) by striking out "at least 30 calendar days", and

(B) by striking out "report" and inserting in lieu thereof "certification"; and

(3) by striking out the last sentence and inserting in lieu thereof the following: "Such certification shall be submitted—

"(i) at least 15 calendar days before such consent is given in the case of a transfer to a country which is a member of the North Atlantic Treaty Organization or Australia, Japan, or New Zealand, and

"(ii) at least 30 calendar days before such consent is given in the case of a transfer to any other country,

unless the President states in his certification that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States. If the President states in his certification that such an emergency exists (thus waiving the requirements of clause (i) or (ii), as the case may be, and of subparagraph (B)) the President shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate that consent to the proposed transfer become effective immediately and a discussion of the national security interests involved.

"(B) Consent to a transfer subject to subparagraph (A) shall become effective after the end of the 15-day or 30-day period specified in subparagraph (A)(i) or (ii), as the case may be, only if the Congress does not enact, within that period, a joint resolution prohibiting the proposed transfer.

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

"(ii) For the purpose of expediting the consideration and enactment of joint resolutions under this paragraph, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.".

(c) COMMERCIAL SALES.—Section 36(c)(2) of that Act is amended by amending subparagraphs (A) and (B) to read as follows:

"(A) in the case of a license for an export to the North Atlantic Treaty Organization, any member country of that Organization, or Australia, Japan, or New Zealand, shall not be issued until at least 15 calendar days after the Congress receives such certification, and shall not be issued then if the Congress, within that 15-day period, enacts a joint resolution prohibiting the proposed export; and

"(B) in the case of any other license, shall not be issued until at least 30 calendar days after the Congress receives such certification, and shall not be issued then if the Congress, within that 30-day period, enacts a joint resolution prohibiting the proposed export.".

(d) COMMERCIAL MANUFACTURING AGREEMENTS.—Section 36(d) of that Act is amended—

(1) by inserting "(1)" after "(d)";

(2) by striking out "for or in a country not a member of the North Atlantic Treaty Organization"; and

(3) by adding at the end the following:

"(2) A certification under this subsection shall be submitted—

"(A) at least 15 days before approval is given in the case of an agreement for or in a country which is a member of the North Atlantic Treaty Organization, Australia, Japan, or New Zealand; and

"(B) at least 30 days before approval is given in the case of an agreement for or in any other country;

unless the President states in his certification that an emergency exists which requires the immediate approval of the agreement in the national security interests of the United States.

"(3) If the President states in his certification that an emergency exists which requires the immediate approval of the agreement in the national security interests of the United States, thus waiving the requirements of paragraph (4), he shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate the immediate approval of the agreement and a discussion of the national security interests involved.

"(4) Approval for an agreement subject to paragraph (1) may not be given under section 38 if the Congress, within the 15-day or 30-day period specified in paragraph (2)(A) or (B), as the case may be, enacts a joint resolution prohibiting such approval.

"(5)(A) Any joint resolution under paragraph (4) shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(B) For the purpose of expediting the consideration and enactment of joint resolutions under paragraph (4), a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.".

(e) GOVERNMENT-TO-GOVERNMENT LEASES.—

(1) CONGRESSIONAL REVIEW PERIOD.—Section 62 of that Act is amended—

(A) in subsection (a) by striking out "Not less than 30 days before" and inserting in lieu thereof "Before";

(B) in subsection (b)—

(i) by striking out "determines, and immediately reports to the Congress" and inserting in lieu thereof "states in his certification,"; and

(ii) by adding at the end of the subsection the following: "If the President states in his certification that such an emergency exists, he shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate that the lease be entered into immediately and a discussion of the national security interests involved."; and

(C) by adding at the end of the section the following:

"(c) The certification required by subsection (a) shall be transmitted—

"(1) not less than 15 calendar days before the agreement is entered into or renewed in the case of an agreement with the North Atlantic Treaty Organization, any member country of that Organization, Australia, Japan, or New Zealand; and

"(2) not less than 30 calendar days before the agreement is entered into or renewed in the case of an agreement with any other organization or country.".

(2) LEGISLATIVE REVIEW.—Section 63(a) of that Act is amended—

(A) by striking out "(a)(1)" and inserting in lieu thereof "(a)";

(B) by striking out the "30 calendar days after receiving the certification with respect to that proposed agreement pursuant to section 62(a)," and inserting in lieu thereof "the 15-day or 30-day period specified in section 62(c) (1) or (2), as the case may be,"; and

(C) by striking out paragraph (2).

(f) EFFECTIVE DATE.—The amendments made by this section apply with respect to certifications required to be submitted on or after the effective date of those amendments.

SEC. 226. FOREIGN AVAILABILITY.

(a) GOVERNMENT-TO-GOVERNMENT ARMS SALES NOTIFICATION.—Section 36(b)(1) of the Arms Export Control Act is amended—

(1) by inserting after the first sentence the following: "Such certifications shall also contain an analysis of the extent to which comparable kinds and amounts of defense articles, defense services, or design and construction services are available from other countries, and shall specify the countries with respect to which either a letter of offer to sell such articles or services has been issued under this Act, a license to export such articles or services has been issued under section 38, or approval for a commercial technical assistance or manufacturing licensing agreement for such articles or services has been given under section 38.";

(2) by striking out clause (K) and by redesignating clauses (L) through (P) as clauses (K) through (O), respectively; and

(3) in the first sentence following those clauses, by inserting ", and the information required by the second sentence of this subsection," after "subsection (a)".

(b) COMMERCIAL ARMS SALES NOTIFICATIONS.—Section 36(c)(1) of that Act is amended—

(1) in the first sentence—

(A) by striking out "and" immediately before "(C)"; and

(B) by inserting before the period ", (D) the extent to which comparable kinds and amounts of items are available from other countries, and (E) the countries with respect to which either a letter of offer to sell such item has been issued under section 21 or 22, a license to export such item has been issued under section 38, or approval for a commercial technical assistance or manufacturing licensing agreement for such item has been given under section 38"; and

(2) in the last sentence by inserting ", (D), or (E)" after "clause (B)".

SEC. 227. ECONOMIC IMPACT ON UNITED STATES OF ARMS SALES.

(a) CONGRESSIONAL PRESENTATION MATERIALS.—Section 25(a) of the Arms Export Control Act is amended—

(1) by redesignating paragraphs (11) and (12) as paragraphs (12) and (13), respectively; and

(2) by inserting the following new paragraph (11) after paragraph (10):

"(11) an analysis of the economic benefits or disadvantages to the United States of sales and licensed commercial exports under this Act during the preceding fiscal year;".

(b) ARMS SALE NOTIFICATIONS.—Section 36(b)(1) of that Act, as amended by the preceding section of this chapter, is further amended—

(1) by striking out "and" at the end of subparagraph (N);

(2) by striking out the period at the end of subparagraph (O) and inserting in lieu thereof "; and"; and

(3) by inserting after subparagraph (O) the following:

"(P) an analysis of the economic benefits or disadvantages to the United States of the proposed sale.".

SEC. 228. COPRODUCTION AGREEMENTS.

(a) QUARTERLY REPORTS ON COPRODUCTION AGREEMENTS.—

(1) INFORMATION TO BE REPORTED.—Section 36(a) of the Arms Export Control Act, as amend-

ed by chapter 1 of this title, is further amended—

(A) by striking out "and" at the end of paragraph (11);

(B) by striking out the period at the end of paragraph (12) and inserting in lieu thereof "; and"; and

(C) by inserting after paragraph (12) the following:

"(13) a report on all concluded government-to-government agreements governing foreign coproduction of defense articles of United States origin (including coproduction memoranda of understanding or agreement) that have not been previously reported under this paragraph, which shall include—

"(A) the identity of the foreign countries or international organizations involved;

"(B) a description and the estimated value of the articles authorized to be produced, and an estimate of the quantity of the articles authorized to be produced;

"(C) a description of any restrictions on third party transfers of the foreign-manufactured articles; and

"(D) if any such agreement does not provide for United States access to and verification of quantities of articles produced overseas and their disposition in the coproducing country, a description of alternative measures and controls incorporated in the coproduction program to ensure compliance with restrictions in the agreement on production quantities and third party transfers.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1)(C) does not apply with respect to agreements entered into before the date of enactment of this Act.

(b) SANCTIONS FOR UNAUTHORIZED THIRD COUNTRY TRANSFERS OF COPRODUCED DEFENSE ARTICLES.—The Arms Export Control Act, as amended by chapter 3 of this title, is amended by inserting after section 32 the following:

"SEC. 33. UNAUTHORIZED THIRD COUNTRY TRANSFERS OF DEFENSE ARTICLES COPRODUCED OR MANUFACTURED UNDER LICENSE ABROAD.

"(a) WHEN SANCTIONS REQUIRED.—The sanctions described in subsection (c) shall be applied as hereinafter provided if—

"(1) the foreign party to a coproduction agreement violates the restrictions in that agreement regarding unauthorized third country or third party transfers or other unauthorized dispositions of—

"(A) defense articles produced under that agreement, or

"(B) technical data or defense services provided under that agreement, and

"(2) that violation is substantial (either in terms of quantities or in terms of the gravity of the consequences regardless of the quantities involved).

"(b) DETERMINATION REQUIRED.—The sanctions described in this section shall apply if—

"(1) the President so determines and states in writing to the Congress, or

"(2) the Congress so determines by joint resolution.

"(c) SANCTIONS TO BE APPLIED.—If a determination is made under subsection (b) with respect to a foreign party to a coproduction agreement—

"(1) the authority or license to produce defense articles abroad that is granted by all coproduction agreements to which that foreign party is a party shall be suspended during the sanction period; and

"(2) licenses may not be issued and approval may not be granted under section 38 with respect to that foreign party during the sanction period.

"(d) SANCTION PERIOD.—As used in this section, the term 'sanction period' means the period—

"(1) beginning on the date on which the President notifies the Congress that he has made a determination pursuant to subsection (b)(1) or on which the Congress enacts a joint resolution pursuant to subsection (b)(2); and

"(2) ending on the date on which the President reports to the Congress that—

"(A) the violation has ceased; and

"(B) the foreign party has given assurances satisfactory to the President that such a violation will not recur.

"(e) REPORT TO CONGRESS.—The President shall report to the Congress promptly on the receipt of information a violation described in subsection (a) may have occurred.

"(f) DEFINITIONS.—As used in this section—

"(1) the term 'coproduction agreement' means an arrangement for foreign production of United States origin defense articles—

"(A) that is authorized or approved by a memorandum of understanding or a memorandum of agreement between a foreign government and the United States Government, or

"(B) that is pursuant to a manufacturing license agreement approved under section 38 of this Act; and

"(2) the term 'foreign party' means a foreign government or foreign business entity that is granted authority or license to produce defense articles abroad by a coproduction agreement.

"(g) EFFECTIVE DATE.—This section does not apply to violations occurring before the effective date of this section, but does apply with respect to all coproduction agreements without regard to whether they were entered into before or after that date.".

SEC. 229. ENFORCEMENT OF ARMS EXPORT LICENSING REQUIREMENTS.

(a) VIOLATIONS OF INTERNATIONAL TRAFFIC IN ARMS REGULATIONS.—

(1) DISQUALIFICATION AND FORFEITURE.—Section 38 of that Act is amended by inserting after subsection (c) the following:

"(d)(1) No contract between a foreign government and a person convicted or debarred for a violation of this section or section 39, or any rule or regulation issued under either section, may be approved for financing under chapter 2 of part II of the Foreign Assistance Act of 1961 during the 12 months following the date of such conviction or debarment.

"(2)(A) Any person who is convicted for a violation of this section or section 39, or any rule or regulation issued under either section, shall (in addition to any other penalty) forfeit to the United States—

"(i) any of that person's interest in, security of, claim against, or property or contractual rights of any kind in any defense article or other tangible item that was the subject of the violation;

"(ii) any of that person's interest in, security of, claim against, or property or contractual rights of any kind in any defense article or other tangible item that was used in—

"(I) the export or import or attempt to export or import, or

"(II) the contribution, gift, commission, or fee that was paid or offered or agreed to be paid,

that was the subject of the violation; and

"(iii) any of that person's property constituting, or derived from, any proceeds obtained directly or indirectly as a result of the violation.

"(B) The procedures in any forfeiture under this paragraph, and the duties and authorities of the courts of the United States and the Attorney General with respect to any forfeiture action under this paragraph or with respect to any property that may be subject to forfeiture under this paragraph, shall be governed by section 1963 of title 18, United States Code. Any new budget authority provided by this subparagraph may be exercised only to such extent or in such amounts as are provided in advance in appropriation Acts.".

(2) EFFECTIVE DATE.—Subsection (d) of section 38 of that Act, as enacted by paragraph (1) of this subsection, shall take effect on the date of enactment of this Act or October 1, 1991 (whichever is later), and applies—

(A) in the case of paragraph (1) of subsection (d), with respect to convictions or debarments occurring on or after the effective date of that subsection; and

(B) in the case of paragraph (2) of subsection (d), with respect to convictions based on conduct occurring on or after the effective date of that subsection.

(3) CONFORMING AMENDMENT.—(A) Section 38(e) of that Act is amended by striking out "(e), and (g)" and inserting in lieu thereof "and (e)".

(B) The amendment made by subparagraph (A) does not apply with respect to convictions based on conduct occurring before the date specified in paragraph (2)(B).

(b) ENFORCEMENT PROCEDURES.—Section 38(g) of the Arms Export Control Act is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking out "are the subject of an indictment for, or have been convicted of," and inserting in lieu thereof "have been convicted of"; and

(B) in subparagraph (B), by striking out "are the subject of an indictment or";

(2) in paragraph (3)—

(A) by striking out subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively; and

(B) at the end of the first sentence, by striking out "may disapprove the application" and inserting in lieu thereof "should disapprove the application if doing so is necessary to further law enforcement objectives or otherwise serve the national interest";

(3) in paragraph (4), by inserting before the period at the end "or that foreign policy or national security considerations justify the issuance of the license to that person";

(4) in paragraph (5), by inserting "or international organization" after "foreign government"; and

(5) in paragraph (8)—

(A) by inserting "within 60 days" after "shall"; and

(B) by inserting before the period at the end ", and to assist with the processing of registration statements".

(c) REGISTRATION FEES.—

(1) TRANSFER OF AUTHORITY TO AECA.—Section 38(b)(3)(A) of that Act is amended by striking out "of the fiscal years 1988 and 1989, $250,000" and inserting in lieu thereof "fiscal year, $700,000".

(2) TECHNICAL AND CONFORMING AMENDMENTS.—(A) That section is further amended by striking out "munitions" each place it appears and inserting in lieu thereof "defense trade".

(B) Section 45 of the State Department Basic Authorities Act of 1956 is repealed.

SEC. 230. BIENNIAL REVIEW OF THE INTERNATIONAL TRAFFIC IN ARMS REGULATIONS.

Section 38(f) of the Arms Export Control Act is amended by striking out the first sentence and inserting in lieu thereof the following: "Not later than one year after the date of enactment of this sentence and at least once every 2 years thereafter, the President shall review the regulations issued to carry out this section, including the items listed on the United States Munitions List, for the purpose of determining what changes in those regulations are appropriate, including determining what items, if any, no longer warrant export controls under this section. Based on each such review, the President shall revise those regulations as necessary and shall publish a revised compilation of those regulations.".

SEC. 231. CONTRACT ADMINISTRATIVE SERVICE CHARGES FOR NATO SUBSIDIARY BODIES.

Section 21(h)(1)(A) of the Arms Export Control Act is amended by inserting "or by a North Atlantic Treaty Organization subsidiary body on behalf of such foreign government" after "North Atlantic Treaty Organization".

SEC. 232. SALES OF DEPLETED URANIUM SHELLS.

(a) PROHIBITION.—Except as provided in subsection (b), none of the funds authorized to be appropriated by this or any other Act may be made available to facilitate in any way the sale of M–833 antitank shells, or any comparable antitank shells containing a depleted uranium penetrating component, to any country other than—

(1) a country which is a member of the North Atlantic Treaty Organization; or

(2) a country which has been designated as a major non-NATO ally (as defined in section 47(9) of the Arms Export Control Act).

(b) EXCEPTION.—Subsection (a) shall not apply if the President determines that its application is not in the national security interest of the United States.

CHAPTER 3—TECHNICAL AND CONFORMING AMENDMENTS; REPEAL OF OBSOLETE AND INCONSISTENT PROVISIONS

SEC. 241. CONFORMING AMENDMENTS.

(a) FOREIGN ASSISTANCE ACT.—The Foreign Assistance Act of 1961 is amended—

(1) in section 505(d)(1), by inserting "or under the Arms Export Control Act" after "Assistance Act"; and

(2) in section 573(b), by striking out "Credits" and all that follows through "Act" and inserting in lieu thereof "Foreign military financing assistance".

(b) ARMS EXPORT CONTROL ACT.—The Arms Export Control Act is amended as follows:

(1) Section 2(b) is amended—

(A) by striking out "or financing for" in paragraph (1); and

(B) by striking out "financing" both other places it appears.

(2) Section 3 is amended—

(A) in subsection (c)(1), by striking out "(1)(A) No" and all that follows through "(B) No" and inserting in lieu thereof "(1) No";

(B) in subsection (c)(1), as amended by subparagraph (A), by striking out "under this Act, or any predecessor Act," and inserting in lieu thereof ", through sale, financing or otherwise, under this Act or the Foreign Assistance Act of 1961 (or under any predecessor military sales or foreign assistance legislation)";

(C) in subsection (c)(3)(A), by striking out "subparagraph (A)" and all that follows through "such paragraphs," and inserting in lieu thereof "paragraph (1)";

(D) in subsection (c)(3)(B), by striking out "subparagraph (B) of"; and

(E) in subsection (d), by striking out "or 505(a)(4)".

(3) Section 5(a) is amended by striking out ", and no credits (including participations in credits) or guaranties extended to or for" and inserting in lieu thereof "to".

(4) Section 6 is amended—

(A) by striking out ", no credits or guarantees may be extended,"; and

(B) by inserting "and no foreign military financing assistance may be furnished under the Foreign Assistance Act of 1961" after "this Act".

(5) Section 21(c)(1) is amended to read as follows:

"(c)(1) Members of the Armed Forces assigned or detailed to provide defense services sold under this Act may not perform duties of a combatant nature, including any duty related to training and advising that may engage United States Armed Forces personnel in combat activities, outside the United States in connection with the performance of those defense services.".

(6) Section 21(e)(1)(B) is amended by striking out "either from" and all that follows through "nonrepayable basis under" and inserting in lieu thereof "from either (i) funds made available on a grant basis under chapter 2 of part II of the Foreign Assistance Act of 1961, or (ii) funds which, prior to the effective date of this clause and clause (i), were transferred under the former authority of section 503(a)(3) of the Foreign Assistance Act of 1961 or were made available on a nonrepayable basis under the former authority of".

(7) Section 23 is amended—

(A) by striking out "CREDIT SALES.—(a)" and all that follows through "(e)(1)" inserting in lieu thereof "USE OF ASSISTANCE FOR REPAYMENT OF FMS DEBT; LIMITATION.—(a) AUTHORITY.—";

(B) by striking out "out this section" both places it appears and inserting in lieu thereof "out chapter 2 of part II of the Foreign Assistance Act of 1961";

(C) by inserting "or that chapter" after "under this section";

(D) by striking out "paragraph (2)" and inserting in lieu thereof "subsection (b)";

(E) by striking out "(2) Funds" and inserting in lieu thereof "(b) LIMITATION.—Funds"; and

(F) by striking out "paragraph (1)" and inserting in lieu thereof "subsection (a)".

(8) Section 24 is amended—

(A) by amending the section caption to read "PROVISIONS RELATING TO FORMER CREDIT AND GUARANTY AUTHORITIES";

(B) in subsection (a), by striking out "The" in the first sentence and inserting in lieu thereof "To the extent necessary to carry out the provisions under the heading "Foreign Military Sales Debt Reform" in title III of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988 (as contained in section 101(e) of Public Law 100–202), the";

(C) in subsection (b), by inserting "under the former authority of" before "section 23"; and

(D) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) The single reserve established under this section for the payment of claims under guaranties issued under the authority of this section may be referred to as the 'Foreign Military Loan Liquidating Account'.

"(d) Any guaranties issued under the authority of this section are backed by the full faith and credit of the United States.

"(e) Any exercise of the authority of this section shall be subject to specific amounts provided in advance in an appropriations Act.".

(9) Section 25(a) is amended—

(A) in paragraph (5)(A), by striking out "military education" and all that follows through "guarantees," and inserting in lieu thereof "and assistance under chapter 2 or chapter 5 of part II of the Foreign Assistance Act of 1961,";

(B) in paragraph (5)(B), by striking out "credits or guaranties under this Act" and inserting in lieu thereof "financing under chapter 2 of part II of the Foreign Assistance Act of 1961"; and

(C) in paragraph (11)—

(i) by striking out "the Arms Export Control Act" and inserting in lieu thereof "section 23 or 24 of this Act"; and

(ii) by inserting before the semicolon at the end of the paragraph the following: ", and the status of each extension of credit for the procurement of defense articles or defense services under chapter 2 of title II of the Foreign Assistance Act of 1961 with respect to which there remains outstanding any unpaid obligation or potential liability".

(10) Section 25(d), as added by section 112(a) of the International Security and Development Cooperation Act of 1985, is amended by striking out "this Act or under section 503(a)(3)" and inserting in lieu thereof "chapter 2 of part II".

(11) Section 37 is amended—

(A) in the section caption by striking out "RELATING TO FOREIGN MILITARY SALES CREDITS";

(B) in subsection (a), by striking out "section 23" and inserting in lieu thereof "the former authority of section 23 or under the authority of chapter 2 of part II of the Foreign Assistance Act of 1961"; and

(C) in subsection (b), by inserting "the former authority of" after "extended pursuant to".

(12) Section 42 is amended—

(A) in subsection (a), by striking out ", but subject to subsection (b) of this section," in the first sentence and inserting in lieu thereof a semicolon;

(B) by repealing subsections (b) and (c) and by redesignating subsections (d) through (f) as subsections (b) through (d), respectively; and

(C) in subsection (b)(1), as so redesignated, by striking out "and guaranties under sections 21, 22, 23, 24," and inserting in lieu thereof "under sections 21, 22,".

SEC. 242. AMENDMENTS TO ELIMINATE OBSOLETE AND INCONSISTENT PROVISIONS.

(a) FOREIGN ASSISTANCE ACT.—Sections 502A and 505(b) and chapters 3 and 7 of part II of the Foreign Assistance Act of 1961 are repealed.

(b) ARMS EXPORT CONTROL ACT.—The Arms Export Control Act is amended as follows:

(1) Section 5(d) is repealed.

(2) Section 25(a) is amended by repealing paragraphs (7) and (9), by redesignating paragraph (8) as paragraph (7), and by redesignating paragraphs (10) through (13) (as added and so redesignated by chapter 2 of this title) as paragraphs (8) through (11), respectively; and

(3) Sections 33, 34, and 35 are repealed.

(4) Section 36 is amended—

(A) in subsection (a) (as amended by chapters 1 and 2 of this title), by striking out paragraphs (5) and (6), by redesignating paragraphs (7) through (13) as paragraphs (5) through (10), respectively, and by striking out "(11)" in the text preceding paragraph (1) and inserting in lieu thereof "(9)"; and

(B) in subsection (b)(1), by striking out "(9)" and "(8)" and inserting in lieu thereof "(7)" and "(6)", respectively.

(5) Section 41 is repealed.

(6) Sections 44 and 45 are amended—

(A) by repealing all of section 45 except the last sentence;

(B) by amending that sentence by striking out "Except for the laws specified in section 44, no" and inserting in lieu thereof "No"; and

(C) by inserting that sentence at the end of section 44.

(7) Section 46 is repealed.

SEC. 243. TECHNICAL CORRECTIONS.

(a) CORRECTION OF CROSS REFERENCES TO INTERNATIONAL TRAFFIC IN ARMS REGULATIONS.—

(1) FOREIGN ASSISTANCE ACT.—Section 505(e) of the Foreign Assistance Act of 1961 is amended in the second sentence—

(A) by striking out "significant defense articles" and inserting in lieu thereof "significant military equipment"; and

(B) by striking out "such defense articles" both places it appears and inserting in lieu thereof "such significant military equipment".

(2) ARMS EXPORT CONTROL ACT.—(A) Section 3(a) of the Arms Export Control Act is amended in the second sentence following paragraph (4)—

(i) by striking out "significant defense articles" and inserting in lieu thereof "significant military equipment"; and

(ii) by striking out "such defense articles" both places it appears and inserting in lieu "such significant military equipment".

(B) Section 36(d) is amended by striking out "combat" and inserting in lieu thereof "military".

(b) CLERICAL ERRORS IN 1985 AUTHORIZATION ACT.—Section 25 of the Arms Export Control Act is amended—

(1) in subsection (d), as added by section 112(b) of the International Security and Development Cooperation Act of 1985—

(A) by redesignating that subsection as subsection (e), and

(B) by striking out the semicolon at the end and inserting in lieu thereof a period; and

(2) in subsection (a)(5)(B), by striking out "(d)" and inserting in lieu thereof "(e)".

(c) CLERICAL ERROR IN 1988 DOD APPROPRIATIONS ACT.—Section 38(b)(1) of the Arms Export Control Act is amended by redesignating subparagraph (B), as enacted by the Department of Defense Appropriations Act, 1988, as subparagraph (C).

CHAPTER 4—TRANSFERS OF SPOILS OF WAR

SEC. 261. SHORT TITLE.

This chapter may be cited as the "Spoils of War Act of 1991".

SEC. 262. TRANSFERS OF SPOILS OF WAR.

(a) ELIGIBILITY FOR TRANSFER.—Spoils of war in the possession, custody, or control of the United States may be transferred to any other party by sale, grant, loan, or in any other manner, only to the extent and in the same manner that property of the same type, if otherwise owned by the United States, may be so transferred.

(b) TERMS AND CONDITIONS.—Any transfer pursuant to subsection (a) shall be subject to all of the terms, conditions, and requirements applicable to the transfer of property of the same type otherwise owned by the United States.

SEC. 263. CONSTRUCTION OF PROVISIONS.

Nothing in this chapter shall apply to—

(1) the abandonment or failure to take possession of spoils of war by troops in the field for valid military reasons related to conduct of the immediate conflict, including the burden of transporting such property or a decision to allow allied forces to take possession of certain property solely for use during the immediate conflict;

(2) the abandonment or return of any property obtained, borrowed, or requisitioned for temporary use during military operations without intent to retain possession of such property;

(3) the destruction of spoils of war by troops in the field;

(4) the return of spoils of war to previous owners from whom such property has been seized by enemy forces; or

(5) minor articles of personal property which have lawfully become the property of individual members of the Armed Forces as war trophies pursuant to public written authorization from the Department of Defense.

SEC. 264. DEFINITIONS.

As used in this chapter—

(1) the term "enemy" means any country, government, group, or person that has been engaged in hostilities, whether or not lawfully authorized, with the United States;

(2) the term "party" means (A) any government, (B) any natural person, (C) any corporation, partnership, or other legal entity, and (D) any organization, association, or group;

(3) the term "relevant congressional committees" means the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives or, where required by law for certain reporting purposes, the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives; and

(4) the term "spoils of war" means enemy movable property lawfully captured, seized, confiscated, or found which has become United States property in accordance with the laws of war.

CHAPTER 5—ARMS TRANSFERS RESTRAINT POLICY FOR THE MIDDLE EAST AND PERSIAN GULF REGION

SEC. 281. FINDINGS.

The Congress finds that—

(1) nations in the Middle East and Persian Gulf region, which accounted for over 40 percent of the international trade in weapons and related equipment and services during the decade of the 1980's, are the principal market for the worldwide arms trade;

(2) regional instability, large financial resources, and the desire of arms-supplying governments to gain influence in the Middle East and Persian Gulf region, contribute to a regional arms race;

(3) the continued proliferation of weapons and related equipment and services contribute further to a regional arms race in the Middle East and Persian Gulf region that is politically, economically, and militarily destabilizing;

(4) the continued proliferation of unconventional weapons, including nuclear, biological, and chemical weapons, as well as delivery systems associated with those weapons, poses an urgent threat to security and stability in the Middle East and Persian Gulf region;

(5) the continued proliferation of ballistic missile technologies and ballistic missile systems that are capable of delivering conventional, nuclear, biological, or chemical warheads undermines security and stability in the Middle East and Persian Gulf region;

(6) future security and stability in the Middle East and Persian Gulf region would be enhanced by establishing a stable military balance among regional powers by restraining and reducing both conventional and unconventional weapons;

(7) security, stability, peace, and prosperity in the Middle East and Persian Gulf region are important to the welfare of the international economy and to the national security interests of the United States;

(8) future security and stability in the Middle East and Persian Gulf region would be enhanced through the development of a multilateral arms transfer and control regime similar to those of the Nuclear Suppliers' Group, the Missile Technology Control Regime, and the Australia Chemical Weapons Suppliers Group;

(9) such a regime should be developed, implemented, and agreed to through multilateral negotiations, including under the auspices of the 5 permanent members of the United Nations Security Council;

(10) confidence-building arms control measures such as the establishment of a centralized arms trade registry at the United Nations, greater multinational transparency on the transfer of defense articles and services prior to agreement or transfer, cooperative verification measures, advanced notification of military exercises, information exchanges, on-site inspections, and creation of a Middle East and Persian Gulf Conflict Prevention Center, are important to implement an effective multilateral arms transfer and control regime;

(11) as an interim step, the United States should consider introducing, during the ongoing negotiations on confidence security-building measures at the Conference on Security and Cooperation in Europe (CSCE), a proposal regarding the international exchange of information, on an annual basis, on the sale and transfer of military equipment, particularly to the Middle East and Persian Gulf region; and

(12) such a regime should be applied to other regions with the ultimate objective of achieving an effective global arms transfer and control regime, implemented and enforced through the United Nations Security Council, that—

(A) includes a linkage of humanitarian and developmental objectives with security objectives in Third World countries, particularly the poorest of the poor countries; and

(B) encourages countries selling military equipment and services to consider the following factors before making conventional arms sales: the security needs of the purchasing countries, the level of defense expenditures by the purchasing countries, and the level of indigenous production of the purchasing countries.

SEC. 282. MULTILATERAL ARMS TRANSFER AND CONTROL REGIME.

(a) IMPLEMENTATION OF THE REGIME.—

(1) CONTINUING NEGOTIATIONS.—The President shall continue negotiations among the 5 permanent members of the United Nations Security Council and commit the United States to a multilateral arms transfer and control regime for the Middle East and Persian Gulf region.

(2) PROPOSING A TEMPORARY MORATORIUM DURING NEGOTIATIONS.—In the context of these negotiations, the President should propose to the 5 permanent members of the United Nations Security Council a temporary moratorium on the sale and transfer of major military equipment to nations in the Middle East and Persian Gulf region until such time as the 5 permanent members agree to a multilateral arms transfer and control regime.

(b) PURPOSE OF THE REGIME.—The purpose of the multilateral arms transfer and control regime should be—

(1) to slow and limit the proliferation of conventional weapons in the Middle East and Persian Gulf region with the aim of preventing destabilizing transfers by—

(A) controlling the transfer of conventional major military equipment;

(B) achieving transparency among arms suppliers nations through advanced notification of agreement to, or transfer of, conventional major military equipment; and

(C) developing and adopting common and comprehensive control guidelines on the sale and transfer of conventional major military equipment to the region;

(2) to halt the proliferation of unconventional weapons, including nuclear, biological, and chemical weapons, as well as delivery systems associated with those weapons and the technologies necessary to produce or assemble such weapons;

(3) to limit and halt the proliferation of ballistic missile technologies and ballistic missile systems that are capable of delivering conventional, nuclear, biological, or chemical warheads;

(4) to maintain the military balance in the Middle East and Persian Gulf region through reductions of conventional weapons and the elimination of unconventional weapons; and

(5) to promote regional arms control in the Middle East and Persian Gulf region.

(c) ACHIEVING THE PURPOSES OF THE REGIME.—

(1) CONTROLLING PROLIFERATION OF CONVENTIONAL WEAPONS.—In order to achieve the purposes described in subsection (b)(1), the United States should pursue the development of a multilateral arms transfer and control regime which includes—

(A) greater information-sharing practices among supplier nations regarding potential arms sales to all nations of the Middle East and Persian Gulf region;

(B) applying, for the control of conventional major military equipment, procedures already developed by the International Atomic Energy Agency, the Multilateral Coordinating Committee on Export Controls (COCOM), and the Missile Technology Control Regime (MTCR); and

(C) other strict controls on the proliferation of conventional major military equipment to the Middle East and Persian Gulf region.

(2) HALTING PROLIFERATION OF UNCONVENTIONAL WEAPONS.—In order to achieve the purposes described in subsections (b)(2) and (3), the United States should build on existing and future agreements among supplier nations by pursuing the development of a multilateral arms transfer and control regime which includes—

(A) limitations and controls contained in the Enhanced Proliferation Control Initiative;

(B) limitations and controls contained in the Missile Technology Control Regime (MTCR);

(C) guidelines followed by the Australia Group on chemical and biological arms proliferation;

(D) guidelines adopted by the Nuclear Suppliers Group (the London Group); and

(E) other appropriate controls that serve to halt the flow of unconditional weapons to the Middle East and Persian Gulf region.

(3) PROMOTION OF REGIONAL ARMS CONTROL AGREEMENTS.—In order to achieve the purposes described in subsections (b)(4) and (5), the United States should pursue with nations in the Middle East and Persian Gulf region—

(A) the maintenance of the military balance within the region, while eliminating nuclear, biological, and chemical weapons and associated delivery systems, and ballistic missiles;

(B) the implementation of confidence-building and security-building measures, including advance notification of certain ground and aerial military exercises in the Middle East and the Persian Gulf; and

(C) other useful arms control measures.

(d) MAJOR MILITARY EQUIPMENT.—As used in this chapter, the term "major military equipment" means—

(1) air-to-air, air-to-surface, and surface-to-surface missiles and rockets;

(2) turbine-powered military aircraft;

(3) attack helicopters;

(4) main battle tanks;

(5) submarines and major naval surface combatants;

(6) nuclear, biological, and chemical weapons; and

(7) such other defense articles and defense services as the President may determine.

SEC. 283. LIMITATION ON UNITED STATES ARMS SALES TO THE REGION.

Beginning 60 days after the date of enactment of the International Cooperation Act of 1991 or the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993, whichever is enacted first, no sale of any defense article or defense service may be made to any nation in the Middle East and Persian Gulf region, and no license may be issued for the export of any defense article or defense service to any nation in the Middle East and Persian Gulf region, unless the President—

(1) certifies in writing to the relevant congressional committees that the President has undertaken good faith efforts to convene a conference for the establishment of an arms suppliers regime having elements described in section 282; and

(2) submits to the relevant congressional committees a report setting forth a United States plan for leading the world community in establishing such a multilateral regime to restrict transfers of advanced conventional and unconventional arms to the Middle East and Persian Gulf region.

SEC. 284. REPORTS TO THE CONGRESS.

(a) QUARTERLY REPORTS.—Beginning on January 15, 1992, and quarterly thereafter through October 15, 1993, the President shall submit to the relevant congressional committees a report—

(1) describing the progress in implementing the purposes of the multilateral arms transfer and control regime as described in section 282(b); and

(2) describing efforts by the United States and progress made to induce other countries to curtail significantly the volume of their arms sales to the Middle East and Persian Gulf region, and if such efforts were not made, the justification for not making such efforts.

(b) INITIAL REPORT ON TRANSFERS AND REGIONAL MILITARY BALANCE.—Not later than 60 days after the date of enactment of the International Cooperation Act of 1991 or the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993, whichever is enacted first, the President shall submit to the relevant congressional committee a report—

(1) documenting all transfers of conventional and unconventional arms by any nation to the Middle East and Persian Gulf region over the previous calendar year and the previous 5 calendar years, including sources, types, and recipient nations of weapons;

(2) analyzing the current military balance in the region, including the effect on the balance of transfers documented under paragraph (1);

(3) describing the progress in implementing the purposes of the multilateral arms transfer and control regime as described in section 282(b);

(4) describing any agreements establishing such a regime; and

(5) identifying supplier nations that have refused to participate in such a regime or that have engaged in conduct that violates or undermines such a regime.

(c) ANNUAL REPORTS ON TRANSFERS AND REGIONAL MILITARY BALANCE.—Beginning July 15, 1992, and every 12 months thereafter, the President shall submit to the relevant congressional committees a report—

(1) documenting all transfers of conventional and unconventional arms by any nation to the Middle East and Persian Gulf region over the previous calendar year, including sources, types, and recipient nations of weapons;

(2) analyzing the current military balance in the region, including the effect on the balance of transfer documented under paragraph (1);

(3) describing the progress in implementing the purposes of the multilateral arms transfer and control regime as described in section 282(b); and

(4) identifying supplier nations that have refused to participate in such a regime or that have engaged in conduct that violates or undermines such a regime.

SEC. 285. RELEVANT CONGRESSIONAL COMMITTEES DEFINED.

As used in this chapter, the term "relevant congressional committees" means the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

TITLE III—INTERNATIONAL NARCOTICS CONTROL

SEC. 301. AUTHORIZATIONS OF APPROPRIATIONS.

Section 482(a)(1) of the Foreign Assistance Act of 1961 is amended by striking out "$115,000,000 for fiscal year 1990" and inserting in lieu thereof "$171,500,000 for each of fiscal years 1992 and 1993".

SEC. 302. AMENDMENTS RELATING TO CERTAIN AUTHORITIES AND REQUIREMENTS.

(a) POLICY STATEMENT.—Section 481 of the Foreign Assistance Act of 1961 is amended by striking out the section designation and section heading and subsection (a)(1) and inserting in lieu thereof the following:

"SEC. 481. POLICY, GENERAL AUTHORITIES, AND GENERAL PROVISIONS.

"(a) POLICY AND GENERAL AUTHORITIES.—

"(1) STATEMENTS OF POLICY.—(A) International narcotics trafficking poses an unparalleled transnational threat in today's world, and its suppression is among the most important foreign policy objectives of the United States.

"(B) Under the Single Convention on Narcotic Drugs, 1961, and under the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988, the parties are required to criminalize certain drug-related activities, provide appropriately severe penalties, and cooperate in the extradition of accused offenders.

"(C) International narcotics control programs should include, as priority goals, the suppression of the illicit manufacture of and trafficking in narcotic and psychotropic drugs, money laundering, and precursor chemical diversion, and the progressive elimination of the illicit cultivation of the crops from which narcotic and psychotropic drugs are derived.

"(D) The international community should provide assistance, where appropriate, to those producer and transit countries which require assistance in discharging these primary obligations.

"(E) Effective international cooperation is necessary to control the illicit cultivation, production, and smuggling of, trafficking in, and abuse of narcotic and psychotropic drugs.".

(b) AUTHORITY TO CONCLUDE AGREEMENTS.—Section 481(a)(2) of that Act is amended by inserting ", including reciprocal maritime agreements," after "agreements".

(c) COORDINATION OF ALL UNITED STATES ANTINARCOTICS ASSISTANCE TO FOREIGN COUNTRIES.—Section 481(b) of that Act is amended to read as follows:

"(b) COORDINATION OF ALL UNITED STATES ANTINARCOTICS ASSISTANCE TO FOREIGN COUNTRIES.—

"(1) RESPONSIBILITY OF SECRETARY OF STATE.—Consistent with subtitle A of title I of the Anti-Drug Abuse Act of 1988, the Secretary of State shall be responsible for coordinating all assistance provided by the United States Government to support international efforts to combat illicit narcotics production or trafficking.

"(2) RULE OF CONSTRUCTION.—Nothing contained in this subsection or section 489(c) shall be construed to limit or impair the authority or responsibility of any other Federal agency with respect to law enforcement, domestic security operations, or intelligence activities as defined in Executive Order 12333.".

(d) MARITIME LAW ENFORCEMENT IN ARCHIPELAGIC WATERS.—Section 481(c)(4) of that Act is amended by inserting "or archipelagic waters" after "sea".

(e) PROCUREMENT OF WEAPONS AND AMMUNITION.—Section 482(b) of that Act is amended to read as follows:

"(b) PROCUREMENT OF WEAPONS AND AMMUNITION.—

"(1) PROHIBITION.—Except as provided in paragraph (2), funds made available to carry out this chapter shall not be made available for the procurement of weapons or ammunition.

"(2) EXCEPTIONS.—Paragraph (1) shall not apply with respect to funds for the procurement of—

"(A) weapons or ammunition provided only for the defensive arming of aircraft used for narcotics-related purposes, or

"(B) firearms and related ammunition provided only for defensive purposes to employees or contract personnel of the Department of State engaged in activities under this chapter,

if, at least 15 days before obligating those funds, the President notifies the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A.".

(f) REQUIREMENTS RELATING TO AIRCRAFT AND OTHER EQUIPMENT.—

(1) RETENTION OF TITLE.—Section 484 of that Act is amended to read as follows:

"SEC. 484. REQUIREMENTS RELATING TO AIRCRAFT AND OTHER EQUIPMENT.

"(a) RETENTION OF TITLE TO AIRCRAFT.—

"(1) IN GENERAL.—(A) Except as provided in paragraph (2), any aircraft which are made

available to a foreign country under this chapter, or are made available to a foreign country primarily for narcotics-related purposes under any other provision of law, shall be provided only on a lease or loan basis.

"(B) Subparagraph (A) applies to aircraft made available at any time after October 27, 1986 (which was the date of enactment of the International Narcotics Control Act of 1986).

"(2) EXCEPTIONS.—(A) Paragraph (1) shall not apply to the extent that—

"(i) the application of that paragraph with respect to particular aircraft would be contrary to the national interest of the United States; and

"(ii) the President notifies the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A.

"(B) Paragraph (1) does not apply with respect to aircraft made available to a foreign country under any provision of law that authorizes property that has been civilly or criminally forfeited to the United States to be made available to foreign countries.

"(3) ASSISTANCE FOR LEASING OF AIRCRAFT.—(A) For purposes of satisfying the requirement of paragraph (1), funds made available for foreign military financing assistance may be used to finance the leasing of aircraft under chapter 6 of the Arms Export Control Act.

"(B) Section 61(a)(3) of that Act shall not apply with respect to leases so financed; rather the entire cost of any such lease (including any renewals) shall be an initial, one time payment of the amount which would be the sales price for the aircraft if they were sold under section 21(a)(1)(B) or section 22 of that Act (as appropriate).

"(C) To the extent that aircraft so leased were acquired under chapter 5 of that Act, funds used pursuant to this paragraph to finance such leases shall be credited to the Special Defense Acquisition Fund under chapter 5 of that Act (excluding the amount of funds that reflects the charges described in section 21(e)(1) of that Act). The funds described in the parenthetical clause of the preceding sentence shall be available for payments consistent with sections 37(a) and 43(b) of that Act.".

(2) PERMISSIBLE USES OF AIRCRAFT AND OTHER EQUIPMENT.—Chapter 8 of part I of that Act is amended—

(A) by striking out the section designation and section heading of section 489;

(B) in subsection (a) of section 489, by striking out "IN GENERAL" and inserting in lieu thereof "PERMISSIBLE USES OF AIRCRAFT AND OTHER EQUIPMENT";

(C) in subsection (b) of section 489 by striking out "subsection (e)" and inserting in lieu thereof "section 489(a)";

(D) by redesignating subsections (a) and (b) of section 489 as subsections (b) and (c) and by inserting those subsections after subsection (a) of section 484 (as amended by paragraph (1) of this subsection); and

(E) by repealing subsections (c) and (d) of section 489.

(3) RECORDS OF AIRCRAFT USE.—Section 485 of that Act is amended by striking out "Secretary of State" both places it appears and inserting in lieu thereof "President".

(g) REALLOCATION OF FUNDS WITHHELD FROM COUNTRIES WHICH FAIL TO TAKE ADEQUATE STEPS TO HALT ILLICIT DRUG PRODUCTION OR TRAFFICKING.—Section 486 of that Act is amended—

(1) in the text preceding paragraph (1), by striking out "shall" and inserting in lieu thereof "may"; and

(2) in paragraph (2), by striking out "Any such funds not used under paragraph (1) shall" and inserting in lieu thereof "In the alternative, any such funds may".

SEC. 303. ANNUAL REPORTING AND CERTIFICATION REQUIREMENTS.

(a) REVISION OF REQUIREMENTS FOR FISCAL YEARS 1992 AND 1993.—Chapter 8 of part I of the Foreign Assistance Act of 1961, as amended by the preceding section of this title, is amended by adding at the end the following:

"SEC. 489. REPORTING REQUIREMENTS FOR FISCAL YEARS 1992 AND 1993.

"(a) INTERNATIONAL NARCOTICS CONTROL STRATEGY REPORT.—Not later than April 1 of each year, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a comprehensive report with respect to all countries which are members of the United Nations—

"(1) on the state of international narcotics production and trafficking, money-laundering, and precursor chemical control; and

"(2) on United States efforts to prevent—

"(A) the illicit cultivation and manufacture of and trafficking in narcotic and psychotropic drugs and other controlled substances,

"(B) the diversion of precursor chemicals, and

"(C) money laundering.

"(b) CONTENTS OF REPORT.—Each report pursuant to subsection (a) shall include the following:

"(1) For each country that is a member of the United Nations, a report on the extent to which the country has—

"(A) met the goals and objectives of the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988, including action on such issues as illicit cultivation, production, distribution, sale, transport, and financing, and money laundering, asset seizure, extradition, mutual legal assistance, law enforcement and transit cooperation, precursor chemical control, and demand reduction;

"(B) accomplished the goals described in an applicable bilateral narcotics agreement with the United States or a multilateral agreement; and

"(C) taken legal and law enforcement measures to prevent and punish public corruption, especially by senior government officials, that facilitates the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, or that discourages the investigation or prosecution of such acts.

"(2)(A) A description of the policies adopted, agreements concluded, and programs implemented by the Department of State in pursuit of its delegated responsibilities for international narcotics control, including appropriate information on the status of negotiations between the United States and other countries on updated extradition treaties, mutual legal assistance treaties, precursor chemical controls, money laundering, and agreements pursuant to section 2015 of the International Narcotics Act of 1986 (relating to interdiction procedures for vessels of foreign registry).

"(B) Information on multilateral and bilateral strategies with respect to money laundering pursued by the Department of State, the Department of Justice, the Department of the Treasury, and other relevant United States Government agencies, either collectively or individually, to ensure the cooperation of foreign governments with respect to narcotics-related money laundering and to demonstrate that all United States Government agencies are pursuing a common strategy with respect to major money laundering countries.

"(3) The identity of those countries which are—

"(A) major illicit drug producing countries or major drug-transit countries as determined under section 490(h),

"(B) the significant direct or indirect sources of narcotics and psychotropic drugs and other controlled substances significantly affecting the United States,

"(C) major sources of precursor chemicals used in the production of illicit narcotics, or

"(D) major money laundering countries.

"(4) In addition, for each country identified pursuant to paragraph (3), the following:

"(A) A description of the plans, programs, and timetables adopted by such country, including efforts to meet the objectives of the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988, and a discussion of the adequacy of the legal and law enforcement measures taken and the accomplishments achieved in accord with those plans.

"(B) Whether as a matter of government policy, such country encourages or facilitates the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances or the laundering of proceeds from illegal drug transactions; and whether any senior official of the government of such country engages in, encourages, or facilitates the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions.

"(5) In addition, for each country identified pursuant to paragraph (3)(A) or (3)(B), a detailed status report, with such information as can be reliably obtained, on the narcotic or psychotropic drugs or other controlled substances which are being cultivated, produced, or processed in or transported through such country, noting significant changes in conditions, such as increases or decreases in the illicit cultivation and manufacture of and traffic in such drugs and substances.

"(6) In addition, for those countries identified pursuant to paragraph (3)(C)—

"(A) which countries are parties to international agreements on a method for maintaining records of transactions of an established list of precursor and essential chemicals;

"(B) which countries have established a procedure by which such records may be made available to United States law enforcement authorities; and

"(C) which countries have enacted national chemical control legislation which would impose specific recordkeeping and reporting requirements for listed chemicals, establish a system of permits or declarations for imports and exports of listed chemicals, and authorize government officials to seize or suspend shipments of listed chemicals.

"(7) In addition, for those countries identified pursuant to paragraph (3)(D)—

"(A) which countries have not reached agreement with the United States authorities on a mechanism for exchanging adequate records in connection with narcotics investigations and proceedings; and

"(B) which of the countries identified pursuant to subparagraph (A) are negotiating in good faith with the United States to establish such a record-exchange mechanism, or have adopted laws or regulations that ensure the availability to appropriate United States Government personnel of adequate records in connection with narcotics investigations and proceedings.

"(8) In addition, for each country identified pursuant to paragraph (3)(D), detailed information on the country's adoption of laws and regulations considered essential to prevent narcotics-related money laundering. Such information shall include whether a country has—

"(A) criminalized narcotics money laundering;

"(B) required financial institutions to record large currency transactions at thresholds appropriate to that country's economic situation;

"(C) required financial institutions to report suspicious transactions;

"(D) established systems for identifying, tracing, freezing, seizing, and forfeiting narcotics-related assets;

"(E) enacted laws for the sharing of seized narcotics assets with other governments; and

"(F) cooperated when requested with appropriate law enforcement agencies of other governments investigating financial crimes related to narcotics.

The report shall also detail instances of refusals to cooperate by foreign governments, and any actions taken by the United States Government to address such obstacles, including the imposition of sanctions or penalties.

"(c) ANNUAL REPORTS ON ASSISTANCE.—

"(1) IN GENERAL.—At the time that the report required by subsection (a) is submitted each year, the Secretary of State, in consultation with appropriate United States Government agencies, shall report to the appropriate committees of the Congress on the assistance provided or proposed to be provided by the United States Government during the preceding fiscal year, the current fiscal year, and the next fiscal year to support international efforts to combat illicit narcotics production or trafficking.

"(2) INFORMATION TO BE INCLUDED.—Each report pursuant to this subsection shall—

"(A) specify the amount and nature of the assistance provided or to be provided;

"(B) include, for each country identified in subsection (b)(3)(A), information from the Drug Enforcement Administration, the Customs Service, and the Coast Guard describing in detail—

"(i) the assistance provided or to be provided to such country by that agency, and

"(ii) the assistance provided or to be provided to that agency by such country,

with respect to narcotic control efforts during the preceding fiscal year, the current fiscal year, and the next fiscal year; and

"(C) list all transfers, which were made by the United States Government during the preceding fiscal year, to a foreign country for narcotics control purposes of any property seized by or otherwise forfeited to the United States Government in connection with narcotics-related activity, including an estimate of the fair market value and physical condition of each item of property transferred.

"(3) REPORTS MAY BE CLASSIFIED.—The reports required by this subsection may be provided on a classified basis to the extent necessary.

"(d) DEFINITIONS.—As used in this section—

"(1) the term 'precursor chemical' has the same meaning as the term 'listed chemical' has under paragraph (33) of section 102 of the Controlled Substances Act (21 U.S.C. 902(33)); and

"(2) the term 'major money laundering country' means a country whose financial institutions engage in currency transactions involving significant amounts of proceeds from international narcotics trafficking.

"(e) EFFECTIVE DATES OF SECTIONS.—This section applies only during fiscal years 1992 and 1993. Section 489A does not apply during those fiscal years.

"SEC. 489A. REPORTING REQUIREMENTS APPLICABLE AFTER SEPTEMBER 30, 1993.

"(a) INTERNATIONAL NARCOTICS CONTROL STRATEGY REPORT.—

"(1) REQUIREMENT FOR REPORT.—Not later than March 1 of each year, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a report on United States policy to establish and encourage an international strategy to prevent the illicit cultivation and manufacture of and traffic in narcotic and psychotropic drugs and other controlled substances.

"(2) CONTENTS.—Each report pursuant to this subsection shall include the following:

"(A) A description of the policies adopted, agreements concluded, and programs implemented by the Department of State in pursuit of its delegated responsibilities for international narcotics control, including policy development, bilateral and multilateral funding and other support for international narcotics control projects, representations of the United States Government to international organizations and agencies concerned with narcotics control, training of foreign enforcement personnel, coordination of the international narcotics control activities of United States Government agencies, and technical assistance to international demand reduction programs.

"(B) A description of the activities of the United States in international financial institutions to combat the entry of narcotic and psychotropic drugs and other controlled substances into the United States for the fiscal year just ended, for the current fiscal year, and for the next fiscal year.

"(C) The identity of those countries which are the significant direct or indirect sources of narcotic and psychotropic drugs and other controlled substances significantly affecting the United States. For each such country, each report shall include the following:

"(i) A detailed status report, with such information as can be reliably obtained, on the narcotic or psychotropic drugs or other controlled substances which are being cultivated, produced, or processed in or transported through such country, noting significant changes in conditions, such as increases or decreases in the illicit cultivation and manufacture of and traffic in such drugs and substances.

"(ii) A description of the assistance under this chapter and the other kinds of United States assistance which such country received in the preceding fiscal year, which are planned for such country for the current fiscal year, and which are proposed for such country for the next fiscal year, with an analysis of the impact that the furnishing of each such kind of assistance has had or is expected to have on the illicit cultivation and manufacture of and traffic in narcotic and psychotropic drugs and other controlled substances in such country.

"(iii) A description of the plans, programs, and timetables adopted by such country for the progressive elimination of the illicit cultivation of narcotic and psychotropic drugs and other controlled substances, and a discussion of the adequacy of the legal and law enforcement measures taken and the accomplishments achieved in accord with these plans.

"(iv) A discussion of the extent to which such country has cooperated with United States narcotics control efforts through the extradition or prosecution of drug traffickers, and, where appropriate, a description of the status of negotiations with such country to negotiate a new or updated extradition treaty relating to narcotics offenses.

"(D) For each major illicit drug producing country for which the President is proposing to furnish United States assistance for the next fiscal year, a determination by the President of the maximum reductions in illicit drug production which are achievable during the next fiscal year. Each such determination shall be expressed in numerical terms, such as the number of acres of illicitly cultivated controlled substances which can be eradicated.

"(E) For each major illicit drug producing country which received United States assistance for the preceding fiscal year, the actual reductions in illicit drug production achieved by that country during such fiscal year.

"(F) Specific comments and recommendations by appropriate Federal agencies involved in drug enforcement, including the United States Customs Service and the Drug Enforcement Administration, with respect to the degree to which countries listed in the report have, during the preceding year, cooperated fully with such agencies (as described in section 490A(b)).

"(G) A description of the United States assistance for the preceding fiscal year which was denied, pursuant to section 490 or 490A, to each major illicit drug producing country and each major drug-transit country.

"(b) MIDYEAR REPORT.—Not later than September 1 of each year, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a complete and detailed midyear report on the activities and operations carried out under this chapter prior to such date. Such midyear report shall include the status of each agreement concluded prior to such date with other countries to carry out this chapter.

"(c) ANNUAL REPORTS ON ASSISTANCE.—

"(1) IN GENERAL.—At the time that the report required by subsection (a) is submitted each year, the Secretary of State, in consultation with appropriate United States Government agencies, shall report to the appropriate committees of the Congress on the assistance provided by the United States Government during the preceding fiscal year to support international efforts to combat illicit narcotics production or trafficking.

"(2) INFORMATION TO BE INCLUDED.—Each report pursuant to this subsection shall—

"(A) specify the amount and nature of the assistance provided;

"(B) include, for each country which is a significant direct or indirect source of narcotic and psychotropic drugs and other controlled substances significantly affecting the United States, a section prepared by the Drug Enforcement Administration, a section prepared by the Customs Service, and a section prepared by the Coast Guard, which describes in detail—

"(i) the assistance provided or to be provided (as the case may be) to such country by that agency, and

"(ii) the assistance provided or to be provided (as the case may be) to that agency by such country,

with respect to narcotic control efforts during the preceding fiscal year, the current fiscal year, and the next fiscal year; and

"(C) list all transfers, which were made by the United States Government during the preceding fiscal year, to a foreign country for narcotics control purposes of any property seized by or otherwise forfeited to the United States Government in connection with narcotics-related activity, including an estimate of the fair market value and physical condition of each item of property transferred.

"(3) REPORTS MAY BE CLASSIFIED.—The reports required by this subsection may be provided on a classified basis to the extent necessary.

"SEC. 490. ANNUAL CERTIFICATION PROCEDURES FOR FISCAL YEARS 1992 AND 1993.

"(a) WITHHOLDING OF BILATERAL ASSISTANCE AND OPPOSITION TO MULTILATERAL DEVELOPMENT ASSISTANCE.—

"(1) BILATERAL ASSISTANCE.—Fifty percent of the United States assistance allocated each fiscal year in the report required by section 653 for each major illicit drug producing country or major drug-transit country (as determined under subsection (h)) shall be withheld from obligation and expenditure, except as provided in subsection (b). This paragraph shall not apply with respect to a country if the President determines that its application to that country would be contrary to the national interest of the United States, except that any such determination shall not take effect until at least 15 days after the President submits written notification of that determination to the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A.

"(2) MULTILATERAL ASSISTANCE.—The Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development, the United States Executive Director of the International Development Association, the United States Executive Director of the Inter-American Development Bank, and the United States Executive Director of the Asian Development Bank to vote, on and after April 1 of each year, against any loan or other utilization of the funds of their respective institution to or for any major illicit drug producing country or major drug-transit country (as determined under subsection (h)), except as provided in subsection (b).

"(b) CERTIFICATION PROCEDURES.—

"(1) WHAT MUST BE CERTIFIED.—Subject to subsection (d), the assistance withheld from a country pursuant to subsection (a)(1) may be obligated and expended, and the requirement of subsection (a)(2) to vote against multilateral development bank assistance to a country shall not apply, if the President determines and certifies to the Congress, at the time of the submission of the report required by section 489(a), that—

"(A) during the previous year the country has cooperated with the United States, or has taken adequate steps on its own, to achieve full compliance with the goals and objectives established by the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988; or

"(B) for a country that would not otherwise qualify for certification under subparagraph (A), the vital national interests of the United States require that the assistance withheld pursuant to subsection (a)(1) be provided and that the United States not vote against multilateral development bank assistance for that country pursuant to subsection (a)(2).

"(2) CONSIDERATIONS REGARDING COOPERATION.—In making the determination described in paragraph (1)(A), the President shall consider the extent to which the country has—

"(A) met the goals and objectives of the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988, including action on such issues as illicit cultivation, production, distribution, sale, transport and financing, and money laundering, asset seizure, extradition, mutual legal assistance, law enforcement and transit cooperation, precursor chemical control, and demand reduction;

"(B) accomplished the goals described in an applicable bilateral narcotics agreement with the United States or a multilateral agreement; and

"(C) taken legal and law enforcement measures to prevent and punish public corruption, especially by senior government officials, that facilitates the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, or that discourages the investigation or prosecution of such acts.

"(3) INFORMATION TO BE INCLUDED IN NATIONAL INTEREST CERTIFICATION.—If the President makes a certification with respect to a country pursuant to paragraph (1)(B), the President shall include in such certification—

"(A) a full and complete description of the vital national interests placed at risk if United States bilateral assistance to that country is terminated pursuant to this section and multilateral development bank assistance is not provided to such country; and

"(B) a statement weighing the risk described in subparagraph (A) against the risks posed to the vital national interests of the United States by the failure of such country to cooperate fully with the United States in combating narcotics or to take adequate steps to combat narcotics on its own.

"(c) LICIT OPIUM PRODUCING COUNTRIES.—The President may make a certification under subsection (b)(1)(A) with respect to a major illicit drug producing country, or major drug-transit country, that is a producer of licit opium only if the President determines that such country has taken steps to prevent significant diversion of its licit cultivation and production into the illicit market, maintains production and stockpiles at levels no higher than those consistent with licit market demand, and prevents illicit cultivation and production.

"(d) CONGRESSIONAL REVIEW.—Subsection (e) shall apply if, within 45 calendar days after receipt of a certification submitted under subsection (b) at the time of submission of the report required by section 489(a), the Congress enacts a joint resolution disapproving the determination of the President contained in such certification.

"(e) DENIAL OF ASSISTANCE FOR COUNTRIES DECERTIFIED.—If the President does not make a certification under subsection (b) with respect to a country or the Congress enacts a joint resolution disapproving such certification, then until such time as the conditions specified in subsection (f) are satisfied—

"(1) funds may not be obligated for United States assistance for that country, and funds previously obligated for United States assistance for that country may not be expended for the purpose of providing assistance for that country; and

"(2) the requirement to vote against multilateral development bank assistance pursuant to subsection (a)(2) shall apply with respect to that country, without regard to the date specified in that subsection.

"(f) RECERTIFICATION.—Subsection (e) shall apply to a country described in that subsection until—

"(1) the President, at the time of submission of the report required by section 489(a), makes a certification under subsection (b)(1)(A) or (b)(1)(B) with respect to that country, and the Congress does not enact a joint resolution under subsection (d) disapproving the determination of the President contained in that certification; or

"(2) the President, at any other time, makes the certification described in subsection (b)(1)(B) with respect to that country, except that this paragraph applies only if either—

"(A) the President also certifies that—

"(i) that country has undergone a fundamental change in government, or

"(ii) there has been a fundamental change in the conditions that were the reason—

"(I) why the President had not made a certification with respect to that country under subsection (b)(1)(A), or

"(II) if he had made such a certification and the Congress enacted a joint resolution disapproving the determination contained in the certification, why the Congress enacted that joint resolution; or

"(B) the Congress enacts a joint resolution approving the determination contained in the certification under subsection (b)(1)(B).

Any certification under subparagraph (A) of paragraph (2) shall discuss the justification for the certification.

"(g) CONGRESSIONAL REVIEW PROCEDURES.—

"(1) SENATE.—Any joint resolution under this section shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(2) HOUSE OF REPRESENTATIVES.—For the purpose of expediting the consideration and enactment of joint resolutions under this section, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

"(h) DETERMINING MAJOR DRUG-TRANSIT AND MAJOR ILLICIT DRUG PRODUCING COUNTRIES FOR FISCAL YEARS 1992 AND 1993.—Not later than January 1 of each year, the President shall notify the appropriate committees of the Congress of which countries have been determined to be major drug-transit countries, and which countries have been determined to be major illicit drug producing countries, for purposes of this Act.

"(i) EFFECTIVE DATES OF SECTIONS.—This section applies only during fiscal years 1992 and 1993. During those fiscal years, section 490A does not apply and the definitions provided in section 481(e)(2) and (5), as so redesignated by section 304(b)(3) of this title, do not apply.

"SEC. 490A. ANNUAL CERTIFICATION PROCEDURES AFTER SEPTEMBER 30, 1993.

"(a) WITHHOLDING OF BILATERAL ASSISTANCE AND OPPOSITION TO MULTILATERAL DEVELOPMENT ASSISTANCE.—

"(1) BILATERAL ASSISTANCE.—Fifty percent of the United States assistance allocated each fiscal year in the report required by section 653 for each major illicit drug producing country or major drug-transit country shall be withheld from obligation and expenditure, except as provided in subsection (b).

"(2) MULTILATERAL ASSISTANCE.—The Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development, the United States Executive Director of the International Development Association, the United States Executive Director of the Inter-American Development Bank, and the United States Executive Director of the Asian Development Bank to vote, on and after March 1 of each year, against any loan or other utilization of the funds of their respective institution to or for any major illicit drug producing country or major drug-transit country, except as provided in subsection (b).

"(b) CERTIFICATION PROCEDURE.—

"(1) WHAT MUST BE CERTIFIED.—Subject to subsection (d), the assistance withheld from a country pursuant to subsection (a)(1) may be obligated and expended, and the requirement of subsection (a)(2) to vote against multilateral development bank assistance to a country shall not apply, if the President determines and certifies to the Congress, at the time of the submission of the report required by section 489A(a), that—

"(A) during the previous year the country has cooperated fully with the United States, or has taken adequate steps on its own—

"(i) in satisfying the goals agreed to in an applicable bilateral narcotics agreement with the United States (as described in paragraph (2)) or a multilateral agreement which achieves the objectives of paragraph (2),

"(ii) in preventing narcotic and psychotropic drugs and other controlled substances produced or processed, in whole or in part, in such country or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from being transported, directly or indirectly, into the United States,

"(iii) in preventing and punishing the laundering in that country of drug-related profits or drug-related moneys, and

"(iv) in preventing and punishing bribery and other forms of public corruption which facilitate the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, or which discourage the investigation and prosecution of such acts; or

"(B) for a country that would not otherwise qualify for certification under subparagraph (A), the vital national interests of the United States require that the assistance withheld pur-

suant to subsection (a)(1) be provided and that the United States not vote against multilateral development bank assistance for that country pursuant to subsection (a)(2).

"(2) BILATERAL NARCOTICS AGREEMENT.—A bilateral narcotics agreement referred to in paragraph (1)(A)(i) is an agreement between the United States and a foreign country in which the foreign country agrees to take specific activities, including, where applicable, efforts to—

"(A) reduce drug production, drug consumption, and drug trafficking within its territory, including activities to address illicit crop eradication and crop substitution;

"(B) increase drug interdiction and enforcement;

"(C) increase drug treatment;

"(D) increase the identification of and elimination of illicit drug laboratories;

"(E) increase the identification of, and elimination of trafficking in, essential precursor chemicals for use in the illicit production of narcotic and psychotropic drugs and other controlled substances;

"(F) increase cooperation with United States drug enforcement officials; and

"(G) where applicable, increase participation in extradition treaties, mutual legal assistance provisions directed at money laundering, sharing of evidence, and other initiatives for cooperative drug enforcement.

"(3) REQUIREMENT FOR NARCOTICS AGREEMENT FOR CERTAIN COUNTRIES.—A country which in the previous year was designated as a major illicit drug producing country or a major drug-transit country may not be determined to be cooperating fully under paragraph (1)(A) unless it has in place a bilateral narcotics agreement with the United States or a multilateral agreement which achieves the objectives of paragraph (2).

"(4) INFORMATION TO BE INCLUDED IN CERTIFICATION.—If the President makes a certification with respect to a country pursuant to paragraph (1)(B), the President shall include in such certification—

"(A) a full and complete description of the vital national interests placed at risk if United States bilateral assistance to that country is terminated pursuant to this section and multilateral development bank assistance is not provided to such country; and

"(B) a statement weighing the risk described in subparagraph (A) against the risks posed to the vital national interests of the United States by the failure of such country to cooperate fully with the United States in combating narcotics or to take adequate steps to combat narcotics on its own.

"(5) LICIT OPIUM PRODUCING COUNTRIES.—The President may make a certification under paragraph (1)(A) with respect to a major illicit drug producing country, or major drug-transit country, that is a producer of licit opium only if the President determines that such country has taken steps to prevent significant diversion of its licit cultivation and production into the illicit market, maintains production and stockpiles at levels no higher than those consistent with licit market demand, and prevents illicit cultivation and production.

"(c) MATTERS TO BE CONSIDERED.—In determining whether to make the certification required by subsection (b) with respect to a country, the President shall consider the following:

"(1) Have the actions of the government of that country resulted in the maximum reductions in illicit drug production which were determined to be achievable pursuant to section 489A(a)(2)(D)? In the case of a major illicit drug producing country, the President shall give foremost consideration, in determining whether to make the determination required by subsection (b)(1)(A), to whether the government of that country has taken actions which have resulted in such reductions.

"(2) Has that government taken the legal and law enforcement measures to enforce in its territory, to the maximum extent possible, the elimination of illicit cultivation and the suppression of illicit manufacturing of and trafficking in narcotic and psychotropic drugs and other controlled substances, as evidenced by seizures of such drugs and substances and of illicit laboratories and the arrest and prosecution of violators involved in the traffic in such drugs and substances significantly affecting the United States?

"(3) Has that government taken the legal and law enforcement steps necessary to eliminate, to the maximum extent possible, the laundering in that country of drug-related profits or drug-related moneys, as evidenced by—

"(A) the enactment and enforcement by that government of laws prohibiting such conduct,

"(B) that government entering into, and cooperating under the terms of, mutual legal assistance agreements with the United States governing (but not limited to) money laundering, and

"(C) the degree to which that government otherwise cooperates with United States law enforcement authorities on anti-money laundering efforts?

"(4) Has that government taken the legal and law enforcement steps necessary to eliminate, to the maximum extent possible, bribery and other forms of public corruption which facilitate the illicit production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, or which discourage the investigation and prosecution of such acts, as evidenced by the enactment and enforcement of laws prohibiting such conduct?

"(5) Has that government, as a matter of government policy, encouraged or facilitated the illicit production or distribution of narcotic and psychotropic drugs and other controlled substances?

"(6) Does any senior official of that government engage in, encourage, or facilitate the illicit production or distribution of narcotic and psychotropic drugs and other controlled substances?

"(7) Has that government investigated aggressively all cases in which any member of an agency of the United States Government engaged in drug enforcement activities has been the victim, since January 1, 1985, of acts or threats of violence, inflicted by or with the complicity of any law enforcement or other officer of such country or any political subdivision thereof, and energetically sought to bring the perpetrators of such offense or offenses to justice?

"(8) Having been requested to do so by the United States Government, does that government fail to provide reasonable cooperation to lawful activities of United States drug enforcement agents, including the refusal of permission to such agents engaged in interdiction of aerial smuggling into the United States to pursue suspected aerial smugglers a reasonable distance into the airspace of the requested country?

"(9) Has that government made necessary changes in legal codes in order to enable law enforcement officials to move more effectively against narcotics traffickers, such as new conspiracy laws and new asset seizure laws?

"(10) Has that government expeditiously processed United States extradition requests relating to narcotics trafficking?

"(11) Has that government refused to protect or give haven to any known drug traffickers, and has it expeditiously processed extradition requests relating to narcotics trafficking made by other countries?

"(d) CONGRESSIONAL REVIEW.—Subsection (e) shall apply if, within 45 days of continuous session (within the meaning of section 601(b)(1) of the International Security Assistance and Arms Export Control Act of 1976) after receipt of a certification under subsection (b), the Congress enacts a joint resolution disapproving the determination of the President contained in such certification.

"(e) DENIAL OF ASSISTANCE FOR COUNTRIES DECERTIFIED.—If the President does not make a certification under subsection (b) with respect to a country or the Congress enacts a joint resolution disapproving such certification, then until such time as the conditions specified in subsection (f)(1) are satisfied—

"(1) funds may not be obligated for United States assistance for that country, and funds previously obligated for United States assistance for that country may not be expended for the purpose of providing assistance for that country; and

"(2) the requirement to vote against multilateral development bank assistance pursuant to subsection (a)(2) shall apply with respect to that country, without regard to the date specified in that subsection.

"(f) RECERTIFICATION.—

"(1) TIME OF RECERTIFICATION; CONGRESSIONAL ACTION.—Subsection (e) shall apply to a country described in that subsection until—

"(A) the President makes a certification under subsection (b) with respect to that country, and the Congress does not enact a joint resolution under subsection (d) disapproving the determination of the President contained in that certification; or

"(B) the President submits, at any other time, a certification described in subparagraph (A) or (B) of subsection (b)(1) with respect to such country, and the Congress enacts a joint resolution approving the determination of the President contained in that certification.

"(2) CONGRESSIONAL REVIEW PROCEDURES.—(A) Any joint resolution under this section shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(B) For the purpose of expediting the consideration and enactment of joint resolutions under this section, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

"(g) DETERMINING MAJOR DRUG-TRANSIT AND MAJOR ILLICIT DRUG PRODUCING COUNTRIES AFTER SEPTEMBER 30, 1993.—

"(1) ESTABLISHMENT OF GUIDELINES.—For each calendar year, the Secretary of State, after consultation with the appropriate committees of the Congress, shall establish numerical standards and other guidelines for determining which countries will be considered to be major drug-transit countries under subparagraphs (A) and (B) of section 481(e)(5).

"(2) NOTICE TO CONGRESS OF PRELIMINARY STANDARDS.—Not later than September 1 of each year, the Secretary of State shall make a preliminary determination of the numerical standards and other guidelines to be used pursuant to paragraph (1) with respect to that year and shall notify the appropriate committees of the Congress of those standards and guidelines.

"(3) NOTICE TO CONGRESS OF PRELIMINARY DETERMINATIONS.—Not later than October 1 of each year, the Secretary of State shall notify the appropriate committees of the Congress of—

"(A) which countries have been determined to be major drug-transit countries for that year under the numerical standards and other guidelines developed pursuant to this subsection; and

"(B) which countries have been determined to be major illicit drug producing countries for that year.".

(b) DEFINITION OF UNITED STATES ASSISTANCE.—Paragraph (4) of section 481(i) of that Act is amended to read as follows:

"(4) the term 'United States assistance' means—

"(A) any assistance under this Act (including programs under title IV of chapter 2, relating to the Overseas Private Investment Corporation), other than—

"(i) assistance under this chapter,

"(ii) any other narcotics-related assistance under this part (including chapter 4 of part II), but any such assistance provided under this clause shall be subject to the prior notification procedures applicable to reprogrammings pursuant to section 634A of this Act,

"(iii) disaster relief assistance, including any assistance under chapter 9 of this part,

"(iv) assistance which involves the provision of food (including monetization of food) or medicine, and

"(v) assistance for refugees;

"(B) sales under the Arms Export Control Act;

"(C) the provision of agricultural commodities, other than food, under the Agricultural Trade Development and Assistance Act of 1954; and

"(D) financing under the Export-Import Bank Act of 1945;".

SEC. 304. TECHNICAL AND CONFORMING PROVISIONS; REPEAL OF OBSOLETE PROVISIONS.

(a) STATUTORY REFERENCES TO ANNUAL REPORTS AND CERTIFICATIONS.—After September 30, 1993, any reference in any provision of law to section 489 or 490 of the Foreign Assistance Act of 1961 shall be deemed to be a reference to the corresponding provision of section 489A or 490A, respectively, unless the content requires otherwise. Any reference in any provision of law enacted before the date of enactment of this Act to section 481(e), section 481(h), or section 481(i) of that Act shall be deemed to be a reference to section 489, section 490, or section 481(e), respectively.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Chapter 8 of part I of the Foreign Assistance Act of 1961 is amended as follows:

(1) Section 481(d)(3) is amended by striking out "subsection (e)" and inserting in lieu thereof "section 489(a)".

(2) Subsections (e), (f), (g), (h), (j), and (k) of section 481 are repealed.

(3) Subsection (i) of section 481 is amended by striking out "(i) As used in this section—" and inserting in lieu thereof "(e) DEFINITIONS.—Except as provided in sections 490(h) and (i) with respect to the definition of major illicit drug producing country and major drug-transit country, for purposes of this chapter and other provisions of this Act relating specifically to international narcotics matters—".

(4) Subsection (d) of section 482 is redesignated as subsection (c) of that section.

(5) Section 486 is amended—

(A) in subsection (a)—

(i) in the text preceding paragraph (1), by striking out "481(h)" and inserting in lieu thereof "490"; and

(ii) in paragraph (1), by repealing the last sentence; and

(B) in subsection (b)—

(i) by striking out "grant military assistance program" and inserting in lieu thereof "foreign military financing assistance"; and

(ii) by striking out ", or the Arms Export Control Act (relating to foreign military sales financing)".

(6) Section 487 is amended—

(A) by striking out "and the Arms Export Control Act"; and

(B) by striking out "(as defined in section 481(i)(3) of this Act)".

(c) REPEAL OF OBSOLETE PROVISIONS.—

(1) 1988 DRUG ACT.—The International Narcotics Control Act of 1988 (which is title IV of the Anti-Drug Abuse Act of 1988) is repealed except for section 4001, 4306, 4308, 4309, 4501, 4702, and 4804. Section 4501(b) of that Act is amended by striking out "section 4601 of this title" and inserting in lieu thereof "section 489(c) of the Foreign Assistance Act of 1961".

(2) 1986 DRUG ACT.—The International Narcotics Control Act of 1986 (which is title II of the Anti-Drug Abuse Act of 1986) is repealed except for section 2001, 2010, 2015, 2018, and 2029.

SEC. 305. EXEMPTION OF NARCOTICS-RELATED MILITARY ASSISTANCE FOR FISCAL YEARS 1992 AND 1993 FROM PROHIBITION ON ASSISTANCE FOR LAW ENFORCEMENT AGENCIES.

(a) EXEMPTION.—For fiscal years 1992 and 1993, section 660 of the Foreign Assistance Act of 1961 shall not apply with respect to—

(1) transfers of excess defense articles under section 517 of that Act;

(2) foreign military financing assistance that is provided for narcotics-related purposes; or

(3) international military education and training that is provided for narcotics-related purposes.

(b) NOTIFICATION TO CONGRESS.—At least 15 days before any transfer under subsection (a)(1) or any obligation of funds under subsection (a)(2) or (a)(3), the President shall notify the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A.

(c) COORDINATION WITH INTERNATIONAL NARCOTICS CONTROL ASSISTANCE PROGRAM.—Assistance provided pursuant to this section shall be coordinated with international narcotics control assistance.

SEC. 306. WAIVER OF RESTRICTIONS FOR NARCOTICS-RELATED ECONOMIC ASSISTANCE.

For fiscal years 1992 and 1993, narcotics-related assistance under part I of the Foreign Assistance Act of 1961 may be provided notwithstanding any provision of law that restricts assistance to foreign countries if, at least 15 days before obligating funds for such assistance, the President notifies the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A.

SEC. 307. EXPORT-IMPORT BANK FINANCING OF ANTINARCOTICS-RELATED SALES OF DEFENSE ARTICLES OR SERVICES.

Section 2(b)(6)(B)(vi) of the Export-Import Bank Act of 1945 is amended by striking out "1992" and insert in lieu thereof "1994".

TITLE IV—SPECIAL AUTHORITIES, RESTRICTIONS, REPORTING REQUIREMENTS, ADMINISTRATIVE AND GENERAL PROVISIONS, DEFINITIONS, AND CONFORMING AMENDMENTS AND REPEALS

CHAPTER 1—CONTINGENCY AND OTHER SPECIAL AUTHORITIES

SEC. 401. PRESIDENTIAL CONTINGENCY FUND.

There are authorized to be appropriated to the President, in order to meet unanticipated contingencies in the programs within the International Affairs Budget Function (150), $10,000,000 for each of fiscal years 1992 and 1993. Amounts appropriated under this section are authorized to remain available until expended. Funds appropriated under this section are authorized to be made available notwithstanding any other provision of law, except that the President shall notify the appropriate congressional committees at least 15 days before any obligation of such funds in accordance with the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961.

SEC. 402. DEMOCRACY CONTINGENCY FUND.

Title IX of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended by title I of this Act, is amended by adding at the end the following:

"SEC. 282. DEMOCRACY CONTINGENCY FUND.

"(a) AUTHORITY TO PROVIDE ASSISTANCE.—The President is authorized to provide assistance for a foreign country under this section if the President determines that that country—

"(1) is emerging as a democracy; or

"(2) is emerging from civil strife and either has a democratically elected government or is making substantial progress toward a democratic form of government.

"(b) PURPOSES OF ASSISTANCE.—Assistance under this section shall be provided—

"(1) in the case of a country described in subsection (a)(1), to encourage and facilitate the process of creating and institutionalizing democracy and to meet urgent economic and political needs; and

"(2) in the case of a country described in subsection (a)(2), to meet the immediate economic and human needs resulting from the civil strife.

"(c) AUTHORITIES FOR ASSISTANCE.—Assistance under this section may be provided in accordance with the authorities applicable to assistance under chapter 4 of part II (relating to economic support assistance) or any other provision of this Act, other than chapter 2 of part II (relating to foreign military financing assistance) or chapter 5 of that part (relating to international military education and training).

"(d) NONAPPLICABILITY OF CERTAIN OTHER PROVISIONS OF LAW.—If the President notifies the appropriate congressional committees at least 15 days in advance in accordance with the procedures applicable to reprogramming notifications under section 634A, assistance may be provided under this section notwithstanding any provision of law that would otherwise prohibit such assistance.

"(e) FUNDS AVAILABLE FOR USE.—The authority of this section may be exercised with respect to funds made available to carry out any provision of this Act for any fiscal year, except that not more than $75,000,000 may be obligated in each fiscal year for assistance under this section.".

SEC. 403. UNANTICIPATED CONTINGENCIES.

Section 451(a) of the Foreign Assistance Act of 1961 is amended by striking out "$25,000,000" and inserting in lieu thereof "$45,000,000".

SEC. 404. TRANSFER AUTHORITY.

(a) NOTICE TO CONGRESS.—Section 610(b) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(b) NOTIFICATION TO CONGRESS.—The authority of subsection (a) may be exercised only if the appropriate congressional committees are notified at least 15 days in advance of the exercise of that authority in accordance with the procedures applicable to reprogramming notifications under section 634A.".

(b) CONFORMING AMENDMENTS.—Subsection (a) of that section is amended—

(1) by striking out "pursuant to title IV of chapter 2 of part I" and insert in lieu thereof "for the costs of loan or guarantee programs in accordance with the requirements of the Federal Credit Reform Act of 1990"; and

(2) by striking out "or for section 23 of the Arms Export Control Act".

SEC. 405. SPECIAL WAIVER AUTHORITY.

(a) LAWS AFFECTED.—Section 614 of the Foreign Assistance Act of 1961 is amended by striking out subsections (a)(1) and (a)(2) and inserting in lieu thereof the following:

"(a) AUTHORITY TO AUTHORIZE ASSISTANCE, SALES, AND OTHER ACTIONS; LIMITATIONS.—(1) The President may authorize assistance, sales, or other action under this Act, the Arms Export Control Act, or any annual (or periodic) foreign assistance authorization or appropriations legislation, without regard to any of the provisions

described in subsection (b) if the President determines, and notifies the appropriate congressional committees in writing—

"(A) with respect to assistance or other actions under chapter 2 or 5 of part II of this Act, or sales or other actions under the Arms Export Control Act, that to do so is vital to the national security interests of the United States; and

"(B) with respect to other assistance or actions that to do so is important to the national interests of the United States.

"(2) The President may waive any provision described in paragraph (1), (2), or (3) of subsection (b) that would otherwise prohibit or restrict assistance or other action under any provision of law not described in those paragraphs if the President determines, and notifies the appropriate congressional committees in writing, that to do so is important to the national interest of the United States.".

(b) ANNUAL CEILING.—Section 614(a)(4)(C) of that Act is amended—

(1) by striking out "$50,000,000" and inserting in lieu thereof "$75,000,000"; and

(2) by striking out "victim of active Communist or Communist-support aggression" and inserting in lieu thereof "victim of active aggression".

(c) LAWS WHICH MAY BE WAIVED.—Section 614 of that Act is amended by repealing subsections (b) and (c) and inserting in lieu thereof the following:

"(b) LAWS WHICH MAY BE WAIVED.—The provisions referred to in subsections (a)(1) and (a)(2) are—

"(1) the provisions of this Act;

"(2) the provisions of the Arms Export Control Act;

"(3) the provisions of any annual (or periodic) foreign assistance authorization or appropriations legislation, including any amendment made by any such Act;

"(4) any other provision of law that restricts assistance, sales or leases, or other action under the Acts referred to in paragraphs (1), (2), or (3); and

"(5) any law relating to receipts and credits accruing to the United States.".

(d) CONFORMING AMENDMENTS.—Section 614(a)(4) of that Act is amended—

(1) in subparagraph (A)(ii), by striking out "or the Arms Export Control Act"; and

(2) in subparagraph (B), by striking out "the Arms Export Control Act or under".

CHAPTER 2—RESTRICTIONS ON ASSISTANCE AND EXEMPTIONS FROM RESTRICTIONS

SEC. 411. RESTRICTIONS ON LAW ENFORCEMENT ASSISTANCE: APPLICABILITY TO NONFUNDED ASSISTANCE, CONSOLIDATION OF EXCEPTIONS.

Section 660 of the Foreign Assistance Act of 1961 is amended by striking out subsections (b), (c), and (d) and inserting in lieu thereof the following:

"(b) EXCESS DEFENSE ARTICLES, ETC.—The prohibition in subsection (a) shall be deemed to apply to the furnishing of any assistance that is authorized to be provided under this Act without regard to section 632(c) or (d).

"(c) EXCEPTIONS.—The prohibition in subsection (a) does not apply with respect to—

"(1) international narcotics control assistance under chapter 8 of part I;

"(2) assistance, including training, in maritime law enforcement and other maritime skills;

"(3) assistance for a country which has a longstanding democratic tradition, does not have standing armed forces, and does not engage in a consistent pattern of gross violations of internationally recognized human rights;

"(4) assistance in protecting and maintaining wildlife habitats and in developing sound wildlife management and plant conservation programs;

"(5) antiterrorism assistance under chapter 8 of part II;

"(6) the assistance for law enforcement in Latin America and the Caribbean that is authorized by section 534; and

"(7) other assistance if another provision of law expressly provides that the prohibition contained in this section does not apply to such assistance.".

SEC. 412. CONSOLIDATION OF CERTAIN RESTRICTIONS.

Part III of the Foreign Assistance Act of 1961, as amended by title I of this Act, is amended by adding at the end the following:

"CHAPTER 5—RESTRICTIONS ON ASSISTANCE

"SEC. 691. INELIGIBLE COUNTRIES AND PROJECTS.

"(a) RESTRICTIONS.—Except as provided in subsection (b), assistance under this Act may not be furnished to any of the following:

"(1) COMMUNIST COUNTRIES.—A communist country, as designated under subsection (c).

"(2) HUMAN RIGHTS VIOLATORS.—A country described in subsection (d).

"(3) EXPROPRIATION OF UNITED STATES PROPERTY.—A country whose government—

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

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

"(ii) repudiated or nullified any contract with any United States person, or

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

"(B) has not within a reasonable period of time provided adequate and effective compensation and is not engaged in good faith efforts to negotiate a settlement, if the United States person has exhausted host country legal and other formal remedies.

For purposes of this paragraph, the term 'United States person' means a United States citizen or corporation, partnership, or association at least 50 percent beneficially owned by United States citizens.

"(4) MILITARY COUPS.—A country whose duly-elected head of government is deposed by military coup or decree unless subsequent to the military coup or decree a democratically-elected government has taken office.

"(5) COUNTRIES IN ARREARS ON ASSISTANCE REPAYMENTS.—The government of any country which is more than 1 year in arrears to the United States Government on any payment of interest or principal on any loan made or credit extended under this Act (or under the former authorities of section 23 of the Arms Export Control Act).

"(6) COMPETITION WITH UNITED STATES EXPORTS.—Direct support for any project or activity that is specifically designed to increase exports of any agricultural, textile, or apparel commodity from a developing country if such exports—

"(A) would be in direct competition with United States exports, and

"(B) can reasonably be expected to cause substantial injury to United States exporters of the same or substantially similar commodity.

"(7) COUNTRIES THAT EXPORT LETHAL MILITARY EQUIPMENT TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.—A country which provides lethal military equipment to a country, the government of which the Secretary of State has determined is a terrorist government for purposes of section 6(j) of the Export Administration Act of 1979. The prohibition under this paragraph with respect to a country shall terminate 12 months after that country ceases to provide such military equipment. This paragraph applies with respect to lethal military equipment provided under a contract entered into after the effective date of this section.

"(b) EXCEPTIONS.—

"(1) CRITERIA.—Assistance restricted by subsection (a), or any similar provision of law, may be furnished under either of the following circumstances:

"(A) NATIONAL INTEREST.—The President determines that furnishing such assistance is important to the national interests of the United States.

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

"(2) REPORT TO CONGRESS.—Assistance restricted by subsection (a), or any similar provision of law, may not be furnished under this subsection until the President has submitted to the appropriate congressional committees a report with respect to such assistance. Any such report shall include a detailed explanation of the assistance to be provided, including the estimated dollar amount of such assistance, and an explanation of how the assistance meets the criteria specified in paragraph (1). In the case of a report with respect to assistance provided under subparagraph (A) of paragraph (1), the report shall be submitted, in accordance with the procedures applicable to reprogramming notifications under section 634A, at least 15 days before any funds are obligated for such assistance.

"(3) APPLICABILITY TO OTHER RESTRICTED ACTIVITIES.—With respect to the restrictions imposed pursuant to subsection (d)(3) or any other provision of law to which this subsection applies, references in this subsection to furnishing assistance shall be deemed to include the taking of other actions that, but for this subsection, would be restricted by such provision.

"(c) COMMUNIST COUNTRY LIST.—

"(1) ESTABLISHMENT.—The President shall designate those countries that are Communist countries for purposes of subsection (a)(1).

"(2) PUBLICATION OF LIST.—The initial list of countries designated pursuant to this subsection shall be published in the Federal Register and shall be provided to the appropriate congressional committees. Thereafter, any additions to or deletions from such list shall be similarly published and provided.

"(3) REMOVAL OF COUNTRIES FROM THE LIST; EXEMPTIONS.—The President may remove a country from the Communist country list established pursuant to this subsection, or may exempt a listed country from the application of subsection (a)(1) or other provisions of law that reference subsection (a)(1), if the President promptly reports such removal or exemption to the appropriate congressional committees.

"(4) CONFORMING CROSS REFERENCES.—Any generic reference in any provision of law enacted before the date of enactment of this section to countries listed under section 620(f) shall be deemed to refer to countries listed pursuant to this subsection.

"(d) HUMAN RIGHTS VIOLATORS.—

"(1) INELIGIBILITY.—Subsection (a)(2) shall apply to any country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights.

"(2) MATTERS TO BE CONSIDERED.—In implementing subsection (a)(2), consideration shall be given to the following:

"(A) The relevant findings of appropriate international organizations and nongovernmental organizations.

"(B) The extent of cooperation by the government in question in permitting an unimpeded investigation by indigenous nongovernmental organizations, other nongovernmental organizations, and international organizations (such as the International Committee of the Red Cross), of alleged violations of internationally recognized human rights.

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

"(3) RELATED RESTRICTIONS.—Subsection (a)(2) shall be deemed to prohibit, in addition to the furnishing of assistance under this Act—

"(A) sales of defense articles, defense services, or design and construction services under the Arms Export Control Act;

"(B) licenses under section 38 of that Act with respect to the export of defense articles or defense services to or for the armed forces, police, intelligence, or other internal security forces of a foreign country; and

"(C) licenses required under the Export Administration Act of 1979 for the export of crime control and detection instruments and equipment.

"(e) VALUATION OF EXPROPRIATED PROPERTY.—If the President requests such an evaluation, the Foreign Claims Settlement Commission is authorized to evaluate the value of the property which is the subject of an action described in subsection (a)(3) and render an advisory report with respect to the value of such property to the President.".

SEC. 413. EXEMPTIONS FROM RESTRICTIONS.

(a) ASSISTANCE THROUGH NGOS AND ASSISTANCE TO ADDRESS CERTAIN SPECIAL DEVELOPMENTAL NEEDS.—Chapter 5 of part III of the Foreign Assistance Act of 1961, as added by the preceding section of this title, is amended by adding at the end the following:

"SEC. 692. EXEMPTION FOR NONGOVERNMENTAL ORGANIZATIONS FROM RESTRICTIONS OF ASSISTANCE.

"(a) RESTRICTIONS NOT APPLICABLE.—Restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance under part I in support of programs of nongovernmental organizations.

"(b) CRITERIA.—The President shall take into consideration, in any case in which a restriction on assistance would be applicable but for this section, whether assistance for programs of nongovernmental organizations directly benefits the poor people, directly promotes increased respect for human rights and the development of democracy, or otherwise is in the national interest of the United States.

"(c) NOTICE TO CONGRESS.—The President shall notify promptly the appropriate congressional committees with respect to each use of the authority of this section to furnish assistance for a program of a nongovernmental organization. Such notification shall describe the program to be assisted, the assistance to be provided, and the reasons for furnishing such assistance.

"SEC. 693. EXEMPTION FROM PROHIBITIONS FOR ASSISTANCE TO ADDRESS CERTAIN SPECIAL NEEDS.

"(a) EXEMPTION FROM PROHIBITIONS.—Notwithstanding any provision of law that restricts foreign assistance to foreign countries except those provisions described in subsection (b), funds made available for assistance under chapter 1 or chapter 10 of part I or under chapter 4 of part II may be used to support activities described in—

"(1) section 102B(1) (relating to assistance to meet the needs of individuals with disabilities);

"(2) section 102B(2) (relating to assistance to address the needs of displaced children);

"(3) section 104(c)(2) (relating to child survival activities);

"(4) section 104(c)(3) (relating to immunization and oral rehydration);

"(5) section 104(c)(4) (relating to the prevention and control of acquired immune deficiency syndrome (AIDS));

"(6) section 106(d) (relating to environmentally sound, sustainable resource management); or

"(7) section 106(e) (relating to more efficient energy systems).

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

"(1) section 620A or any comparable provision of law prohibiting assistance to countries that support international terrorism; or

"(2) section 691(a)(2) or any comparable provision of law prohibiting assistance to countries that violate internationally recognized human rights.".

(b) ACTIVITIES UNDER CERTAIN LAWS NOT AFFECTED.—Section 638(a) of that Act is amended to read as follows:

"(a) ACTIVITIES UNDER CERTAIN LAWS NOT AFFECTED.—Unless expressly provided to the contrary, provisions of this Act and other provisions applicable to foreign assistance shall not be construed to prohibit activities authorized by or conducted under the Peace Corps Act, the Mutual Educational and Cultural Exchange Act of 1961, the Export-Import Bank Act of 1945, the Agricultural Act of 1949, the Agricultural Trade Development and Assistance Act of 1954, the Food for Progress Act of 1985, the Inter-American Foundation Act, the African Development Foundation Act, or the Migration and Refugee Assistance Act of 1962, or commercial export promotion activities of the Department of Agriculture (including the Commodity Credit Corporation).".

(c) EXEMPTION OF TRAINING ACTIVITIES FROM CERTAIN PROHIBITIONS.—Section 638(b) of that Act is amended to read as follows:

"(b) EXEMPTION OF TRAINING ACTIVITIES FROM CERTAIN PROHIBITIONS.—Provisions of this or any other Act shall not be construed to prohibit assistance for any training activity funded under this Act for a country as long as that country has a democratically elected government and the assistance is otherwise consistent with—

"(1) section 490 (relating to the annual narcotics cooperation certification process);

"(2) section 620A (relating to countries that support international terrorism);

"(3) section 660 (relating to police training);

"(4) section 691(a)(1) (relating to communist countries); and

"(5) section 691(a)(2) (relating to human rights violators).".

CHAPTER 3—REPORTS

SEC. 421. HUMAN RIGHTS POLICY AND REPORTS.

(a) CONSOLIDATION OF REPORTING REQUIREMENTS.—Title IX of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended by title I of this Act and chapter 1 of this title, is amended by adding at the end the following:

"SEC. 283. HUMAN RIGHTS POLICY AND REPORTS.

"(a) PROMOTION OF HUMAN RIGHTS.—The United States shall, in accordance with its international obligations as set forth in the Charter of the United Nations and in keeping with the constitutional heritage and traditions of the United States, promote and encourage increased respect for human rights and fundamental freedoms throughout the world without distinction as to race, sex, language, or religion. Accordingly, a principal goal of the foreign policy of the United States shall be to promote the increased observance of internationally recognized human rights by all countries.

"(b) CONDUCT OF ASSISTANCE AND MILITARY SALES PROGRAMS.—In furtherance of subsection (a), the President shall formulate and conduct United States assistance and military sales programs in a manner which will—

"(1) promote and advance human rights;

"(2) strengthen a relationship between civilian and military sectors appropriate to a democratic system of government; and

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

"(c) MATTERS TO BE CONSIDERED.—In carrying out subsection (b) and in preparing the annual reports required by subsection (d) and any special report submitted pursuant to subsection (e), consideration shall be given to the following:

"(1) The relevant findings of appropriate international organizations and nongovernmental organizations.

"(2) The extent of cooperation by the government in question in permitting an unimpeded investigation by indigenous nongovernmental organizations, other nongovernmental organizations, and international organizations (such as the International Committee of the Red Cross) of alleged violations of internationally recognized human rights.

"(d) ANNUAL HUMAN RIGHTS REPORT.—In furtherance of subsections (a) and (b), the President shall transmit to the Congress, not later than February 28 each year, a full and complete report with respect to practices regarding the observance of and respect for internationally recognized human rights in every foreign country. Wherever applicable, such reports shall include information on practices regarding coercion in population control, including coerced abortion and involuntary sterilization.

"(e) SPECIAL REPORTS.—Upon the request of the Committee on Foreign Relations of the Senate or the Committee on Foreign Affairs of the House of Representatives, the President should, within 30 days after receipt of such request, transmit to both committees a special report with respect to the country designated in such request. The report shall set forth—

"(1) all information, which has become available since submission of the last report under subsection (d), with respect to the matters described in subsections (f)(1) and (2);

"(2) the steps the United States has taken to—

"(A) promote respect for and observance of human rights in the country in question and discourage any practices which are inimical to internationally recognized human rights;

"(B) publicly or privately call attention to such practices;

"(C) disassociate the United States, and any United States assistance or military sales provided for such country, from such practices; and

"(3) such other information as the committee may request.

"(f) INFORMATION TO BE PROVIDED.—Each annual report under subsection (d), and each special report pursuant to subsection (e), shall include—

"(1) all information available about observance of and respect for human rights and fundamental freedom in the country in question, and

"(2) a detailed description of practices by the recipient government with respect to human rights and fundamental freedom, including information provided by appropriate organizations, including nongovernmental organizations.

"(g) DEFINITIONS.—For the purposes of this section—

"(1) the term 'assistance' means any assistance authorized by this Act; and

"(2) the term 'military sales' means—

"(A) sales of defense articles, defense services, and design and construction under the Arms Export Control Act; and

"(B) licenses under section 38 of that Act with respect to the export of defense articles or defense services to or for the armed forces, police, intelligence, or other internal security forces of a foreign country.".

(b) CONFORMING AMENDMENTS.—Section 624(f) of that Act (relating to the duties of the Assist-

ant Secretary of State For Human Rights) is amended—

(1) in paragraphs (1) and (2), by inserting "civilians and noncombatants in situations of armed conflict," after "refugees,";

(2) by repealing the last sentence of paragraph (1); and

(3) in paragraph (2)—

(A) in subparagraph (A), by striking out "to which the requirements of sections 116 and 502B of this Act are relevant";

(B) in subparagraph (B) by striking out "502B" and inserting in lieu thereof "283";

(C) by redesignating subparagraph (D) as subparagraph (E); and

(D) by striking out subparagraph (C) and inserting in lieu thereof the following:

"(C) making recommendations to the Secretary of State and the administrator of the agency primarily responsible for administering part I regarding compliance with sections 283 and 691(a)(2);

"(D) as part of the Assistant Secretary's overall policy responsibility for the creation of United States Government human rights policy, advising the administrator on the policy framework under which assistance under paragraphs (3) and (4) of section 281(b) will be developed, and consulting with the administrator on the selection and implementation of programs and activities assisted under those paragraphs; and".

SEC. 422. CONGRESSIONAL PRESENTATION DOCUMENTS FOR ECONOMIC ASSISTANCE.

(a) ANNUAL SUBMISSIONS.—Section 634 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 634. CONGRESSIONAL PRESENTATION DOCUMENTS FOR ECONOMIC ASSISTANCE.

"(a) REQUIREMENT FOR SUBMISSION.—The President shall prepare, and submit to the appropriate congressional committees in a timely manner, annual congressional presentation documents for economic assistance programs under part I.

"(b) MATERIALS FOR DEVELOPMENT AND ECONOMIC SUPPORT ASSISTANCE.—For development assistance and economic support assistance the documents submitted pursuant to subsection (a) shall include the following:

"(1) The rationale for the allocation of assistance to each country, regional program, or centrally funded program. In the case of economic support assistance, this rationale shall include a justification for the provision of economic support assistance and for the particular use of that assistance.

"(2) A brief description of each country program, regional program, and centrally funded program, including—

"(A) in the case of development assistance, a discussion of how each program supports, as appropriate, the four basic objectives set forth in section 102 of this Act; and

"(B) in the case of economic support assistance, a discussion of the extent to which each program supports the four basic objectives set forth in section 102.

"(3) A description of new activities to be undertaken in the coming fiscal year.

"(c) DEVELOPMENT FUND FOR AFRICA.—The documents submitted pursuant to subsection (a) shall include a description of the progress made during the previous fiscal year in carrying out chapter 10 of part I in three countries in sub-Saharan Africa which represent differing economic situations and levels of progress. The description shall include—

"(1) the nature and extent of consultation to ensure local perspectives, as described in subsections (e)(1) and (f) of section 496;

"(2) the degree of involvement of local people in the implementation of projects having a local focus;

"(3) the extent to which there has been expansion of the participation and integration of African women in each of the critical sectors specified in section 496(i);

"(4) program assistance provided, including the amounts obligated, the criteria used for assisting reforms, and the provisions made pursuant to section 496(h)(2)(B) to protect vulnerable groups from possible negative consequences of the reforms; and

"(5) a description of the assistance for the critical sector priorities specified in section 496(i), by sector, including the amounts obligated.

"(d) OTHER ECONOMIC ASSISTANCE PROGRAMS.—The documents submitted pursuant to subsection (a) shall include for each economic assistance program (other than those programs specified in subsections (b) and (c))—

"(1) a summary of program activities for the previous year; and

"(2) a description of activities anticipated in the current fiscal year and the coming fiscal year.

"(e) REPORT ON UNEXPENDED BALANCES.—For development assistance, assistance under the Multilateral Assistance Initiative for the Philippines, assistance from the Development Fund for Africa, and economic support assistance, the documents submitted pursuant to subsection (a) shall include—

"(1) an identification of any funds that, as of September 30 of the preceding fiscal year, had been obligated for a period of 5 years or more but had not been expended; and

"(2) with respect to each project or other activity for which such funds remain unexpended, the justification for such funds not having been expended.

"(f) REPORT ON CHILD SURVIVAL AND BASIC EDUCATION.—In conjunction with the submission of the documents pursuant to subsection (a), the President shall submit to the Congress a report describing—

"(1) United States contributions to the achievement of the goals and strategies enunciated in the World Declaration on the Survival, Protection and Development of Children; the Plan of Action for Implementing the World Declaration on the Survival, Protection and Development of Children; the World Declaration on Education for All; and the Framework for Action to Meet Basic Learning Needs;

"(2) the progress achieved during the preceding fiscal year in carrying out section 104(c)(3); and

"(3) the funding provided for child survival activities and for basic education under United States foreign assistance programs for the current fiscal year and the preceding fiscal year, as well as the planned funding levels for the next fiscal year and (to the extent feasible) for subsequent fiscal years.

"(g) ADDITIONAL MATERIALS.—In conjunction with the submission of the documents pursuant to subsection (a), the President shall submit to the Congress a report which sets forth the following:

"(1) The dollar value of all foreign assistance, by category and by country, furnished by the United States Government by any means to each foreign country and international organization—

"(A) from 1946 to the fiscal year immediately preceding the fiscal year in which the report is submitted;

"(B) as obligated during the immediately preceding fiscal year;

"(C) as presented for the fiscal year in which the report is submitted; and

"(D) as proposed for the fiscal year following the year in which the report is submitted.

"(2) A summary of the net aid flow from the United States to each country, taking into consideration the repayments to the United States from previous foreign assistance loans and the debt relief granted by the United States.

"(3) The status of the debt servicing capacity of each country receiving assistance under part I, and a statement summarizing the debt relief granted to each country by the United States and the purpose for which it was granted.".

(b) REPORT BY INSPECTOR GENERAL REGARDING UNEXPENDED BALANCES.—As soon as possible after the submission to the Congress of the congressional presentation documents for fiscal year 1994, the Inspector General for the agency primarily responsible for administering part I shall submit to the appropriate congressional committees—

(1) such comments as the Inspector General considers appropriate with regard to the justifications provided pursuant to section 634(e)(2) of that Act (as amended by this section) regarding unexpended balances, and

(2) such recommendations as the Inspector General considers appropriate with respect to such unexpended balances.

SEC. 423. NOTIFICATION OF PROGRAM CHANGES.

Section 634A of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 634A. NOTIFICATION OF PROGRAM CHANGES.

"(a) INCREASED ASSISTANCE AND NEW PROGRAMS.—Unless the appropriate congressional committees are notified at least 15 days in advance, funds appropriated for a fiscal year to carry out this Act may not be obligated for the following:

"(1) INCREASE IN ASSISTANCE LEVEL.—Any assistance under any provision of this Act—

"(A) for a country or international organization for which assistance under that provision was not justified in congressional presentation documents for that fiscal year, or

"(B) in excess of the amount justified in the congressional presentation documents and allocated pursuant to section 653(a) for that country or organization under that provision for that fiscal year.

"(2) NEW ACTIVITIES.—Any economic assistance for a program, project, or activity under any provision of this Act—

"(A) which was not justified in congressional presentation documents for that fiscal year; and

"(B) for which assistance was not furnished for the preceding fiscal year.

"(b) CONGRESSIONAL PRESENTATION DOCUMENTS.—For purposes of this section, the term 'congressional presentation documents' means the annual congressional presentation documents for assistance under this Act or the justification documents accompanying a request for supplemental authorizations of appropriations or supplemental appropriations for assistance under this Act.

"(c) APPROPRIATIONS SUBJECT TO REQUIREMENT.—Subsection (a) applies with respect to all funds appropriated for assistance under this Act (including international narcotics control assistance) other than—

"(1) assistance under section 221 (relating to the housing and other credit guarantee program),

"(2) assistance under title IV of chapter 2 of part I (relating to the Overseas Private Investment Corporation),

"(3) assistance for programs of disaster relief and rehabilitation, including international disaster assistance programs under chapter 9 of part I,

"(4) assistance from the Development Fund for Africa, and

"(5) assistance under section 661 (relating to the Trade and Development Agency).

"(d) EMERGENCY EXCEPTIONS.—

"(1) WAIVER.—Subject to paragraph (2), the President may waive the requirement of sub-

section (a), or any similar requirement contained in foreign assistance authorization or appropriations legislation to provide advance notification to the Congress or specified congressional committees, if the President determines that failure to do so would pose a substantial risk to human health or welfare.

"(2) EXERCISE OF AUTHORITY.—Before exercising the authority of this subsection, the President shall notify the appropriate congressional committees, the Congress, or the specified congressional committees (as the case may be). Any notification under this paragraph shall contain an explanation of the circumstances necessitating the use of the authority of this subsection.".

SEC. 424. ANNUAL ALLOCATION REPORTS.

Section 653(b) of the Foreign Assistance Act of 1961 is amended by inserting "for a period of less than 90 days" after "continuing appropriations".

CHAPTER 4—ADMINISTRATIVE AND GENERAL PROVISIONS

SEC. 431. USE OF PRIVATE ENTERPRISE.

Section 601 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 601. USE OF PRIVATE ENTERPRISE.

"(a) IN GENERAL.—In order to encourage and facilitate participation by private enterprise to the maximum extent practicable in achieving any of the purposes of this Act, the President shall—

"(1) to the maximum extent practicable carry out programs of assistance through private channels and, to the extent practicable, in conjunction with local private or governmental participation;

"(2) utilize wherever practicable the services of United States private enterprise to provide the necessary skills to develop and implement a specific project or program of assistance, and provide where appropriate for the transfer of equity ownership in such project or program to private investors at the earliest feasible time.

"(b) TECHNICAL ASSISTANCE.—In providing technical assistance under this Act, the President shall utilize, to the fullest extent practicable, goods and professional and other services from private enterprise on a contract basis. The facilities and resources of agencies of the United States Government which do not administer programs under this Act may be utilized when such facilities are particularly or uniquely suitable for technical assistance, are not competitive with private enterprise, and can be made available without interfering unduly with domestic programs.

"(c) MILITARY ASSISTANCE.—The Secretary of Defense shall assure that there is made available to suppliers in the United States, and particularly to small independent enterprises, information with respect to purchases made by the Department of Defense pursuant to part II. Such information shall be furnished as far in advance as possible.".

SEC. 432. PROCUREMENT.

Section 604 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 604. PROCUREMENT.

"(a) LIMITATIONS ON PROCUREMENT OUTSIDE THE UNITED STATES.—Funds made available for assistance under this Act may be used for procurement—

"(1) in the United States, the recipient country, or a developing country; or

"(2) in any other country but only if—

"(A) the provision of such assistance requires commodities or services, or defense articles or defense services, of a type that are not produced in and available for purchase in any country specified in paragraph (1); or

"(B) the President determines, on a case-by-case basis, that procurement in such other country is necessary—

"(i) to meet unforeseen circumstances, such as emergency situations, where it is important to permit procurement in a country not specified in paragraph (1), or

"(ii) to promote efficiency in the use of United States foreign assistance resources, including to avoid impairment of foreign assistance objectives.

"(b) PROCUREMENT METHOD FOR INSTITUTIONS OF HIGHER EDUCATION.—The President may establish separate procurement standards and procedures for projects under part I to limit competition to a selection among institutions of higher education when the projects would benefit substantially from the resources and special capabilities of such institutions.".

SEC. 433. REIMBURSABLE PROGRAMS.

Section 607(a) of the Foreign Assistance Act of 1961 is amended by adding after paragraph (2) the following:

"Limitations on assistance in this or any other Act do not apply with respect to this subsection.".

SEC. 434. SPECIAL ACCOUNTS FOR AND USE OF HOST-COUNTRY OWNED LOCAL CURRENCY.

Section 609 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 609. SPECIAL ACCOUNTS FOR AND USE OF HOST-COUNTRY OWNED LOCAL CURRENCY.

"(a) SPECIAL ACCOUNT.—If assistance is furnished to the government of a foreign country under part I under arrangements which will result in the generation of local currencies of that country, the President shall—

"(1) require that local currencies be deposited in a special account established by that government;

"(2) enter into an agreement with that government which sets forth—

"(A) the amount of the local currencies to be so generated, and

"(B) the terms and conditions under which the currencies so deposited may be utilized, consistent with this section; and

"(3) establish by agreement with that government the responsibilities of the agency primarily responsible for administering part I and that government to monitor and account for deposits into and disbursements from the special account.

"(b) USES OF LOCAL CURRENCIES.—As may be agreed upon with the foreign government, local currencies deposited in a special account pursuant to subsection (a), or an equivalent amount of local currencies, shall be used only—

"(1) to carry out part I for such purposes as project or sector assistance activities or debt and deficit financing, or

"(2) for the administrative requirements of the United States Government.

"(c) PROGRAMMING ACCOUNTABILITY.—The agency primarily responsible for administering part I shall take all appropriate steps to ensure that the equivalent of the local currencies disbursed pursuant to subsection (b)(1) from the special account established pursuant to subsection (a)(1) are used for the purposes agreed upon pursuant to subsection (a)(2).

"(d) TERMINATION OF ASSISTANCE PROGRAMS.—Upon termination of assistance to a country under part I, any unencumbered balances of funds which remain in a special account established pursuant to subsection (a) shall be disposed of for such purposes as may be agreed to by the government of that country and the United States Government.

"(e) REQUIREMENTS NOT APPLICABLE TO CERTAIN PROGRAMS.—This section does not apply with respect to chapter 8 of part I or chapter 6 or 8 of part II.".

SEC. 435. AUTHORITY FOR EXTENDED PERIOD OF AVAILABILITY OF APPROPRIATIONS.

(a) UNIFORMITY OF AUTHORITY.—Section 616 of the Foreign Assistance Act of 1961 is amended by adding at the end the following: "Unless otherwise specified, amounts appropriated to carry out this Act are authorized to be made available, in appropriations Acts, until expended.".

(b) CONFORMING AMENDMENTS.—That Act is amended—

(1) in section 214(c), by striking out "(1)" and by repealing paragraph (2);

(2) in section 482(a) by striking out "(1)" and by repealing paragraph (2);

(3) in section 491, by repealing the last sentence;

(4) in section 497, by striking out the first sentence and in the second sentence by striking out "subsection" and inserting in lieu thereof "section 616";

(5) in section 552, by repealing subsection (b), by redesignating subsections (c) and (d) as subsections (b) and (c), respectively, and in subsection (c) as so redesignated by striking out "(c)(2)" and inserting in lieu thereof "(b)(2)"; and

(6) in section 575, by striking out "(a)" and by striking out subsection (b).

SEC. 436. TERMINATION EXPENSES.

Section 617 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 617. TERMINATION EXPENSES.

"(a) IN GENERAL.—Funds made available under this Act shall remain available for obligation for a period not to exceed 8 months from the date of any termination of assistance under this Act for the necessary expenses of winding up programs related to such termination. Funds obligated under the authority of this Act prior to the effective date of the termination of assistance may remain available for expenditure for the necessary expenses of winding up programs related to such termination notwithstanding any provision of law restricting the expenditure of funds. In order to ensure the effectiveness of assistance under this Act, such expenses for orderly termination of programs may include the obligation and expenditure of funds to complete the training or studies outside their countries of origin of students whose course of study or training program began before assistance was terminated.

"(b) LIABILITY TO CONTRACTORS.—For the purpose of making an equitable settlement of termination claims under extraordinary contractual relief standards, the President is authorized to adopt as a contract or other obligation of the United States Government, and assume (in whole or in part) any liabilities arising thereunder, any contract with a United States or third-country contractor that had been funded with assistance under this Act prior to the termination of assistance.

"(c) GUARANTY PROGRAMS.—Provisions of this or any other Act requiring the termination of assistance under this Act shall not be construed to require the termination of guarantee commitments that were entered into prior to the effective date of the termination of assistance.

"(d) RELATION TO OTHER PROVISIONS.—Unless specifically made inapplicable by another provision of law, the provisions of this section shall be applicable to the termination of assistance pursuant to any provision of law.".

SEC. 437. INTEREST ON LOCAL CURRENCY ACCRUING TO NONGOVERNMENTAL ORGANIZATIONS.

Chapter 1 of part III of the Foreign Assistance Act of 1961 is amended by inserting after section 617 the following:

"SEC. 618. INTEREST ON LOCAL CURRENCY ACCRUING TO NONGOVERNMENTAL ORGANIZATIONS.

"A nongovernmental organization may invest local currencies which accrue to that organization as a result of assistance provided under part I of this Act, the Agricultural Trade Development and Assistance Act of 1954, section

416(b) of the Agricultural Act of 1949, or the Food for Progress Act of 1985, and any interest earned on such investment may be used for the purpose for which the assistance was provided to that organization (including for the establishment of an endowment).".

SEC. 438. EXEMPTIONS FROM CERTAIN PROVISIONS RESTRICTING THE AVAILABILITY OF FUNDS.

Chapter 1 of part III of the Foreign Assistance Act of 1961 is amended by inserting after section 618, as added by the preceding section of this title, the following:

"SEC. 619. EXEMPTIONS FROM CERTAIN PROVISIONS RESTRICTING THE AVAILABILITY OF FUNDS.

"(a) CRITERIA FOR EXEMPTIONS.—Funds authorized to be appropriated to carry out any provision of this Act may be made available by the President without regard to any provision of law described in subsection (b) if—

"(1) the President determines that compliance with such provision is made impossible by operation of law, or

"(2) the President determines, after consultation with the appropriate congressional committees, that the country or organization for which such funds would have been made available has significantly reduced its military or economic cooperation with the United States during the preceding 12 month period.

"(b) PROVISIONS WAIVABLE.—The provisions of law to which subsections (a)(1) and (a)(2) apply are—

"(1) any provision requiring that a specified amount of funds appropriated to carry out any provision of this Act shall be available only for a particular country, organization, or purpose; and

"(2) any provision that authorizes the appropriation of a specified amount of funds expressly for a particular country, organization, or purpose.

"(c) EXCEPTIONS FOR CERTAIN COUNTRIES.—This section does not apply with respect to funds specified for Israel or Egypt.".

SEC. 439. REQUIREMENT OF SENATE CONFIRMATION FOR SPECIFIC POSITIONS IN THE AGENCY FOR INTERNATIONAL DEVELOPMENT.

Section 624(a) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end the following new paragraph:

"(2) No appointment pursuant to paragraph (1) may be made to a position within the agency primarily responsible for administering part I of this Act unless the appointee has been nominated for a specific position and the Senate has given its advice and consent to the appointment to that same position.".

SEC. 440. PERSONNEL DETAILED TO THE AGENCY FOR INTERNATIONAL DEVELOPMENT.

Chapter 2 of part III of the Foreign Assistance Act of 1961 is amended by inserting after section 630 the following:

"SEC. 630A. PERSONNEL DETAILED TO ADMINISTERING AGENCY FOR PART I.

"(a) REIMBURSEMENT OF COSTS.—Funds made available to carry out part I may be used to reimburse an agency of the United States Government, an agency of a State government, a private and voluntary organization, or an institution of higher education for the full costs of any employee which that agency or institution details or assigns to the agency primarily responsible for administering part I to carry out programs under that part that require specialized technical skills.

"(b) PERSONNEL CEILINGS.—Employees so detailed or assigned shall not be included within any personnel ceiling applicable to any agency of the United States Government during the period of detail or assignment.".

SEC. 441. FUNDS ALLOCATED TO THE EXPORT-IMPORT BANK AND THE OVERSEAS PRIVATE INVESTMENT CORPORATION.

Section 632(f) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(1)" after "(f); and

(2) by adding at the end the following:

"(2) Loans, guaranties, or investments made by the Overseas Private Investment Corporation with funds—

"(A) allocated under subsection (a) of this section or transferred from other sources (public or private), or

"(B) received in foreign currency by the Corporation as a result of insurance activities conducted pursuant to section 234(a) of this Act, shall not be considered in determining whether the Corporation has made or has outstanding loans, guaranties, or investments to the extent of any limitation on obligations, commitments, and equity investments imposed by or pursuant to this Act.

"(3) The provisions of section 504(b) of the Federal Credit Reform Act of 1990 shall not apply to direct loan obligations or loan guarantee commitments, including insurance provided under the Export-Import Bank Act of 1945, made with funds described—

"(A) in paragraphs (1) or (2)(A) of this subsection to the extent that an amount equivalent to their cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) is transferred to the associated financing account established pursuant to such Act, if the appropriate congressional committees are notified at least 10 days before any such transfer, or

"(B) in paragraph (2)(B) of this subsection.".

SEC. 442. TERMS AND CONDITIONS OF ASSISTANCE.

(a) UNIFORM AUTHORITY.—Section 635(a) of the Foreign Assistance Act of 1961 is amended by adding at the end the following: "The President may furnish assistance under this Act on such terms and conditions (consistent with other provisions of law) as the President deems appropriate.".

(b) CONFORMING AMENDMENTS.—That Act is amended—

(1) in section 103(a), by striking out ", on such terms and conditions as he may determine,";

(2) in section 104(b), by striking out ", on such terms and conditions as he may determine,";

(3) in section 104(c)(1), by striking out ", on such terms and conditions as he may determine,";

(4) in section 105(a), by striking out "on such terms and conditions as he may determine,";

(5) in section 122(d), by striking out ", on such terms and conditions as the President may determine,";

(6) in section 214(a), by striking out ", on such terms and conditions as he may specify,";

(7) in section 301(a), by striking out ", on such terms and conditions as he may determine,";

(8) in section 301(f), by striking out " on such terms and conditions as he may determine";

(9) in section 301(h), by striking out "(on such terms and conditions as the President may determine)";

(10) in section 481(a)(4), by striking out ", on such terms and conditions as he may determine,";

(11) in section 491(b), by striking out ", on such terms and conditions as he may determine,";

(12) in section 496(b), by striking out "on such terms and conditions as he may determine";

(13) in section 503(a), by striking out ", on such terms and conditions as he may determine,";

(14) in section 531(a), by striking out ", on such terms and conditions as he may determine,";

(15) in section 541(a), by striking out ", on such terms and conditions consistent with this Act as the President may determine (but whenever feasible on a reimbursable basis)," and by inserting before the period at the end of the first sentence " (but such education and training should be furnished whenever feasible on a reimbursable basis)";

(16) in section 551, by striking out ", on such terms and conditions as he may determine,";

(17) in section 571, by striking out ", on such terms and conditions as the President may determine,"; and

(18) in section 573(b), by striking out ", on such terms and conditions consistent with this Act as he may determine,".

SEC. 443. CONTRACTING WITH INDIVIDUALS.

Section 636(a)(3) of the Foreign Assistance Act of 1961 is amended by striking out "contracting with individuals for personal services abroad" and inserting in lieu thereof "contracting on a limited term basis for the personal services of individuals engaged primarily in furnishing assistance abroad".

SEC. 444. FACILITIES ABROAD.

Section 636 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (c)—

(A) in the first sentence, by striking out "not to exceed $6,000,000 of the"; and

(B) by adding at the end the following: "Overseas property acquired under this subsection may be disposed of, and the proceeds of such disposal shall remain available until expended for use for the purposes specified in this subsection."; and

(2) in subsection (d), by striking out "Not to exceed $2,500,000 of funds" and inserting in lieu thereof "Funds".

SEC. 445. COORDINATION OF UNITED STATES POLICIES AND PROGRAMS AFFECTING DEVELOPMENT.

Chapter 2 of part III of the Foreign Assistance Act of 1961 is amended—

(1) in section 622(a), by adding at the end the following: "Programs authorized by this Act shall be undertaken with the foreign policy guidance of the Secretary of State."; and

(2) by striking out section 640B and inserting in lieu thereof the following:

"SEC. 640B. COORDINATION OF UNITED STATES POLICIES AND PROGRAMS AFFECTING DEVELOPMENT.

"(a) COORDINATION.—The President shall establish a system for coordination of United States policies and programs which affect United States interests in the development of developing countries.

"(b) COORDINATION ABROAD.—The President shall prescribe appropriate procedures to assure coordination among—

"(1) the various agencies of the United States Government having representatives in diplomatic missions abroad; and

"(2) representatives of the United States Government in each country, under the direction of the chief of the United States diplomatic mission.

"(c) CONSULTATION WITH CONGRESS.—The President shall consult with the appropriate congressional committees in carrying out this section.

"(d) ROLE OF THE ADMINISTRATOR.—Under the foreign policy guidance of the Secretary of State, the administrator of the agency primarily responsible for administering part I should have the responsibility for coordinating all United States development-related activities.".

SEC. 446. RECOGNITION OF AMERICAN GENEROSITY.

Section 641 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 641. RECOGNITION OF AMERICAN GENEROSITY.

"The administrator of the agency primarily responsible for administering part I of this Act shall take steps to ensure that for assistance projects under that part there shall be displayed an acknowledgement that the project was funded in part or in whole by the people of the United States.".

SEC. 447. DISCRIMINATION AGAINST UNITED STATES PERSONNEL PROVIDING ASSISTANCE.

(a) APPLICATION OF POLICY TO ALL ASSISTANCE PROGRAMS.—Section 666 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 666. DISCRIMINATION AGAINST UNITED STATES PERSONNEL PROVIDING ASSISTANCE.

"(a) ASSIGNMENT OF UNITED STATES PERSONNEL.—The President shall not take into account, in assigning officers and employees of the United States to carry out any assistance program funded under this Act in any foreign country, the race, religion, national origin, or sex of any such officer or employee. Such assignments shall be made solely on the basis of ability and relevant experience.

"(b) UNITED STATES POLICY.—It is the policy of the United States that assistance under this Act should not be furnished to any foreign country, the laws, regulations, official policies, or governmental practices of which prevent any United States person (as defined in section 7701(a)(30) of the Internal Revenue Code of 1986) from participating in the furnishing of assistance under this Act on the basis of race, religion, national origin, or sex.".

(b) CONFORMING AMENDMENT.—Section 505(g) of that Act is repealed.

CHAPTER 5—DEFINITIONS

SEC. 451. DEFINITIONS DESIGNATING VARIOUS ASSISTANCE PROGRAMS.

Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by inserting after section 644 the following:

"SEC. 644A. DEFINITIONS DESIGNATING VARIOUS ASSISTANCE PROGRAMS.

"(a) TYPES OF ASSISTANCE.—For purposes of this Act and the other provisions of law described in subsection (b), the following terms have the following meanings:

"(1) ANTITERRORISM ASSISTANCE.—The term 'antiterrorism assistance' means assistance under chapter 8 of part II.

"(2) ASSISTANCE FROM THE DEVELOPMENT FUND FOR AFRICA.—The term 'assistance from the Development Fund for Africa' means assistance under chapter 10 of part I.

"(3) DEVELOPMENT ASSISTANCE.—The term 'development assistance' means assistance under chapter 1 of part I.

"(4) ECONOMIC SUPPORT ASSISTANCE.—The term 'economic support assistance' means assistance under chapter 4 of part II.

"(5) FOREIGN MILITARY FINANCING ASSISTANCE.—The term 'foreign military financing assistance' means assistance under chapter 2 of part II, except that the term also includes, if appropriate in the context, assistance provided on any terms under section 23 of the Arms Export Control Act for fiscal years prior to fiscal year 1992.

"(6) INTERNATIONAL DISASTER ASSISTANCE.—The term 'international disaster assistance' means assistance under chapter 9 of part I.

"(7) INTERNATIONAL MILITARY EDUCATION AND TRAINING.—The term 'international military education and training' means assistance under chapter 5 of part II, and does not include military education and training under chapter 2 of part II.

"(8) INTERNATIONAL NARCOTICS CONTROL ASSISTANCE.—The term 'international narcotics control assistance' means assistance under chapter 8 of part I.

"(9) MILITARY ASSISTANCE.—The term 'military assistance' means assistance under part II, except as otherwise provided with respect to assistance under chapter 6 of that part (relating to assistance for peacekeeping operations) and chapter 8 of that part (relating to antiterrorism assistance).

"(10) MULTILATERAL ASSISTANCE INITIATIVE FOR THE PHILIPPINES.—The term 'assistance under the Multilateral Assistance Initiative for the Philippines' means assistance under chapter 4 of part I.

"(b) LAWS TO WHICH DEFINITIONS ARE APPLICABLE.—Unless otherwise provided or inconsistent in the context, the definitions provided in this section, section 644B, and section 644C apply with respect to references that are contained in this Act, the Arms Export Control Act, or any annual or periodic foreign assistance authorization legislation.".

SEC. 452. DEFINITION OF APPROPRIATE CONGRESSIONAL COMMITTEES.

Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by inserting after section 644A, as added by the preceding section of this title, the following:

"SEC. 644B. DEFINITION OF APPROPRIATE CONGRESSIONAL COMMITTEES.

"Unless otherwise provided or inconsistent in the context, for purposes of this Act and the other provisions of law described in section 644A(b), the term 'appropriate congressional committees' means the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.".

SEC. 453. ADDITIONAL DEFINITIONS.

Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by inserting after section 644B, as added by the preceding section of this title, the following:

"SEC. 644C. ADDITIONAL DEFINITIONS.

"Unless otherwise provided or inconsistent in the context, for purposes of this Act and the other provisions of law described in section 644A(b)—

"(1) the term 'Administrator' means the administrator of the agency primarily responsible for administering part I,

"(2) the term 'developing country' includes advanced developing country and, for purposes of chapter 1 of part I, includes areas;

"(3) the term 'gross violations of internationally recognized human rights' includes torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges and trial, arbitrary arrest, incommunicado detention, forced or involuntary disappearance by abduction and clandestine detention, and other flagrant denial of the right to life, liberty, or the security of person;

"(4) the term 'includes' means includes but is not limited to;

"(5) the term 'institution of higher education' has the same meaning that term is given by section 1201(a) of the Higher Education Act of 1965;

"(6) the term 'major non-NATO ally' means a country which is designated in accordance with section 48 of the Arms Export Control Act as a major non-NATO ally for purposes of that Act and this Act; and

"(7) the term 'notwithstanding any other provision of law' (and any comparable 'notwithstanding' clause), unless otherwise expressly provided, does not supersede section 1341 of title 31 of the United States Code (commonly referred to as the 'Anti-Deficiency Act'), the Federal Credit Reform Act of 1990, or subsections (c) and (d) of section 632 of this Act, or any comparable provision of law.".

CHAPTER 6—CONFORMING AMENDMENTS AND REPEALS

SEC. 461. CONFORMING AMENDMENTS AND REPEAL OF OBSOLETE PROVISIONS OF THE FOREIGN ASSISTANCE ACT.

(a) REPEALS.—The following provisions of the Foreign Assistance Act of 1961 are repealed: the last two sentences of section 104(c)(3); section 111; section 116; section 117 (as added by Public Law 99-440); section 120; section 123(e); section 124; section 127; section 128; title I of chapter 2 of part I; section 214(d); section 219; section 224; title V of chapter 2 of part I; sections 301(d) and (g); sections 302(b), (i), and (j); section 303; chapter 6 of part I; sections 494, 495, and 495B through 495K; section 502B; section 535; section 602; section 606; section 611; the first sentence of section 616 (as amended by chapter 4 of this title); all subsections of section 620 except subsections (a), (e), and (s); section 620D; the last sentence of section 626; section 634B; section 637; section 640A; section 645; section 647; section 648; section 650; and section 663.

(b) AMENDMENTS.—That Act is amended—

(1) in section 122, by striking out "GENERAL AUTHORITIES.—" and all that follows through "(d)" and inserting in lieu thereof "RESEARCH AND EDUCATIONAL INSTITUTIONS.—" and by repealing subsection (e);

(2) in section 214(b), by striking out ", notwithstanding the provisions of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.),";

(3) in section 301(a), by striking out ", and in" and all that follows through "part";

(4) in section 302 (as amended by subsection (a) of this section), by redesignating subsections (e) (as amended by title I of this Act), (f), and (h) as subsections (d), (e), and (f), respectively;

(5) in section 301 (as amended by subsection (a) of this section), by redesignating subsection (c) as subsection (b);

(6) in section 620, by striking out "PROHIBITIONS AGAINST FURNISHING ASSISTANCE" in the section caption and inserting in lieu thereof "PROHIBITIONS RELATING TO CUBA; FEDERAL ACT OF STATE DOCTRINE; AND OTHER PROVISIONS";

(7) in section 620(e)—

(A) by striking out "(e)(1)" and all that follows through "(2)" and inserting in lieu thereof "(b) FEDERAL ACT OF STATE DOCTRINE.—"; and

(B) by striking out "this subsection" and inserting in lieu thereof "subsection (e) as in effect before the enactment of the International Cooperation Act of 1991";

(8) by redesignating subsection (s) of section 620 as subsection (c); and

(9) in section 621, by striking out the last sentence of subsection (a), by striking out "(a)", and by striking out subsection (b).

(c) SECTION 124(c) AUTHORITY.—For purposes of section 572 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100-461), section 124(c) of the Foreign Assistance Act of 1961, as in effect before the date of enactment of this Act, shall be deemed to remain in effect on and after that date.

SEC. 462. REPEAL OF OBSOLETE PROVISIONS OF ANNUAL FOREIGN ASSISTANCE ACTS.

(a) 1986 ASSISTANCE ACT.—The Special Foreign Assistance Act of 1986 is repealed except for section 1, title I, and section 204.

(b) 1985 ASSISTANCE ACT.—The International Security and Development Cooperation Act of 1985 is amended—

(1) in section 202, by repealing subsections (a) and (b);

(2) in section 203, by repealing subsection (a);

(3) in section 1205, by striking out "Turkey, and Portugal" both places it appears and inserting in lieu thereof ", and Turkey"; and

(4) by repealing all provisions of that Act (other than the sections amended in the preceding paragraphs of this subsection), except for section 1, section 131, section 132, section 502, section 504, section 505, part B of title V (other than section 558 and section 559), section 803, section 904, section 906, section 1302, and section 1303.

(c) 1985 JORDAN SUPPLEMENTAL ACT.—The Jordan Supplemental Economic Assistance Authorization Act of 1985 is repealed.

(d) 1985 AFRICAN FAMINE ACT.—The African Famine Relief and Recovery Act of 1985 is repealed.

(e) 1983 ASSISTANCE ACT.—The International Security and Development Assistance Authorization Act of 1983 is repealed.

(f) 1983 LEBANON ASSISTANCE ACT.—The Lebanon Emergency Assistance Act of 1983 is repealed.

(g) 1981 ASSISTANCE ACT.—The International Security and Development Cooperation Act of 1981 is repealed except for section 1, section 709, section 712, section 714, section 735, and section 737.

(h) 1980 ASSISTANCE ACT.—The International Security and Development Cooperation Act of 1980 is repealed except for section 1, section 110, section 315, and title V.

(i) 1979 DEVELOPMENT ASSISTANCE ACT.—The International Development Cooperation Act of 1979 is repealed.

(j) 1979 SECURITY ASSISTANCE ACT.—The International Security Assistance Act of 1979 is repealed.

(k) 1979 SPECIAL SECURITY ASSISTANCE ACT.—The Special International Security Assistance Act of 1979 is repealed.

(l) 1978 DEVELOPMENT ASSISTANCE ACT.—The International Development and Food Assistance Act of 1978 is repealed, except for section 1, title IV, and section 603 (which is amended by repealing subsection (b)).

(m) 1978 SECURITY ASSISTANCE ACT.—The International Security Assistance Act of 1978 is repealed.

(n) 1977 DEVELOPMENT ASSISTANCE ACT.—The International Development and Food Assistance Act of 1977 is repealed except for section 1, section 132, and section 133.

(o) 1977 SECURITY ASSISTANCE ACT.—The International Security Assistance Act of 1977 is repealed.

(p) 1976 SECURITY ASSISTANCE ACT.—The International Security Assistance and Arms Export Control Act is repealed except for section 1, section 201 (which is amended by repealing subsection (a)), section 212 (which is amended by repealing subsection (a)), section 601, and section 608.

(q) 1975 DEVELOPMENT ASSISTANCE ACT.—The International Development and Food Assistance Act of 1975 is repealed.

(r) 1975 BIB ACT.—Public Law 94-104 is repealed.

(s) 1974 ASSISTANCE ACT.—The Foreign Assistance Act of 1974 is repealed.

(t) 1973 EMERGENCY ASSISTANCE ACT.—The Emergency Security Assistance Act of 1973 is repealed.

(u) 1973 ASSISTANCE ACT.—The Foreign Assistance Act of 1973 is repealed.

(v) 1971 ASSISTANCE ACT.—

(1) REPEAL.—The Foreign Assistance Act of 1971 is repealed.

(2) CONFORMING AMENDMENT.—Section 531 of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

"(f) Except where expressly provided to the contrary, any reference to part I of this Act shall be deemed to be a reference also to this chapter, and any reference to part II of this Act shall be deemed not to include this chapter."

(w) 1971 SPECIAL ASSISTANCE ACT.—The Special Foreign Assistance Act of 1971 is repealed except for the first section and section 7.

(x) 1971 FMS ACT.—The Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971 (Public Law 91-672), is repealed, except for section 10 and section 12.

(y) 1969 ASSISTANCE ACT.—The Foreign Assistance Act of 1969 is repealed except for the first section and part IV.

(z) 1968 ASSISTANCE ACT.—The Foreign Assistance Act of 1968 is repealed.

(aa) 1964 ASSISTANCE ACT.—The Foreign Assistance Act of 1964 is repealed except for the first section and part V.

(bb) LATIN AMERICAN DEVELOPMENT ACT.—The Latin American Development Act is repealed.

(cc) 1959 MUTUAL SECURITY ACT.—The Mutual Security Act of 1959 is repealed.

(dd) 1954 MUTUAL SECURITY ACT.—Section 402 and section 417 of the Mutual Security Act of 1954 are repealed.

(ee) SAVINGS PROVISION.—The repeal by this Act of any provision of law that amended or repealed another provision of law does not affect in any way that amendment or repeal.

SEC. 463. SOME CONFORMING AMENDMENTS TO OTHER ACTS.

(a) PUBLIC LAW 480.—Section 414(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "as defined in section 481(i)(2)" and inserting in lieu thereof "for purposes of chapter 8 of part I".

(b) EXPORT ADMINISTRATION ACT.—The Export Administration Act of 1979 is amended—

(1) in section 5(b)(1), by striking out "set forth in section 620(f)" and inserting in lieu thereof "on the list established pursuant to section 691(c)"; and

(2) in section 6(m)(2), by striking out "section 502B" and inserting in lieu thereof "sections 691(a)(2) and 283(a)".

(c) ANGLO-IRISH AGREEMENT SUPPORT ACT.—Section 4(a)(1) of the Anglo-Irish Agreement Support Act of 1986 is amended by striking out "Revolving Fund" and inserting in lieu thereof "Guarantee Program".

(d) EXPORT-IMPORT BANK ACT.—Section 2(b)(6) of the Export-Import Bank Act of 1945 is amended—

(1) in subparagraph (B)(iii), by striking out "481(h)(5)" and insert in lieu thereof "490(e)";

(2) in subparagraph (C)(ii), by striking out "as defined in section 481(i)(2)" and inserting in lieu thereof "for purposes of chapter 8 of part I"; and

(3) in subparagraph (E), by striking out "security assistance for purposes of section 502B of the Foreign Assistance Act of 1961" and insert in lieu thereof "assistance under the Foreign Assistance Act of 1961 for purposes of section 691(a)(2) of that Act".

TITLE V—EUROPE

CHAPTER 1—SUPPORT FOR EAST EUROPEAN DEMOCRACY ACT

SEC. 501. AMENDMENTS TO SEED ACT OF 1989.

Except as otherwise expressly provided, whenever in this chapter an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Support for East European Democracy (SEED) Act of 1989 (Public Law 101-179).

SEC. 502. UNITED STATES POLICY REGARDING EASTERN EUROPE.

(a) STATEMENT OF POLICY.—The provisions preceding title I are amended—

(1) by redesignating section 2 (22 U.S.C. 5401) as section 3; and

(2) by inserting the following new section 2 after the table of contents in section 1(b):

"SEC. 2. UNITED STATES POLICY REGARDING EASTERN EUROPE.

"(a) IN GENERAL.—It shall be the policy of the United States to facilitate the reintegration of the East European countries into the community of democratic nations and to end the artificial division of Europe. In furtherance of these objectives, the United States shall support economic and political reform in East European countries, both through—

"(1) the provision of assistance to governments and private individuals and entities in those countries, and

"(2) the promotion of a United States commercial presence in those countries.

"(b) ASSISTANCE.—Pursuant to subsection (a)(1), the United States should provide assistance for East European countries under the authorities of this Act to the extent that such countries are taking steps toward—

"(1) political pluralism, based on progress toward free and fair elections and a multiparty political system;

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

"(3) respect for internationally recognized human rights; and

"(4) a willingness to build a friendly relationship with the United States.

"(c) REINTEGRATION OF EASTERN EUROPE INTO THE COMMUNITY OF DEMOCRATIC NATIONS.—

"(1) FINDINGS.—The Congress finds that—

"(A) the process in Eastern Europe of building democratic institutions and governments based on the rule of law and of developing market-oriented economies, will be far from complete during the 3-year period originally authorized in this Act;

"(B) the process of reintegrating Eastern Europe into the community of democratic nations will be slower and more difficult than was expected at a time of general euphoria following the democratic revolutions of 1989;

"(C) grant and loan assistance provided to date to Eastern Europe through the G-24 process (through the member governments of the Organization for Economic Cooperation and Development) has been generous but frequently duplicative;

"(D) successful reintegration of Eastern Europe into the community of democratic nations will require broader outreach by United States and G-24 assistance programs to populations, enterprises, and local and regional governments outside of national capitals.

"(2) POLICIES.—Accordingly—

"(A) the United States should commit itself, and seek the commitment of other G-24 governments, to the completion of Eastern Europe's reintegration into the community of democratic nations, and future requests for assistance should reflect the commitment of the United States to this task;

"(B) the United States and other G-24 governments should coordinate their assistance more thoroughly in order to prevent duplication of effort and to maximize the effectiveness of assistance provided; and

"(C) the United States should ensure that the assistance provided to each eligible East European country under this Act is distributed equitably through the country.".

(b) CONFORMING AMENDMENT TO TABLE OF CONTENTS.—The table of contents in section 1(b) is amended by striking out the item relating to section 2 and inserting in lieu thereof the following:

"Sec. 2. United States policy regarding Eastern Europe.

"Sec. 3. Support for East European Democracy (SEED) Program.".

SEC. 503. EAST EUROPEAN COUNTRIES ELIGIBLE FOR SEED BENEFITS.

(a) ELIGIBILITY CRITERIA.—The provisions preceding title I are amended by inserting after section 3 (22 U.S.C. 5401), as so redesignated by section 502 of this Act, the following new section:

"SEC. 4. COUNTRIES ELIGIBLE FOR SEED BENEFITS.

"(a) ELIGIBLE EAST EUROPEAN COUNTRY.—For purposes of this Act, the term 'eligible East European country' means—

"(1) Poland,

"(2) Hungary,

"(3) the Czech and Slovak Federal Republic,

"(4) Bulgaria,

"(5) Albania,

"(6) Romania,

"(7) Lithuania,

"(8) Latvia,

"(9) Estonia, and

"(10) any other East European country if the President has reported to the Congress that he has determined that that country is taking the steps described in section 2(b).

"(b) YUGOSLAVIA.—Yugoslavia shall also be considered to be an eligible East European country for purposes of this Act, unless the President determines, and reports to the Congress, that Yugoslavia is not taking the steps described in section 2(b).".

(b) CONFORMING AMENDMENTS.—

(1) SUMMARY DESCRIPTION OF SEED PROGRAM.—Subsection (a) of section 3, as so redesignated by section 502 of this Act, is amended by striking out "countries" and all that follows through "pluralism" and inserting in lieu thereof "East European countries that are taking the steps described in section 2".

(2) TABLE OF CONTENTS.—The table of contents in section 1(b), as amended by section 502(b) of this Act, is further amended by inserting after the item relating to section 3 the following:

"Sec. 4. Countries eligible for SEED benefits.".

SEC. 504. STRUCTURAL ADJUSTMENT.

(a) MULTILATERAL ASSISTANCE.—Subsection (a) of section 101 (22 U.S.C. 5411) is amended—

(1) in the subsection heading, by striking out "FOR POLAND AND HUNGARY"; and

(2) in paragraph (1)—

(A) by striking out "Poland and Hungary continue" and inserting in lieu thereof "an eligible East European country continues"; and

(B) by striking out "Poland and Hungary" the second place it appears and inserting in lieu thereof "that country".

(b) STABILIZATION ASSISTANCE AND DEBT RELIEF.—

(1) MULTILATERAL SUPPORT.—Section 101 is amended by striking out subsection (b) and inserting in lieu thereof the following new subsections:

"(b) STABILIZATION ASSISTANCE.—To the extent that an eligible East European country continues to evolve toward pluralism and democracy and to develop and implement comprehensive economic reform programs, the United States Government, in conjunction with other member governments of the Organization of Economic Cooperation and Development (OECD) and international financial institutions (including the International Monetary Fund), shall support the implementation of a program to address key structural economic problems, address pressing social problems, carry out comprehensive economic reform, and relieve immediate and urgent balance of payments requirements, through the use of mechanisms such as—

"(1) the Exchange Stabilization Fund pursuant to section 5302 of title 31, United States Code, and in accordance with established Department of the Treasury policies and procedures; and

"(2) the authority provided in section 102(c) of this Act.

"(c) DEBT RELIEF.—To the extent that an eligible East European country continues to evolve toward pluralism and democracy and to develop and implement comprehensive economic reform programs, the United States Government, as appropriate for individual eligible East European countries—

"(1) shall urge all members of the 'Paris Club' of creditor governments and other creditor governments to adopt, and participate in, a generous and early debt rescheduling program, as well as a program of reductions, on a case-by-case basis, of official debt and official debt service owed to such governments by the government of an eligible East European country; and

"(2) shall seek, in coordination with other creditor governments, to expedite consultations between the government of that East European country and its major private creditors in order to facilitate a rescheduling and reduction of payments due on debt owed to such creditors in a manner consistent with the international debt policy announced by the Secretary of the Treasury on March 10, 1989.".

(2) AUTHORIZATION FOR STABILIZATION ASSISTANCE.—Section 102(c) (22 U.S.C. 5412) is amended—

(A) in the subsection heading by striking out "ADDITIONAL";

(B) in paragraph (1)—

(i) by striking out "paragraph (1) of";

(ii) by striking out "for Poland" and inserting in lieu thereof "for an eligible East European country";

(iii) by striking out "urgent";

(iv) by striking out "Polish economy" and inserting in lieu thereof "economy of that country"; and

(v) by striking out "Poland" and inserting in lieu thereof "the eligible East European country"; and

(C) in paragraph (2) by inserting "with respect to Poland" after "fund)".

(c) SUPPORT FOR FREE MARKET AGRICULTURAL POLICIES.—Section 103(a) is amended by adding at the end the following:

"(4) SUPPORT FOR FREE MARKET AGRICULTURAL POLICIES.—The President shall seek to support adoption of agricultural policies in each eligible East European country that are based on free-market policies and shall seek to discourage policies that distort market signals through protective import barriers or government export subsidies.".

(d) DEBT-FOR-EQUITY AND DEBT-FOR-DEVELOPMENT SWAPS.—Section 104 (22 U.S.C. 5414) is amended—

(1) in subsection (a), by striking out "East European countries which have taken substantive steps toward political democracy and economic pluralism" and inserting in lieu thereof "eligible East European countries"; and

(2) in subsection (b), by striking out "East European country which has taken substantive steps toward political democracy and economic pluralism" and inserting in lieu thereof "eligible East European country".

(e) CONFORMING AMENDMENTS.—

(1) SECTION HEADINGS.—(A) Section 101 is amended in the section heading by striking out "IN POLAND AND HUNGARY".

(B) Section 102 is amended in the section heading by striking out "FOR POLAND".

(2) CROSS REFERENCES.—(A) Section 102(a)(2) (22 U.S.C. 5412) is amended by striking out "(1)(A)" and inserting in lieu thereof "(1)".

(B) Section 103(b) (22 U.S.C. 5413) is amended by striking out "Pursuant to section 101(b)(3)" and inserting in lieu thereof "To the extent that Poland continues to evolve toward pluralism and democracy and to implement comprehensive economic reform programs".

(3) TABLE OF CONTENTS.—The table of contents in section 1(b) is amended—

(A) in the item relating to section 101 by striking out "in Poland and Hungary"; and

(B) in the item relating to section 102 by striking out "for Poland".

SEC. 505. PRIVATE SECTOR DEVELOPMENT.

(a) ASSISTANCE FOR PRIVATE ENTERPRISE DEVELOPMENT.—Title II is amended—

(1) by redesignating sections 202 through 206 as sections 203 through 207, respectively; and

(2) by inserting after section 201 the following new section 202:

"SEC. 202. PRIVATE ENTERPRISE DEVELOPMENT.

"(a) AUTHORITY TO PROVIDE ASSISTANCE.—For purposes of promoting private sector development in eligible East European countries, the Agency for International Development is authorized to provide assistance—

"(1) for activities similar to those for which assistance is authorized by section 201, such assistance to be provided in a manner similar to the manner in which assistance is authorized to be provided by that section; and

"(2) to support United States participation in capital projects, both public infrastructure projects and private investment projects.

"(b) NOTICE TO CONGRESS OF MANNER IN WHICH ASSISTANCE WILL BE PROVIDED.—Each notification pursuant to section 706 with respect to funds to be obligated to carry out subsection (a)(1) shall specify the manner in which assistance will be provided.

"(c) NONAPPLICABILITY OF OTHER LAWS.—Funds made available for assistance under this section may be used notwithstanding any other provision of law.".

(b) LABOR MARKET TRANSITION.—Section 203 (22 U.S.C. 5422), as so redesignated by subsection (a) of this section, is amended—

(1) in the section heading, by striking out "in Poland and Hungary";

(2) in subsection (a), by striking out "Poland and Hungary" in paragraphs (1) and (2) and inserting in lieu thereof "eligible East European countries";

(3) in subsection (c)(3), by striking out "Poland and Hungary" and inserting in lieu thereof "eligible East European countries";

(4) in subsection (g), by striking out all that follows "section" and inserting in lieu thereof "$5,000,000."; and

(5) by adding at the end the following:

"(h) AID AUTHORITY.—The President, acting through the Administrator of the Agency for International Development, is authorized to use funds made available to carry out this Act to provide the assistance described in this section for eligible East European countries. Assistance may be provided under this subsection notwithstanding any other provision of law.".

(c) TECHNICAL TRAINING AND ASSISTANCE.—

(1) EXPANSION OF AUTHORITY.—Section 204 (22 U.S.C. 5423), as so redesignated by subsection (a) of this section, is amended—

(A) in the section heading, by striking out "for" and all that follows through "Hungary" and inserting in lieu thereof "and assistance"; and

(B) by amending subsection (a) to read as follows:

"(a) TECHNICAL TRAINING AND ASSISTANCE PROGRAMS.—The President, acting through the Administrator of the Agency for International Development, shall develop and implement programs of technical training and technical assistance for eligible East European countries to enable them to better meet their needs as they develop market economies and democratic institutions. These programs may include—

"(1) training in skills of agribusiness (including agricultural extension), commerce, entrepreneurship, finance, science (including environmental science), pollution control, business and government administration and management, auditing, accounting, drafting legal codes and regulations, and other relevant areas; and

"(2) technical assistance in areas specified in paragraph (1).".

(2) PARTICIPATION OF NGOS.—Paragraph (6) of subsection (b) is amended to read as follows:

"(6) United States private and voluntary organizations and private sector entities, and private and voluntary organizations and private sector entities of eligible East European countries.".

(3) COMPETITIVE PROCEDURES.—That section is further amended—

(A) by redesignating subsections (c) through (e) as subsections (d) through (f), respectively; and

(B) by inserting after subsection (b) the following new subsection (c):

"(c) COMPETITIVE PROCEDURES.—In carrying out this section, the Agency for International Development shall use competitive procedures to the maximum extent practicable in making grants to, and entering into contracts with, nongovernmental entities.".

(4) TECHNICAL CORRECTIONS.—That section is amended—

(A) in subsection (b), by striking out "406(a) (1) and (2)" and inserting in lieu thereof "501"; and

(B) in subsection (f), as so redesignated by paragraph (2)(A) of this subsection—

(i) by striking out "406(a) (1) and (2)" and inserting in lieu thereof "501(a)"; and

(ii) by striking out "1107 of the Food Security Act of 1985 (7 U.S.C. 1736 note)" and inserting in lieu thereof "501(c) of that Act (7 U.S.C. 1737(c))".

(d) PEACE CORPS PROGRAMS.—Section 205 (22 U.S.C. 204), as so redesignated by subsection (a) of this section, is amended—

(1) in the section heading, by striking out "in Poland and Hungary";

(2) by striking out the first sentence;

(3) in the second sentence by striking out "Such programs" and inserting in lieu thereof "Peace Corps programs in eligible East European countries"; and

(4) in paragraph (2), by striking out "technical skills described in section 203(a) to the people of Poland and Hungary" and inserting in lieu thereof "training in technical skills described in section 204(a)(1) to the people of eligible East European countries".

(e) USE OF LOCAL CURRENCIES.—

(1) EXPANSION OF AUTHORITY.—Section 206 (22 U.S.C. 5425), as so redesignated by subsection (a) of this section, is amended—

(A) in the section heading, by striking out "Polish" and inserting in lieu thereof "local"; and

(B) in subsection (a)—

(i) by striking out "FOR POLAND" in the subsection heading;

(ii) by striking out "Poland" in the text preceding paragraph (1) and inserting in lieu thereof "the recipient country";

(iii) in paragraph (1), by striking out "for Poland authorized by sections 103(b), 201, and 203" and inserting in lieu thereof "provided for in sections 103, 201, 202, and 204";

(iv) in paragraph (2), by inserting "in the case of Poland," after "(2)";

(v) in subsection (b), by striking out "in Poland"; and

(vi) in subsection (c), by striking out "Poland for fiscal years 1990, 1991, and 1992" and inserting in lieu thereof "an eligible East European country".

(2) CROSS REFERENCE.—Section 204(f), as so redesignated by subsections (a) and (c)(2)(A), is amended by striking out "205" and inserting in lieu thereof "206".

(f) CREDIT UNIONS.—

(1) UNITED STATES POLICY.—Section 207 (22 U.S.C. 5426), as so redesignated by subsection (a), is amended—

(A) in the section heading, by striking out "Polish and Hungarian"; and

(B) in subsection (a)—

(i) in the text preceding paragraph (1), by striking out "Poland and Hungary" and inserting in lieu thereof "eligible East European countries";

(ii) in paragraph (1), by striking out "Poland and Hungary" and inserting in lieu thereof "those countries"; and

(iii) in paragraph (2), by striking out "Poland and Hungary" and inserting in lieu thereof "those countries".

(2) CONFORMING AMENDMENT TO FEDERAL CREDIT UNION ACT.—Paragraph (16) of section 107 of the Federal Credit Union Act (12 U.S.C. 1757) (as added by the Support for East European Democracy (SEED) Act of 1989) is amended by striking out "Poland and Hungary" and inserting in lieu thereof "countries that are eligible Eastern European countries for purposes of the Support for East European Democracy (SEED) Act of 1989".

(g) CONFORMING AMENDMENTS TO TABLE OF CONTENTS.—The table of contents in section 1(b) is amended—

(1) by striking out "202", "203", "204", "205", and "206" and inserting in lieu thereof "203", "204", "205", "206", and "207", respectively;

(2) by inserting after the item relating to section 201 the following:

"Sec. 202. Private enterprise development.";

(3) in the item relating to section 203 (as so redesignated), by striking out "in Poland and Hungary";

(4) in the item relating to section 204 (as so redesignated), by striking out all that follows "training" and inserting in lieu thereof "and assistance.";

(5) in the item relating to section 205 (as so redesignated), by striking out "in Poland and Hungary";

(6) in the item relating to section 206 (as so redesignated), by striking out "Polish" and inserting in lieu thereof "local"; and

(7) in the item relating to section 207 (as so redesignated), by striking out "Polish and Hungarian".

SEC. 506. TRADE AND INVESTMENT.

(a) REPEAL OF EXECUTED AMENDMENTS AND OBSOLETE PROVISIONS.—Section 301, section 302 (22 U.S.C. 2199 note), section 305 (22 U.S.C. 2421 note), and section 307 are repealed. The repeal of those sections does not affect any amendment made by any such section.

(b) EXPORT-IMPORT BANK PROGRAMS.—Section 303 (22 U.S.C. 635 note) is amended—

(1) by redesignating that section as section 301;

(2) in the section heading, by striking out "for Poland and Hungary";

(3) in the heading for subsection (a), by striking out "TO POLAND AND HUNGARY"; and

(4) in subsection (a), by inserting after "thereof" the first place it appears ", by the Czech and Slovak Federal Republic or any agency or national thereof,".

(c) TRADE CREDIT INSURANCE PROGRAM FOR POLAND.—Section 304, and section 225 of the Foreign Assistance Act of 1961 (22 U.S.C. 2185), are repealed.

(d) BILATERAL INVESTMENT TREATIES.—Section 306 is amended—

(1) by redesignating that section as section 302;

(2) in the section heading, by striking out "with Poland and Hungary"; and

(3) by striking out "Poland and Hungary" and inserting in lieu thereof "eligible East European countries".

(e) CONFORMING AMENDMENTS TO TABLE OF CONTENTS.—The table of contents in section 1(b) is amended—

(1) by striking out the items relating to sections 301, 302, 304, 305, and 307;

(2) in the item relating to section 303, by striking "303" and inserting in lieu thereof "301" and by striking out "for Poland and Hungary"; and

(3) in the item relating to section 306, by striking out "306" and inserting in lieu thereof "302" and by striking out "with Poland and Hungary".

SEC. 507. EDUCATIONAL, CULTURAL, AND SCIENTIFIC ACTIVITIES.

(a) EDUCATIONAL AND CULTURAL EXCHANGES AND SISTER INSTITUTIONS PROGRAMS.—Section 401 (22 U.S.C. 5441) is amended—

(1) in the section heading by striking out "with Poland and Hungary";

(2) in subsection (a)(1)—

(A) by striking out "SUPPORT FOR EXPANDED U.S. PARTICIPATION" in the paragraph heading and inserting in lieu thereof "FREEDOM INTERNATIONAL PROGRAM";

(B) by striking out "Poland and Hungary" and inserting in lieu thereof "eligible East European countries"; and

(C) by adding at the end the following: "United States Government support for such activities shall be known as the 'Freedom International Program'.";

(3) in subsection (a)(2), by striking out "Poland and Hungary" and inserting in lieu thereof "eligible East European countries";

(4) in subsection (b), by striking out "Poland and Hungary" and inserting in lieu thereof "eligible East European countries";

(5) in subsection (c), by striking out "Poland and the United States and in Hungary" and inserting in lieu thereof "eligible East European countries"; and

(6) in subsection (d), by striking out "and Polish organizations and between American and Hungarian organizations" and inserting in lieu thereof "organizations and organizations of eligible East European countries".

(b) SCHOLARSHIP PARTNERSHIP.—Section 402 (22 U.S.C. 5442) is amended—

(1) in the section heading, by striking out "Poland-Hungary";

(2) in subsection (a), by striking out "Poland and Hungary" and inserting in lieu thereof "eligible East European countries";

(3) in subsection (b)—

(A) by striking out "Poland and Hungary" and inserting in lieu thereof "eligible East European countries", and

(B) by striking out "in the United States";

(4) in subsection (c), by striking out "Poland and Hungary" and inserting in lieu thereof "eligible East European countries";

(5) in subsection (g)—

(A) by striking out "Poland or Hungary, as the case may be" and inserting in lieu thereof "his or her country of nationality", and

(B) by striking out "in the United States";

(6) by striking out subsection (i) and by inserting in lieu thereof the following:

"(i) COMPETITIVE PROCEDURES.—In carrying this section, the Agency for International Development shall use competitive procedures to the maximum extent practicable in making grants to, and entering into contracts with, nongovernmental entities.";

(7) in subsection (j), by striking out "Poland and Hungary" and inserting in lieu thereof "an eligible East European country"; and

(8) by inserting at the end the following:

"(l) AMERICAN INSTITUTIONS ABROAD.—The Administrator of the Agency for International Development may use funds made available each fiscal year to carry out this section in order to provide scholarships to enable students from eligible East European countries to study at American institutions of higher education in Europe.".

(c) USE OF POLISH CURRENCIES FOR HOLOCAUST EDUCATION.—TITLE IV IS AMENDED BY ADDING AT THE END THE FOLLOWING:

"SEC. 404. USE OF POLISH CURRENCIES FOR HOLOCAUST EDUCATION.

"(a) AUTHORIZATION.—Consistent with other United States priorities in Poland, the President

may make available for the Research Center on Jewish History and Culture of the Jagiellonian University of Krakow, Poland, established for the study of events related to the Holocaust in Poland, up to the equivalent of $500,000 of Polish currencies described in subsection (b).

"(b) CURRENCIES THAT MAY BE USED.—The currencies that are available for use under subsection (a) are nonconvertible Polish currencies held by the United States that are derived from programs administered by the Commodity Credit Corporation or pursuant to the Agricultural Trade Development and Assistance Act of 1954, section 416(b) of the Agricultural Act of 1949, or the Food for Progress Act of 1985.".

(d) CONFORMING AMENDMENTS TO TABLE OF CONTENTS.—The table of contents in section 1(b) is amended—

(1) in the item relating to section 401, by striking out "with Poland and Hungary";

(2) in the item relating to section 402, by striking out "Poland-Hungary scholarship" and inserting in lieu thereof "Scholarship"; and

(3) by adding at the end of the items relating to title IV the following:

"Sec. 404. Use of Polish currencies for Holocaust education.".

SEC. 508. OTHER ASSISTANCE PROGRAMS.

(a) SUPPORT FOR DEMOCRATIC INSTITUTIONS.—

(1) IN GENERAL.—Section 501 (22 U.S.C. 5451) is amended—

(A) in the section heading, by striking out "in Poland and Hungary";

(B) by striking out the text of subsection (a) and inserting in lieu thereof the following: "The President, acting through the Administrator of the Agency for International Development, is authorized to provide assistance in support of democratic institutions and activities in eligible East European countries consistent with subsections (a) through (e) of section 281 of the Foreign Assistance Act of 1961 (relating to human rights and democratic initiatives)."; and

(C) by adding at the end the following:

"(c) COMPETITIVE PROCEDURES.—In carrying section (a), the Agency for International Development shall use competitive procedures to the maximum extent practicable in making grants to, and entering into contracts with, nongovernmental entities.".

(2) SUPPORT FOR PARLIAMENTARY DEVELOPMENT.—That section is further amended by adding at the end the following:

"(d) MULTILATERAL SUPPORT FOR PARLIAMENTARY DEVELOPMENT.—From the funds made available to carry out this section, the President should allocate up to $750,000 annually to contribute support, in conjunction with appropriate contributions from parliaments of other North Atlantic Treaty Organization members, to the North Atlantic Assembly's plan for expanded East European participation.".

(b) ENVIRONMENTAL INITIATIVES; ENVIRONMENTAL IMPACT OF PROGRAMS.—Section 502 (22 U.S.C. 5452) is amended—

(1) in the section heading, by striking out "initiatives for Poland and Hungary" and inserting in lieu thereof "initiatives; environmental impact of programs";

(2) in subsection (a)—

(A) in the first sentence, by striking out "Poland and Hungary" and inserting in lieu thereof "Eastern and Central Europe"; and

(B) in the second sentence—

(i) by striking out "Poland and Hungary" and inserting in lieu thereof "eligible East European countries"; and

(ii) by striking out "and the restoration of the natural resource base on which a sustainable, healthy economy depends" and inserting in lieu thereof ", the restoration of the natural resource base, and the alleviation of health problems resulting from environmental degradation";

(3) in subsection (b), by striking out "Poland and Hungary" and inserting in lieu thereof "eligible East European countries";

(4) in subsection (g)—

(A) by striking out "Hungary and Poland" and inserting in lieu thereof "East European countries"; and

(B) by striking out "Poland and Hungary" and inserting in lieu thereof "eligible East European countries";

(5) in subsection (h)—

(A) by striking out "IN HUNGARY" in the subsection heading; and

(B) by striking out "Government of Hungary" and inserting in lieu thereof "governments of eligible East European countries"; and

(6) by adding at the end the following new subsections:

"(i) ENVIRONMENT AND ENERGY ASSISTANCE.—The President, acting through the Administrator of the Agency for International Development and the Administrator of the Environmental Protection Agency, is authorized to provide assistance for environment and energy activities in eligible East European countries, with emphasis on assistance in developing policies encouraging and providing incentives for end-use energy efficiency (including preparation of least-cost energy plans), conservation, and reliance on renewable energy resources. Assistance under this subsection may include training, technical assistance for related energy and environmental investments or regulation, local production of environmental or energy-related equipment, promotion of United States technologies, and dealing with health problems directly associated with pollution.

"(j) COORDINATION OF ENVIRONMENTAL INITIATIVES.—The Administrator of the Environmental Protection Agency and the Administrator of the Agency for International Development shall jointly, and in cooperation, select the environmental initiatives and policies for carrying out subsections (b), (c), (d), and (i). Specific environmental programs or projects shall be evaluated and carried out by those United States Government agencies or departments with traditional and recognized expertise in the program area, or by nongovernmental organizations, as appropriate to their respective expertise.

"(k) REGIONAL PROGRAM FOR ENVIRONMENTAL HEALTH ACTIVITIES IN THE CZECH AND SLOVAK FEDERAL REPUBLIC.—

"(1) ESTABLISHMENT.—The President shall work with officials of the Government of the Czech and Slovak Federal Republic to establish and support a regional program to study and facilitate cooperative activities to address the public health aspects of environmental degradation.

"(2) FUNDING.—Of the funds allocated to carry out subsection (i), up to $1,000,000 for fiscal year 1992 may be made available to carry out paragraph (1).

"(l) ASSESSMENT OF ENVIRONMENTAL IMPACT.—Assistance under this Act (other than assistance provided through Enterprise Funds under section 201 or through enterprise funds or similar entities under section 202) shall be provided consistent with section 117(c) of the Foreign Assistance Act of 1961 (as so redesignated by section 301 of the Special Foreign Assistance Act of 1986).

"(m) AGRICULTURAL ASSISTANCE.—Activities carried out under section 204 (relating to technical training and assistance) or section 206 (relating to use of local currency generated by agricultural assistance) that are designed to increase agricultural production shall emphasize the principles of low-input sustainable agriculture and integrated pest management, including promotion of alternative production systems that minimize pesticide residues on food.".

(c) MEDICAL ASSISTANCE.—Section 503 (22 U.S.C. 5453) is amended—

(1) in the section heading, by striking out all that follows "medical" and inserting in lieu thereof "assistance."; and

(2) by amending the text of subsection (a) to read as follows: "The President, acting through the Administrator of the Agency for International Development, is authorized to provide to eligible East European countries (1) medical training, (2) assistance with respect to health care planning and policy, and (3) other assistance to improve the quality of health care.".

(d) ASSISTANCE FOR HOUSING.—Title V is amended by adding at the end the following:

"SEC. 504. ASSISTANCE FOR HOUSING.

"(a) AUTHORITY TO PROVIDE ASSISTANCE.—The President, acting through the Administrator of the Agency for International Development, is authorized to provide technical assistance, and assistance to support the infrastructure, necessary to support a viable housing sector in eligible East European countries. Such assistance may be provided notwithstanding any other provision of law.

"(b) HOUSING INVESTMENT GUARANTY PROGRAM.—Guaranties may be issued under section 221 of the Foreign Assistance Act of 1961 for projects in eligible East European countries notwithstanding any other provision of law which would prohibit assistance for projects in such countries.".

(e) CONFORMING AMENDMENTS TO TABLE OF CONTENTS.—The table of contents in section 1(b) is amended—

(1) in the item relating to section 501, by striking out "in Poland and Hungary";

(2) in the item relating to section 502, by striking out "initiatives for Poland and Hungary" and inserting in lieu thereof "initiatives; environmental impact of programs";

(3) by amending the item relating to section 503 to read as follows:

"Sec. 503. Medical assistance."; and

(4) by inserting after the item relating to section 503 the following:

"Sec. 504. Assistance for housing.".

SEC. 509. ADDITIONAL SEED PROGRAM ACTIONS.

(a) EASTERN EUROPEAN BUSINESS INFORMATION CENTER SYSTEM.—Section 602 (22 U.S.C. 5462) is amended to read as follows:

"SEC. 602. EASTERN EUROPEAN BUSINESS INFORMATION CENTER SYSTEM.

"(a) PURPOSE.—The President shall encourage and facilitate United States investment in East European business enterprises through the widest possible dissemination of commercial and legal information on Eastern Europe to the United States business community through United States information services companies.

"(b) REQUIREMENT FOR BUSINESS INFORMATION CENTER SYSTEM.—Under the direction of the President, the SEED Program coordinator shall maintain an Eastern European Business Information Center System, employing (as appropriate) the services and expertise of United States information services companies. This system shall work in coordination with the Foreign Commercial Service and the governments of eligible East European countries.

"(c) FUNCTIONS.—The Eastern European Business Information Center System shall serve as a central clearinghouse and data resource service for United States and Eastern European businesses, providing information relating to—

"(1) business conditions in Eastern Europe;

"(2) legal and regulatory information needed by United States companies seeking to do business in Eastern Europe;

"(3) investment and trade opportunities for United States companies resulting from the region's efforts to privatize state enterprises and move toward a market economy; and

"(4) voluntary assistance efforts to countries in Eastern Europe.

"(d) AMERICAN BUSINESS CENTERS.—Where the President deems it would be effective in pro-

moting the purposes of this Act, the President should establish American Business Centers to support American business initiative in Eastern Europe. Such Centers should—

"(1) be designed to provide economies of time and scale to American businesses seeking to initiate trade and investment; and

"(2) operate, where feasible and to the maximum extent possible, on a user-fee basis.

"(e) INFORMATION ACCESS.—The Eastern European Business Information Center System shall be made accessible to the widest possible number of United States businesses through commercially available on-line information services. The SEED Program coordinator shall also endeavor to make information accessible to local enterprises in Eastern Europe seeking trade with or investment from the United States through the establishment of Eastern European trade information centers at such locations as the coordinator may designate.".

(b) ENCOURAGING VOLUNTARY ASSISTANCE.—Section 603 (22 U.S.C. 5463) is amended—

(1) in the section heading, by striking out "for Poland and Hungary";

(2) in subsection (a), by striking out "Poland and to refugees from Romania who are in Hungary" and inserting in lieu thereof "eligible East European countries"; and

(3) in subsection (b)—

(A) in the subsection heading, by striking out "TO POLAND";

(B) in paragraph (1), by striking out "Poland" and inserting in lieu thereof "eligible East European countries"; and

(C) in paragraph (3), by striking out "Poland" and inserting in lieu thereof "eligible East European countries".

(c) UNITED STATES REPRESENTATION IN EASTERN EUROPE.—Section 604 (22 U.S.C. 5464) is repealed.

(d) CONFORMING AMENDMENTS TO TABLE OF CONTENTS.—The table of contents in section 1(b) is amended—

(1) by amending the item relating to section 602 to read as follows:

"Sec. 602. Eastern European Business Information Center System.";

(2) in the item relating to section 603, by striking out "for Poland and Hungary"; and

(3) by striking out the item relating to section 604.

SEC. 510. FUNDING OF SEED PROGRAM.

(a) AUTHORIZATIONS OF APPROPRIATIONS.—Title VIII (22 U.S.C. 5491–5495) is amended by adding at the end the following:

"SEC. 806. FUNDING OF SEED PROGRAM.

"(a) AUTHORIZATIONS OF APPROPRIATIONS.—There are authorized to be appropriated to the President under the heading 'AGENCY FOR INTERNATIONAL DEVELOPMENT' $415,000,000 for fiscal year 1992 and $415,000,000 for fiscal year 1993 to provide the assistance authorized by the provisions of this Act specified in subsection (c). Such amounts are in addition to any amounts made available under part I of the Foreign Assistance Act of 1961 to provide such assistance. Amounts authorized to be appropriated by this subsection are authorized to remain available until expended.

"(b) RECOMMENDED AMOUNTS OF ASSISTANCE TO THE BALTIC COUNTRIES.—Of the amounts authorized to be appropriated by subsection (a), at least $15,000,000 for each fiscal year should be used for assistance for Lithuania, Latvia, and Estonia.

"(c) RECOMMENDED AMOUNTS FOR CERTAIN TYPES OF ASSISTANCE.—The amounts authorized to be appropriated by subsection (a) for each fiscal year should be allocated as follows (with proportional reductions in each amount if the appropriation is less than the amount authorized to be appropriated):

"(1) $175,000,000 should be allocated for use under sections 201 and 202 (relating to Enterprise Funds and private enterprise development).

"(2) $25,000,000 should be allocated for use under section 501 (relating to support for democratic institutions).

"(3) $75,000,000 should be allocated for use under subsection (i) of section 502 (relating to assistance for environment and energy activities).

"(4) $140,000,000 should be allocated for use under—

"(A) subsection (c)(1) of section 102 (relating to stabilization assistance),

"(B) subsection (h) of section 203 (relating to labor market transition),

"(C) section 204 (relating to technical training and assistance),

"(D) section 402 (relating to scholarships),

"(E) section 503 (relating to medical assistance), and

"(F) subsection (a) of section 504 (relating to assistance for housing).

"(d) AUTHORIZATIONS PROVIDED IN OTHER SECTIONS OF THIS ACT.—Authorizations of appropriations provided in other sections of this Act, other than section 403 (relating to science and technology exchange agreements), shall cease to be effective as of the date of enactment of this section.

"(e) RELATION TO OTHER LAWS.—Funds made available under this section may be used to provide assistance under this Act notwithstanding any other provision of law.

"(f) FOREIGN ASSISTANCE ACT ADMINISTRATIVE AUTHORITIES.—Funds authorized to be appropriated by subsection (a) shall be considered to be funds made available to carry out part I of the Foreign Assistance Act of 1961 (relating to economic assistance programs). This subsection does not supersede any provision which authorizes assistance to be provided under this Act 'notwithstanding any other provision of law'.".

(b) CONFORMING AMENDMENT TO TABLE OF CONTENTS.—The table of contents in section 1(b) is amended by adding at the end the following:

"Sec. 806. Funding of SEED program.".

SEC. 511. CONFORMING AMENDMENTS TO LIST OF SEED ACTIONS.

Subsection (c) of section 3 (22 U.S.C. 5401), as so redesignated by section 502(a)(1) of this Act, is amended as follows:

(1) DEBT-FOR-EQUITY AND DEBT-FOR-DEVELOPMENT SWAPS.—In paragraph (3), by inserting before the period at the end of the paragraph ", and debt-for-equity and debt-for-development swaps".

(2) STABILIZATION ASSISTANCE.—By—

(A) redesignating paragraphs (4) through (25) as paragraphs (5) through (26), respectively, and

(B) inserting after paragraph (3) the following new paragraph (4):

"(4) STABILIZATION ASSISTANCE.—Balance of payments support and other assistance to stabilize a country's economy and promote longer-term economic growth and stability, based on movement toward free market principles.".

(3) ENTERPRISE FUNDS.—In paragraph (6), as so redesignated by paragraph (2) of this section, by striking out "so is designated" and inserting in lieu thereof "is so designated".

(4) PRIVATE ENTERPRISE DEVELOPMENT.—By—

(A) redesignating paragraphs (7) through (26), as so redesignated by paragraph (2) of this section, as paragraphs (8) through (27), respectively, and

(B) inserting after paragraph (6), as so redesignated by paragraph (2) of this section, the following new paragraph (7):

"(7) PRIVATE ENTERPRISE DEVELOPMENT.—In order to support private enterprise development, assistance similar to that authorized to be provided by the Enterprise Funds and assistance to support United States participation in capital projects, both public infrastructure projects and private investment projects.".

(5) TECHNICAL TRAINING AND ASSISTANCE.—By amending paragraph (9), as so redesignated by the preceding paragraphs of this section, to read as follows:

"(9) TECHNICAL TRAINING AND ASSISTANCE.—Technical training and assistance to assist eligible East European countries as they develop a market economy and democratic institutions.".

(6) SCHOLARSHIPS.—Paragraph (22), as so redesignated by the preceding paragraphs of this section, is amended by inserting "and at American institutions of higher education abroad" after "States".

(7) MEDICAL ASSISTANCE.—Paragraph (26), as so redesignated by the preceding paragraphs of this section, is amended to read as follows:

"(26) MEDICAL ASSISTANCE.—Medical training and other assistance to improve the quality of health care.".

(8) ASSISTANCE FOR HOUSING.—By—

(A) redesignating paragraph (27), as so redesignated by the preceding paragraphs of this section, as paragraph (28), and

(B) inserting after paragraph (26), as so redesignated by the preceding paragraphs of this section, the following new paragraph (27):

"(27) ASSISTANCE FOR HOUSING.—Assistance to support a viable housing section.".

(9) EASTERN EUROPEAN BUSINESS INFORMATION CENTER SYSTEM.—Paragraph (28), as so redesignated by the preceding paragraphs of this section, is amended by striking out "a SEED Information Center" and inserting in lieu thereof "an Eastern European Business Information Center System".

SEC. 512. REGIONAL ENVIRONMENTAL CENTER FOR CENTRAL AND EASTERN EUROPE.

The Regional Environmental Center for Central and Eastern Europe located in Budapest, Hungary, which is authorized under section 502(d) of the Support for East European Democracy (SEED) Act of 1989, shall be treated as an international organization for the purpose of detailing United States Government personnel.

CHAPTER 2—OTHER PROVISIONS RELATING TO THE REGION

SEC. 521. SOVIET-EASTERN EUROPEAN RESEARCH AND TRAINING PROGRAM.

(a) AUTHORIZATIONS OF APPROPRIATIONS.—In addition to amounts otherwise authorized to be appropriated for such purpose, there are authorized to be appropriated $5,000,000 for fiscal year 1992 and $5,000,000 for fiscal year 1993 to carry out the Soviet-Eastern European Research and Training Act of 1983.

(b) ANNUAL REPORTS.—Section 807 of the Soviet-Eastern European Research and Training Act of 1983 (22 U.S.C. 4506) is amended to read as follows:

"ANNUAL REPORTS

"SEC. 807. At the end of each fiscal year, the Secretary of State shall prepare and submit to the Congress a report on the implementation of this title during that fiscal year. This report shall include—

"(1) an analysis of the extent to which the payments made pursuant to this title were successful in supporting the functions referred to in section 802(3);

"(2) a financial statement showing how the funds paid to each institution pursuant to this title were used, with a summary of the results of any audit conducted by the United States Government with respect to those funds;

"(3) a listing of all institutions receiving payments under this title whose administrative expenses that were covered by such payments represented more than 10 percent of the amount of

those payments, with an explanation for each such institution of why its administrative expenses exceeded 10 percent of the amount of those payments; and

"(4) such recommendations as the Advisory Committee deems advisable.".

SEC. 522. CONDEMNATION OF ANTI-SEMITISM AND ETHNIC INTOLERANCE IN ROMANIA.

(a) FINDINGS.—The Congress finds that—

(1) in December 1989, after decades of harsh repression by successive Communist regimes in Romania, a violent uprising overthrew the brutal dictatorship of Nicolae Ceausescu;

(2) this historic event has opened the way for the people of Romania to join the other nations of Central and Eastern Europe in establishing a free and democratic political system and a free market economy;

(3) a reunited Europe, meaning a harmonious community of free and friendly nations, must be established on the basis of full respect for human rights, including the rights of minorities, and a rejection of anti-Semitism and other forms of ethnic and religious intolerance;

(4) the newly gained freedom in Romania has allowed the formation of new social and political organizations and the establishment of new publications free of direct government control;

(5) this freedom has also given rise to a revival of extremist organizations and publications promulgating national chauvinism, ethnic hatred, and anti-Semitism;

(6) Romania's parliament, instead of condemning these developments, itself stood in a moment of silence recently for the extreme nationalist Ion Antonescu who was responsible for the murder of approximately 250,000 Romanian Jews and was executed as a war criminal;

(7) the Nobel Peace laureate author and humanist Elie Wiesel recently visited Romania, the country of his birth, to participate in the commemoration of the 50th anniversary of the mass murder of Romania's Jews by the Antonescu government;

(8) even that recent solemn commemoration was marred by anti-Semitic heckling against Professor Wiesel; and

(9) these extremist organizations and their activities continue despite the Romanian Government's reaffirmation of its commitment to fight against discrimination on the grounds of race, color, national origin, or religion.

(b) CONDEMNATION OF ANTISEMITISM AND ETHNIC ANIMOSITY.—The Congress—

(1) condemns the resurgence of organized anti-Semitism, and ethnic animosity in Romania, including the existence of extremist organizations and publications dedicated to such repugnant ideas;

(2) urges the Government of Romania to continue to speak out against anti-Semitism and to work actively to promote harmony among Romania's ethnic and religious groups;

(3) calls on the people of Romania to resist the negative appeal of these repugnant organizations and their activities and to strengthen the forces of tolerance and pluralism existing in Romanian society;

(4) calls on the Government of Romania to continue to take steps toward greater respect for internationally recognized human rights, including the rights of minorities; and

(5) calls on the President of the United States to ensure that progress by the Government of Romania in combating anti-Semitism and in protecting the rights and safety of its ethnic minorities shall be a significant factor in determining levels of assistance to Romania.

SEC. 523. NAGORNO-KARABAKH CRISIS.

The Congress—

(1) condemns the attacks by internal security forces and the forces of the Azerbaijani government on innocent children, women, and men in Armenian areas and communities in and around Nagorno-Karabakh and in Armenia;

(2) condemns the indiscriminate use of force, including the shelling of civilian areas, on Armenia's eastern and southern borders;

(3) calls for the end of the blockades and other uses of force and intimidation directed against Armenia and Nagorno-Karabakh, and calls for the withdrawal of forces newly deployed for the purpose of intimidation;

(4) calls for an immediate end to deportations of Armenians from Nagorno-Karabakh and the freedom for all refugees to return to their homes;

(5) calls for dialogue among all parties involved as the only acceptable route to achieving a lasting resolution of the conflict;

(6) reaffirms the commitment of the United States to the success of democracy and self-determination in the Soviet Union and its various republics; and

(7) expresses its deep concern over acts of retribution or intimidation against those republics which are seeking greater independence.

SEC. 524. ANDREI SAKHAROV EDUCATIONAL EXCHANGE PROGRAM.

(a) ESTABLISHMENT.—Section 112(a) of the Mutual Educational and Cultural Exchange Act of 1961 (relating to the exchange programs managed by the Bureau of Educational and Cultural Affairs in the United States Information Agency) is amended—

(1) by striking out "and" at the end of paragraph (8);

(2) by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(10) the Andrei Sakharov Educational Exchange Program, to facilitate international exchanges and cooperation in the fields of environmental protection and the health sciences that involve graduate students who have demonstrated a commitment to the application of science in furtherance of the humanitarian ideals embodied by Andrei Sakharov.".

(b) SEED ACTIONS.—

(1) EDUCATIONAL AND CULTURAL EXCHANGES.—Section 401(a)(1) of the Support for East European Democracy (SEED) Act of 1961 is amended by inserting "the Andrei Sakharov Educational Exchange Program," after "Memorial Exchange Program,".

(2) LIST OF SEED ACTIONS.—Section 3(c)(19) of that Act, as so redesignated by section 502(a) and section 511 of this Act, is amended by inserting before the period ", and participation in exchanges under the Andrei Sakharov Educational Exchange Program".

SEC. 525. CRISIS IN YUGOSLAVIA.

It is the sense of the Congress that—

(1) the United States strongly supports the initiatives of the European Community to achieve a peaceful, negotiated settlement of the crisis in Yugoslavia, including their call for agreement by all parties in Yugoslavia on a cease-fire to be observed by monitors mandated by the Conference on Security and Cooperation in Europe and the convening of a peace conference;

(2) all parties to the conflict must implement immediately an unconditional cease-fire in Croatia and cooperate fully with the peacekeeping steps initiated by the European Community;

(3) the use of force to solve political differences or to change the internal or external borders of Yugoslavia is not acceptable and represents a serious violation of international norms and the principles of the Conference on Security and Cooperation in Europe process;

(4) those who resort to force in Yugoslavia will achieve nothing but tragedy for the peoples of Yugoslavia and themselves and will only confirm their own isolation from the international community;

(5) the legitimate concerns of all Yugoslav peoples, including Serbs inside and outside Serbia, about their future in the event of the disintegration of Yugoslavia cannot justify the use of force and repression;

(6) all peoples of Yugoslavia must resolve their future in a peaceful, democratic, and negotiated manner which will preserve the rights of all peoples in the country, particularly the full human rights of ethnic minorities living in all republics and provinces.

SEC. 526. ANGLO-IRISH INTERNATIONAL FUND.

(a) ANNUAL REPORTS AND CERTIFICATION.—The Anglo-Irish Agreement Support Act of 1986 is amended—

(1) by striking out section 5(c); and

(2) by amending section 6 to read as follows:

"SEC. 6. ANNUAL REPORTS.

"(a) REQUIREMENT FOR REPORTS.—At the end of each fiscal year in which the United States Government makes any contribution to the International Fund (but not later than December 31), the President shall report to the Congress on the degree to which—

"(1) the International Fund has contributed to reconciliation between the communities in Northern Ireland;

"(2) United States contributions to the International Fund are meeting their objectives of encouraging new investment, job creation, and economic reconstruction on the basis of strict equality of opportunity;

"(3) the International Fund has increased respect for the human rights and fundamental freedoms of all people in Northern Ireland;

"(4) the Board of the International Fund, as a whole, is broadly representative of the interests of the communities in Ireland and Northern Ireland; and

"(5) disbursements from the International Fund—

"(A) are distributed in accordance with the principle of equality of opportunity and nondiscrimination in employment, without regard to religious affiliation; and

"(B) address the needs of both communities in Northern Ireland.

"(b) INDEPENDENT REVIEW OF THE FUND.—The reports submitted pursuant to subsection (a) shall discuss the results of any independent reviews that have been conducted of the programs and projects supported by the International Fund, with particular regard to the achievement of the objectives specified in paragraphs (1) through (5) of subsection (a).".

(b) UNITED STATES CONTRIBUTIONS TO THE FUND.—Section 532 of the Foreign Assistance Act of 1961 (as amended by title I of this Act) authorizes the appropriation of $22,500,000 for each of fiscal years 1992 and 1993 for United States contributions to the International Fund for Ireland pursuant to the Anglo-Irish Agreement Support Act of 1986.

SEC. 527. UNITED STATES POLICY REGARDING THE EASTERN MEDITERRANEAN.

Section 620C of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 620C. UNITED STATES POLICY REGARDING THE EASTERN MEDITERRANEAN.

"(a) CONGRESSIONAL FINDINGS REGARDING CYPRUS SETTLEMENT.—The Congress declares that the achievement of a just and lasting Cyprus settlement is and will remain a central objective of United States foreign policy. The Congress finds that—

"(1) a just settlement on Cyprus must involve the establishment of a free and independent government on Cyprus and must provide reasonable guarantees that the rights of all the people of Cyprus, including displaced persons, are fully protected;

"(2) a just settlement on Cyprus must include the withdrawal of Turkish military forces from Cyprus;

"(3) the United Nations resolutions regarding Cyprus provide a sound basis for negotiation of a just settlement on Cyprus;

"(4) serious negotiations, under United Nations auspices, will be necessary to achieve agreement on, and implementation of, constitutional and territorial arrangements critical to a just settlement on Cyprus;

"(5) the return of the refugees displaced from Famagusta/Varosha is a matter of high priority and the United States should actively support the efforts of the Secretary General of the United Nations with respect to this issue; and

"(6) the continued deployment of a United Nations peacekeeping force is essential to reducing tensions and maintaining the cease-fire on Cyprus.

"(b) PRINCIPLES GOVERNING UNITED STATES POLICY.—United States policy regarding Cyprus, Greece, and Turkey shall be directed toward restoring and maintaining a stable and peaceful atmosphere in the Eastern Mediterranean region and shall therefore be governed by the following principles:

"(1) The United States shall actively support the resolution of differences through negotiations and internationally established peaceful procedures, shall encourage all parties to avoid provocative actions, and shall strongly oppose any attempt to resolve disputes through force or threat of force.

"(2) The United States will accord full support and high priority to efforts, including those of the United Nations, to bring about a prompt, peaceful settlement on Cyprus.

"(3) All defense articles furnished by the United States to countries in the Eastern Mediterranean region will be used only in accordance with the requirements of this Act, the Arms Export Control Act, and the agreements under which those defense articles were furnished.

"(4) The United States will furnish military assistance for Greece and Turkey only when furnishing that assistance is intended solely for defensive purposes, including when necessary to enable the recipient country to fulfill its responsibilities as a member of the North Atlantic Treaty Organization, and shall be designed to ensure that the present balance of military strength between Greece and Turkey is preserved. Nothing in this paragraph shall be construed to prohibit the transfer of defense articles to Greece or Turkey for legitimate self defense or to enable Greece or Turkey to fulfill their North Atlantic Treaty Organization obligations.

"(5) The United States shall use its influence to ensure the continuation of the cease-fire on Cyprus until an equitable negotiated settlement is reached.

"(6) Any agreement entered into by the United States for the sale or other provision of any defense article on the United States Munitions List (established pursuant to section 38 of the Arms Export Control Act) shall expressly state that the article is being provided by the United States only with the understanding that the article will not be transferred to Cyprus or otherwise used to further the severance or division of Cyprus. The President shall report to the Congress any substantial evidence that equipment provided under any such agreement has been used in a manner inconsistent with the purposes of this paragraph.

"(7) The United States shall use its influence to achieve the withdrawal of Turkish military forces from Cyprus in the context of a solution to the Cyprus problem.

"(c) REVIEW AND REPORTS REGARDING PROGRESS TOWARD A SETTLEMENT.—

"(1) CONTINUAL REVIEW.—Because progress toward a Cyprus settlement is a high priority of United States policy in the Eastern Mediterranean, the President and the Congress shall continually review that progress and shall determine United States policy in the region accordingly.

"(2) PERIODIC REPORTS.—To facilitate such a review, the President shall transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, every 90 days, a report on progress made toward the conclusion of a negotiated solution of the Cyprus problem. Such reports shall include any relevant reports prepared by the Secretary General of the United Nations for the Security Council.".

SEC. 528. ASSISTANCE FOR THE EASTERN MEDITERRANEAN.

(a) ECONOMIC SUPPORT ASSISTANCE.—Section 532 of the Foreign Assistance Act of 1961 (as amended by title I of this Act), relating to economic support assistance, authorizes the appropriation of—

(1) $15,000,000 for each of fiscal years 1992 and 1993 for Cyprus for a scholarship program, bicommunal projects, and measures aimed at the reunification of the island and designed to reduce tensions and to promote peace and cooperation between the two communities on Cyprus; and

(2) $190,000,000 for each of fiscal year 1992 and 1993 for Turkey.

(b) FOREIGN MILITARY FINANCING ASSISTANCE.—Section 504 of the Foreign Assistance Act of 1961 (as amended by title II of this Act), relating to foreign military financing assistance, authorizes the appropriation of—

(1) $500,000,000 for each of fiscal years 1992 and 1993 for Turkey; and

(2) $350,000,000 for each of fiscal years 1992 and 1993 for Greece.

TITLE VI—MIDDLE EAST

SEC. 601. ASSISTANCE FOR ISRAEL.

(a) ECONOMIC SUPPORT ASSISTANCE.—

(1) AUTHORIZED ASSISTANCE LEVEL.—This subsection applies with respect to the $1,200,000,000 that is authorized to be appropriated for each of fiscal years 1992 and 1993 for economic support assistance for Israel by section 532 of the Foreign Assistance Act of 1961 (as amended by title I of this Act).

(2) TERMS OF ASSISTANCE.—The total amount of such funds allocated for Israel each fiscal year shall be made available as a cash transfer on a grant basis. Such transfer shall be made on an expedited basis within 30 days after the beginning of the fiscal year or the date of enactment of the Act appropriating such funds, whichever is later. In exercising the authority of this paragraph, the President shall ensure that the level of cash transfer made to Israel does not cause an adverse impact on the total level of nonmilitary exports from the United States to Israel.

(b) FOREIGN MILITARY FINANCING ASSISTANCE.—

(1) AUTHORIZED ASSISTANCE LEVEL.—This subsection applies with respect to the $1,800,000,000 that is authorized to appropriated for each of fiscal years 1992 and 1993 for foreign military financing assistance for Israel by section 504 of the Foreign Assistance Act of 1961 (as amended by title II of this Act). Such assistance shall be provided on a grant basis.

(2) EXPEDITED DELIVERY OF ASSISTANCE.—The total amount of such funds allocated for Israel each fiscal year shall be disbursed within 30 days after the beginning of the fiscal year or the date of enactment of the Act appropriating such funds, whichever is later.

(3) ADVANCED WEAPONS SYSTEMS.—To the extent that the Government of Israel requests that funds be used for such purposes, funds described in paragraph (1) shall, as agreed by the Government of Israel and the Government of the United States, be available for advanced weapons systems as follows:

(A) Up to $150,000,000 for each fiscal year shall be available for research and development in the United States.

(B) Up to $475,000,000 for each fiscal year shall be available for procurement in Israel of defense articles and defense services, including research and development.

(c) SPECIAL DRAWDOWN AUTHORITY FOR ISRAEL.—Section 599B of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991, is amended—

(1) in subsection (a)—

(A) by striking out "As a result" and all that follows through "the President" and inserting in lieu thereof "During fiscal year 1992, the President", and

(B) by striking out "of $700,000,000" and all that follows through the period and inserting in lieu thereof "that equals the difference between $700,000,000 and the value of any such articles, services, and education and training that were authorized by the President to be drawndown under the authority of this section before the enactment of the International Cooperation Act of 1991."; and

(2) in subsection (d), by adding at the end the following: "Such report shall be submitted at the same time to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.".

SEC. 602. ASSISTANCE FOR EGYPT.

(a) ECONOMIC SUPPORT ASSISTANCE.—

(1) AUTHORIZED ASSISTANCE LEVEL.—This subsection applies with respect to the $815,000,000 that is authorized to be appropriated for each of fiscal years 1992 and 1993 for economic support assistance for Egypt by section 532 of the Foreign Assistance Act of 1961 (as amended by title I of this Act).

(2) CONDITIONS FOR SECTOR GRANTS.—Assistance provided for Egypt with such funds may include sector grants only if Egypt implements agreed upon reforms in the relevant sector.

(3) LAW ENFORCEMENT ASSISTANCE.—Notwithstanding section 660 of the Foreign Assistance Act of 1961, assistance provided for Egypt with funds described in paragraph (1) may include support for instruction and training for Egyptian civilian law enforcement personnel with respect to human rights, democratic pluralism, and comparative criminal justice systems, including support for related curriculum development and research. Such assistance may be provided only through United States institutions of higher education or through the International Criminal Investigative Training Assistance Program of the United States Department of Justice.

(b) FOREIGN MILITARY FINANCING ASSISTANCE.—Section 504 of the Foreign Assistance Act of 1961 (as amended by title II of this Act) authorizes the appropriation of $1,300,000,000 for each of fiscal years 1992 and 1993 for foreign military financing assistance for Egypt. Such assistance shall be provided on a grant basis.

SEC. 603. PROMOTING PLURALISM AND DEMOCRACY IN THE MIDDLE EAST AND NORTH AFRICA.

Of the amounts allocated by the Agency for International Development for democratic initiatives and human rights, up to $10,000,000 for each of fiscal years 1992 and 1993 shall be used to support the growth of indigenous nongovernmental organizations that contribute to increased pluralism, democracy, and respect for human rights and the rule of law in the Middle East and North Africa.

SEC. 604. WEST BANK AND GAZA PROGRAM.

Of the amounts made available for economic support assistance, up to $16,000,000 for each of fiscal years 1992 and 1993 shall be available for the West Bank and Gaza program.

SEC. 605. MIDDLE EAST COOPERATIVE SCIENTIFIC AND TECHNOLOGICAL PROJECTS.

Section 532 of the Foreign Assistance Act of 1961 (as amended by title I of this Act), relating to economic support assistance, authorizes the appropriation of $7,000,000 for each of fiscal

years 1992 and 1993 for regional cooperative programs in the Middle East in accordance with section 202(c) of the International Security and Development Cooperation Act of 1985.

SEC. 606. COOPERATIVE DEVELOPMENT PROJECTS.

(a) COOPERATIVE DEVELOPMENT PROJECTS.—Of the amounts made available for development assistance, $5,000,000 for each of fiscal years 1992 and 1993 should be used to finance cooperative development projects among the United States, Israel, and eligible East European countries (as defined in section 4 of the Support for East European Democracy (SEED) Act of 1989) or developing countries.

(b) COOPERATIVE DEVELOPMENT RESEARCH PROJECTS.—Of the amounts made available for development assistance, $5,000,000 for each of fiscal years 1992 and 1993 should be used to finance cooperative development research projects among the United States, Israel, and eligible East European countries (as defined in section 4 of the Support for East European Democracy (SEED) Act of 1989) or developing countries.

SEC. 607. ISRAELI-PALESTINIAN PEOPLE-TO-PEOPLE ACTIVITIES.

It is the sense of the Congress that, in order to promote better understanding and mutual respect between the Israeli and Palestinian peoples, the United States should support educational, cultural, and humanitarian activities that bring Israelis together with Palestinians living in the West Bank and Gaza.

SEC. 608. POLICY TOWARD AND ASSISTANCE FOR LEBANON.

(a) UNITED STATES POLICY.—It is the sense of the Congress that United States policy toward Lebanon should—

(1) support the unity, sovereignty, and territorial integrity of Lebanon;

(2) work for the immediate release of American hostages seized in Lebanon;

(3) encourage the Government of Lebanon to undertake political reforms to establish representative democratic institutions;

(4) oppose Syrian control of Lebanon and the use of Lebanese territory by Syria for illegal narcotics production and trafficking;

(5) seek the removal of all Syrian, other Arab, and Iranian troops from Lebanon;

(6) seek the removal of Israeli forces from Lebanon as soon as the Government of Lebanon is capable of effectively guaranteeing an end to cross-border terrorism;

(7) provide, under present circumstances, humanitarian and economic assistance to the people of Lebanon through United States and international private voluntary organizations and to American institutions in Lebanon, such as the American University of Beirut, Beirut University College, and International College; and

(8) ensure that none of the assistance provided to Lebanon benefits the Government of Syria.

(b) ECONOMIC SUPPORT ASSISTANCE.—Of the amounts available for economic support assistance, $4,000,000 for each of fiscal years 1992 and 1993 should be made available for Lebanon.

(c) DEVELOPMENT ASSISTANCE.—Of the amounts available for development assistance, $6,000,000 for each of fiscal years 1992 and 1993 should be made available for Lebanon.

SEC. 609. RESTRICTIONS AND REPORTS WITH REGARD TO SYRIA.

(a) RESTRICTIONS ON ASSISTANCE.—United States assistance may not be provided to Syria until the President determines, and so reports to the appropriate congressional committees, that—

(1) the Government of Syria has demonstrated its willingness to enter into direct bilateral negotiations with the State of Israel;

(2) the Government of Syria—

(A) does not deny its citizens, or any segment of its citizens, the right or opportunity to emigrate,

(B) does not impose any tax on emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever, and

(C) does not impose any tax, levy, fine, or other charge (other than a nominal fee for administrative expenses) on any citizen as a consequence of the desire of such citizen to emigrate to the country of his or her choice;

(3) the Government of Syria is assisting the United States Government in obtaining the release of American hostages seized in Lebanon;

(4) the Government of Syria no longer supports groups responsible for acts of international terrorism and no longer provides safe haven for terrorists;

(5) the Government of Syria is withdrawing its armed forces from Lebanon;

(6) the Government of Syria is no longer acquiring chemical, biological, or nuclear weapons, and the President has received credible assurances that any such weapons now in the Syrian arsenal will not be used to threaten Syria's neighbors;

(7) the Government of Syria is fully cooperating with United States antinarcotics efforts and is taking steps to remove those members of the Syrian Government who are involved in the drug trade; and

(8) the Government of Syria has made progress in improving its record of respect for internationally recognized human rights.

(b) DEFINITION.—As used in this section, the term "United States assistance" means United States assistance as defined in section 481(i)(4) of the Foreign Assistance Act of 1961 as in effect immediately prior to the enactment of this Act.

SEC. 610. PEACE AND STABILITY IN THE MIDDLE EAST.

(a) EFFORTS TO ACHIEVE.—It is the sense of the Congress that the United States should encourage all Arab states—

(1) to support actively efforts to achieve peace and stability in the Middle East and to settle the Arab-Israeli conflict through direct negotiations; and

(2) to take specific steps to—

(A) recognize unequivocally Israel's right to exist as a sovereign nation within secure and recognized borders;

(B) terminate the diplomatic and economic boycott of Israel, including the secondary and tertiary economic boycotts;

(C) cease efforts to expel Israel from international organizations or to deny Israel the opportunity to participate in the activities of such organizations; and

(D) terminate assistance to countries or groups that commit or support acts of international terrorism.

(b) ANNUAL REPORTS ON IMPLEMENTATION OF POLICIES.—Not later than 12 months after the date of enactment of this Act and every 12 months thereafter, the Secretary of State shall submit to the appropriate congressional committees a report on progress in implementing the policies expressed in subsection (a).

SEC. 611. CUMULATIVE IMPACT ON ISRAEL OF UNITED STATES CONVENTIONAL ARMS TRANSFERS TO THE MIDDLE EAST.

Not later than January 31 each year, the President shall submit to the appropriate congressional committees a report containing—

(1) an analysis of the impact on Israel of both United States commercial and government-to-government transfers of defense articles and defense services to the Middle East;

(2) a description of the policies being pursued by the United States to maintain Israel's qualitative edge; and

(3) a description of the steps being taken to preserve Israel's qualitative edge.

SEC. 612. RESTRICTIONS ON NEGOTIATIONS WITH THE PALESTINE LIBERATION ORGANIZATION.

Section 1302 of the International Security and Development Cooperation Act of 1985 is amended—

(1) in subsection (b)—

(A) by inserting "and amends or supersedes its charter to reflect that recognition" after "recognizes Israel's right to exist", and

(B) by inserting "and ceases" after "renounces"; and

(2) by adding at the end the following:

"(c) PLO SUPPORT FOR IRAQ'S INVASION OF KUWAIT.—In 1990 the United States, along with other members of the United Nations Security Council, condemned Iraq's invasion and annexation of Kuwait and called upon Iraq to withdraw from Kuwait. In 1991, the United States led a 28 nation coalition in military action to eject Iraq from Kuwait and implement the 12 Security Council resolutions regarding Iraq's invasion of Kuwait. The Palestine Liberation Organization opposed these policies of the United States and worked against their implementation.".

SEC. 613. PLO COMMITMENTS COMPLIANCE.

(a) REPORT ON PLO ACTIVITIES DURING THE PERSIAN GULF CONFLICT.—Not later than 60 days after the date of enactment of this Act, the President shall submit a report in accordance with subsection (c) containing—

(1) a description of PLO support (including all statements and activities) of the goals and objectives of Saddam Hussein and the Iraqi occupation of Kuwait; and

(2) a description of efforts by the PLO to open a "second front" against Israel from Lebanon during the Persian Gulf conflict.

(b) ANNUAL REPORTS ON PLO TERRORIST ACTIVITIES.—Not later than 12 months after the date of enactment of this Act and every 12 months thereafter, the President shall submit a report in accordance with subsection (c) containing—

(1) a description of the terrorist acts committed or supported by the PLO;

(2) a description of actions or statements by the PLO as they relate to the Geneva commitments of December 1988 regarding cessation of terrorism and recognition of Israel's right to exist, including actions or statements that contend that the declared "Palestinian state" encompasses all of Israel;

(3) a description of the steps, if any, taken by the PLO to evict or otherwise discipline individuals or groups taking actions inconsistent with the Geneva commitments;

(4) a statement of whether the PLO, in accordance with procedures in Article 33 of the Palestinian National Covenant, has repealed provisions in that covenant which call for Israel's destruction;

(5) a statement of whether the PLO has obstructed efforts by any Arab state to recognize Israel and enter into direct negotiations with Israel, or end its economic boycott of Israel;

(6) a statement of whether "Force 17" and the "Hawari Group", or other units directed by Yasser Arafat that have carried out terrorist attacks, have been disbanded and not reconstituted under different names;

(7) a statement of the PLO's position on the unrest in the West Bank and Gaza, and whether the PLO threatens, through violence or other intimidation measures, Palestinians in the West Bank and Gaza who advocate a cessation of, or who do not support, the unrest and who might be receptive to engaging in a peace process;

(8) a statement of the position of the PLO regarding the prosecution and extradition, if so requested, of known terrorists such as Abu Abbas, who directed the Achille Lauro hijacking during which Leon Klinghoffer was murdered,

and Muhammed Rashid, implicated in the 1982 bombing of the Pan Am jet and the 1986 bombing of a TWA jet in which four Americans were killed;

(9) a statement of the position of the PLO on providing compensation to the United States victims or the families of United States victims of PLO terrorism;

(10) a description of PLO involvement in illicit drug trafficking; and

(11) a description of the financial resources, assets, and holdings of the PLO and the sources of such resources, including the amount of financial support from each and every country contributing to the PLO.

(c) SUBMISSION OF REPORTS.—The reports required by this section shall be submitted to the Speaker of the House of Representatives and to the Chairman of the Committee on Foreign Relations of the Senate. Such reports shall be submitted in unclassified form to the maximum extent practicable.

(d) DEFINITION OF PLO.—The term "PLO" includes the Palestine Liberation Organization, any of its constituent groups or factions, and any successors thereto or agents thereof, including any of its officers, officials, representatives, or spokespersons.

SEC. 614. UNITED NATIONS GENERAL ASSEMBLY RESOLUTION 3379.

It is the sense of the Congress that the United States should lead an effort to repeal United Nations General Assembly Resolution 3379 (XXX).

SEC. 615. DEMOCRATIC REFORM AND HUMAN RIGHTS IN KUWAIT.

(a) REPORT.—Not later than 90 days after the date of enactment of this Act, the President shall report to the appropriate congressional committees whether the Government of Kuwait has taken steps to—

(1) end the occurrences of arbitrary arrest, torture, and other extrajudicial actions;

(2) bring to justice those responsible for perpetrating such actions;

(3) ensure that those detained have access to legal counsel, the right to an open and speedy trial, and other internationally recognized standards of due process of law;

(4) allow the presence and activities of international human rights and humanitarian organizations;

(5) comply with international law relating to deportations; and

(6) establish conditions to ensure that the October 1992 elections are free and fair, and permit universal suffrage.

(b) UNITED STATES POLICIES TOWARD KUWAIT.—Respect for internationally recognized human rights by the Government of Kuwait and the development of democratic institutions in Kuwait, including progress on the factors listed in paragraphs (1) through (6) of subsection (a), shall be a significant factor in the determination of United States policies toward Kuwait, including policies regarding the sale of defense articles and defense services.

SEC. 616. USE OF UNITED STATES SUBCONTRACTORS IN KUWAIT.

It is the sense of the Congress that—

(1) United States businesses engaged in rebuilding Kuwait should, to the maximum extent possible, use United States subcontractors and available United States goods and services; and

(2) the Department of Commerce should monitor and encourage the implementation of this policy.

SEC. 617. IRAQI WAR CRIMES AND CRIMES AGAINST HUMANITY.

It is the sense of the Congress that the President should confer with members of the United Nations Security Council and seek appropriate Security Council action to establish an appropriate international tribunal to try all individuals, including Iraqi President Saddam Hussein, who were involved in the planning or execution of war crimes and crimes against humanity during and after Iraq's August 1990 invasion of Kuwait.

SEC. 618. REPORT ON TRANSFERS OF SPOILS OF WAR.

(a) SUBMISSION; CONTENTS—Not later than 90 days after the date of enactment of this Act, the President shall submit to the relevant congressional committees a report describing any spoils of war that were obtained subsequent to August 2, 1990, and that were transferred (within the meaning of the Spoils of War Act of 1991, which is chapter 4 of title II of this Act) to any party before the date of enactment of this Act. Such report may be submitted in classified or unclassified form.

(b) DEFINITIONS.—As used in this section, the terms "enemy", "party", "relevant congressional committees", and "spoils of war" have the same meaning they have for purposes of the Spoils of War Act of 1991.

SEC. 619. 1981 ISRAELI PREEMPTIVE STRIKE AGAINST THE IRAQI NUCLEAR REACTOR AT OSIRAK.

(a) FINDINGS.—The Congress finds that—

(1) on June 7, 1981, the Israeli air force launched a preemptive strike against the Iraqi nuclear reactor at Osirak;

(2) on June 19, 1981, the United Nations Security Council adopted Resolution 487 which condemned that Israeli preemptive strike;

(3) in the years following that Israeli preemptive strike, Iraq demonstrated an ability and willingness to use weapons of mass destruction, as evidenced by chemical weapons attacks against both Iranian military forces and Kurdish Iraqi citizens;

(4) in 1990, Iraqi President Hussein attempted to illegally acquire triggering devices for atomic bombs, and also threatened to use weapons of mass destruction against both neighboring Arab countries and Israel;

(5) in August 1990, Iraq invaded and occupied Kuwait, demonstrating a continuing policy of aggression;

(6) after United States-led coalition forces attacked the Iraqi forces on January 16, 1991, Iraq attempted to draw Israel, a nonbelligerent country, into the conflict by launching 42 Scud missiles at Israel; and

(7) there is no evidence that the Israeli preemptive strike against the Iraqi nuclear reactor at Osirak delayed efforts to resolve the Arab-Israeli conflict.

(b) POLICY DECLARATIONS.—It is the sense of the Congress that—

(1) the 1981 Israeli preemptive strike against the Iraqi nuclear reactor at Osirak was a legitimate and justifiable exercise of self-defense which also reduced the threat of Iraqi nuclear aggression against countries bordering Iraq; and

(2) the United States should seek the repeal of United Nations Security Council Resolution 487 which condemned that 1981 Israeli preemptive strike.

TITLE VII—LATIN AMERICA AND THE CARIBBEAN

CHAPTER 1—CENTRAL AMERICA AND THE CARIBBEAN

Subchapter A—Central America

SEC. 701. PROMOTING CENTRAL AMERICAN RECOVERY AND DEVELOPMENT.

(a) IN GENERAL.—The Congress accepts with confidence that the countries of Central America will successfully direct their own economic and human resources to build and maintain the political, social, and economic institutions necessary to achieve peace and prosperity for their people. Accordingly, it shall be the policy of the United States to encourage and support the Central American countries in their efforts to build democracy, restore peace, establish respect for human rights, expand economic opportunities through the achievement of sustained and sustainable development, and improve living conditions in the countries of Central America. It further shall be the policy of the United States to support and encourage dialogue as the proper means of resolving armed conflicts in Central America.

(b) UNITED STATES ASSISTANCE FOR IMPLEMENTATION OF AN INTERNATIONAL PROGRAM FOR CENTRAL AMERICAN RECOVERY AND DEVELOPMENT.—In order to build upon the programs established pursuant to the National Bipartisan Commission on Central America and to establish a Central American Recovery and Development Program, it shall be the policy of the United States, consistent with implementation of the Esquipulas, Tesoro Beach, Tela, San Isidro, and Montelimar Accords and the Antigua Declaration, to assist in the implementation of recommendations of the International Commission on Central American Recovery and Development, including proposals—

(1) to provide additional economic assistance to the countries of Central America to assist with relocation and resettlement of refugees and other displaced persons in the region, expand educational opportunity and access to health care, foster progress in respect for human rights, bolster democratic institutions, strengthen institutions of justice, conserve natural resources and protect the environment, and otherwise promote sustainable economic development;

(2) to facilitate the ability of the economies of individual Central American countries to grow through the development of the infrastructure of those countries, expansion of exports, and strengthening of investment opportunities, goals which are enhanced by the Caribbean Basin Economic Recovery Expansion Act of 1990; and

(3) to develop those initiatives in concert with the governments of Central America, Western Europe, Japan, Canada, and other democracies.

(c) REFUGEES AND DISPLACED PERSONS.—Consistent with the recommendations of the International Commission on Central American Recovery and Development, it shall be the policy of the United States to support, participate in, and contribute to the United Nations Development Program for its Special Plan of Economic Cooperation for Central America, which is designed to—

(1) reintegrate the displaced and refugee populations,

(2) create employment opportunities, and

(3) establish a system to ensure adequate food supplies and health facilities for the poor.

(d) MULTILATERAL AND REGIONAL COOPERATION.—

(1) MULTILATERAL COOPERATION.—It shall be the policy of the United States to encourage and secure greater international cooperation and support for implementing the recommendations of the International Commission on Central American Recovery and Development. In carrying out this policy, the President should exert continued leadership in multilateral and regional forums and at economic summits to further multidonor responses to the pressing development needs in Central America.

(2) PARTNERSHIP FOR DEMOCRACY AND DEVELOPMENT.—It further shall be the policy of the United States to help organize a partnership among donor countries and the Central American countries to provide a coordinated, organized means of mobilizing resources and promoting a forum for dialogue about issues of development, democracy, social justice, and human rights.

(3) REGIONAL COOPERATION.—If requested by the governments of Central America, the United States, in an effort to support full participation in a partnership for democracy and develop-

ment, shall provide appropriate support and assistance for the development of a coordination mechanism for Central America which includes participation of governments and nongovernmental organizations. Such mechanism has been designated as the Central American Development Coordination Commission (CADCC) by the International Commission on Central American Recovery and Development.

SEC. 702. ASSISTANCE FOR GUATEMALA.

(a) PROHIBITION FOR MILITARY ASSISTANCE.—Foreign military financing assistance may not be provided for Guatemala for fiscal years 1992 and 1993, except as provided in subsection (b) which authorizes the transfer of certain funds to the Lasting Peace Fund for Guatemala.

(b) FUND IN SUPPORT OF TRANSITION TO LASTING PEACE.—

(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a fund, to be known as the Lasting Peace Fund for Guatemala, to assist with the costs of implementing provisions of a peace agreement reached pursuant to the procedures specified in the Accord of Mexico (which provides for "a firm and lasting peace agreement that would include political agreements, implementation of such by the parties, and verification terms set by the National Reconciliation Commission, the United Nations, and other international organizations to be designated by the parties by common agreement") and in fulfillment of the Accord of Oslo or other subsequent accords reached by the parties to the conflict.

(2) TRANSFER OF CERTAIN MILITARY ASSISTANCE FUNDS.—For each of fiscal years 1992 and 1993, the President may transfer to the Fund, from amounts made available under chapter 2 of part II of the Foreign Assistance Act of 1961, such sums as may be necessary to carry out the purposes of paragraph (4).

(3) CONDITIONS FOR USE OF FUNDS.—Amounts in the Fund shall be available for obligation and expenditure only upon notification by the President to the appropriate congressional committees that the Government of Guatemala and representatives of the Guatemalan National Revolutionary Unity (URNG) have signed an agreement providing for a "lasting peace agreement" pursuant to the Accord of Mexico and in fulfillment of the Accord of Oslo or any other subsequent accords reached by the parties to the conflict.

(4) USE OF FUND.—Amounts transferred to the Fund are authorized to be used for, and shall be available only for—

(A) costs of retraining, relocation, and reemployment in civilian pursuits of former combatants and noncombatants affected by the conflict in Guatemala, and

(B) costs of monitoring activities associated with provisions set forth in an agreement for lasting peace pursuant to the Accord of Mexico and in fulfillment of the Accord of Oslo or other subsequent accords reached by the parties to the conflict.

(5) DEFINITIONS.—As used in this subsection—

(A) the term "Accord of Mexico" means the Accord on the Procedure to Attain Peace Through Peaceful Means agreed to by the parties in Mexico City on April 26, 1991;

(B) the term "Accord of Oslo" means the Accord of Oslo of March 30, 1990; and

(C) the term "Fund" means the Lasting Peace Fund for Guatemala established pursuant to this subsection.

(c) PROHIBITION RELATING TO MILITARY SALES AND COMMERCIAL SALES.—During fiscal years 1992 and 1993, the authority of the Arms Export Control Act may not be used to sell to the Government of Guatemala and licenses may not be issued under section 38 of that Act for the export to Guatemala of—

(1) any weapons or ammunition; or

(2) any aircraft, unless those aircraft are unarmed and the Government of Guatemala has agreed that those aircraft will not be armed.

(d) ECONOMIC AND FOOD ASSISTANCE.—

(1) LIMITATIONS.—For fiscal years 1992 and 1993, development assistance, economic support assistance, and assistance under the Agricultural Trade Development and Assistance Act of 1954 that is provided for Guatemala—

(A) may be provided to and used only by civilian government agencies and nongovernmental organizations;

(B) shall be targeted for assistance—

(i) for programs that directly address poverty, basic human needs, and environmental concerns;

(ii) to improve the performance of democratic institutions or otherwise to promote pluralism;

(iii) for the National Reconciliation Commission;

(iv) for fiscal reform and fiscal administration; or

(v) for programs that promote foreign and domestic trade and investment; and

(C) may not be used for partisan political purposes or as an instrument of counterinsurgency.

(2) WAIVER.—The President may waive subparagraph (B) of paragraph (1) if the President reports to the appropriate congressional committees that the Government of Guatemala has made significant progress toward eliminating human rights violations and in investigating and bringing to trial those responsible for major human rights cases, such as those relating to Sister Dianna Ortiz, Michael Devine and Myrna Mack.

(3) CONGRESSIONAL REVIEW OF CERTAIN ASSISTANCE.—Funds may be obligated for fiscal years 1992 and 1993 pursuant to a waiver under paragraph (2) only if the appropriate congressional committees are notified at least 15 days in advance of such obligation in accordance with the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961.

SEC. 703. ASSISTANCE FOR NICARAGUA.

(a) CONSIDERATIONS IN PROVIDING ASSISTANCE.—Prior to providing assistance to Nicaragua for fiscal year 1992 or 1993 under the Foreign Assistance Act of 1961, the President should take into account the extent to which the Government of Nicaragua has—

(1) brought the Nicaraguan armed forces under full civilian control, including—

(A) effectively eliminating the influence of political parties within the military command; and

(B) stemming the illegal export of lethal equipment consistent with Nicaraguan obligations in the Central American peace process; and

(2) undertaken thorough and professional investigations into, and prosecution of those responsible for, human rights violations including—

(A) the deaths or disappearances of former members of the Nicaraguan resistance; and

(B) the February 1991 murder of Enrique Bermudez.

(b) CONSIDERATIONS IN PROVIDING MILITARY ASSISTANCE.—In providing any foreign military financing assistance to the Government of Nicaragua for fiscal year 1992 or 1993, the President should consider the extent to which such assistance will further the goals of strengthening civilian control over the military, ending human rights abuses, and stemming the export of lethal military equipment.

(c) ASSISTANCE TO MEMBERS OF THE SANDINISTA POPULAR ARMY.—Notwithstanding any other provision of law, assistance provided under the Foreign Assistance Act for 1961 for fiscal year 1992 or 1993 may not be used by or made available, directly or indirectly, for use by members of the Sandinista Popular Army unless specifically requested and authorized in advance by the President of Nicaragua. Such requests shall be provided to the appropriate congressional committees within 15 days of receipt by the Secretary of State; and the appropriate congressional committees shall be notified at least 15 days before any funds are obligated for any such assistance in accordance with the procedures applicable to reprogramming notification under section 634A of the Foreign Assistance Act of 1961.

(d) LIMITATION ON ASSISTANCE TO MEMBERS OF THE NICARAGUAN RESISTANCE.—During fiscal years 1992 and 1993, assistance under the Foreign Assistance Act of 1961 may not be provided for any member of the Nicaraguan resistance who has not disarmed or is not abiding by the terms of the cease-fire agreement and the addenda to the Toncontin Agreement signed on April 19, 1990.

(e) WAIVER OF BROOKE-ALEXANDER AMENDMENT.—For fiscal years 1992 and 1993, section 691(a)(5) of the Foreign Assistance Act of 1961, and any similar provision of the Foreign Operations, Export Financing, and Related Programs Appropriations Act for fiscal years 1992 and 1993, shall not apply with respect to assistance for Nicaragua under the Foreign Assistance Act of 1961.

(f) EXPROPRIATION CLAIMS.—It is the sense of the Congress that the Government of Nicaragua should expedite the processing of claims by private citizens based on expropriation of property by the former Sandinista government.

SEC. 704. ASSISTANCE FOR REFUGEES AND DISPLACED PERSONS.

Of the amounts authorized to be appropriated for economic support assistance for fiscal years 1992 and 1993 that are made available for bilateral or regional programs for Central America, a total of $25,000,000 may be made available through organizations such as the United Nations High Commissioner for Refugees and the United Nations Development Program to carry out programs within the framework established by the Concerted Plan of Action in Favor of Central American Refugees, Returnees and Displaced Persons, such plan having resulted from the International Conference on Central American Refugees (CIREFCA) convened in May 1989 as an element of the Esquipulas peace process.

SEC. 705. ASSISTANCE FOR DEMOCRATIC LEGISLATURES.

(a) FINDINGS.—The Congress finds that—

(1) the Central American countries of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama all have freely elected governments and freely elected legislatures for the first time in the history of Central America;

(2) the Central American legislatures face economic, political, social, and institutional challenges in fulfilling their constitutional responsibilities; and

(3) the lack of equipment and resources poses an additional challenge for Central American legislatures in fulfilling their constitutional responsibilities.

(b) STRENGTHENING DEMOCRATIC LEGISLATURES.—It is the sense of the Congress that—

(1) consistent with section 281(b) of the Foreign Assistance Act of 1961, the United States should seek to strengthen the democratic legislatures in Central America by using foreign assistance funds made available under that Act to provide equipment and training to those legislatures; and

(2) efforts to support legislatures in Central America should be coordinated with and otherwise involve appropriately qualified private and public sector experts.

SEC. 706. CENTRAL AMERICAN JOURNALISM PROGRAM AND THE REGIONAL ADMINISTRATION OF JUSTICE PROGRAM.

Of the aggregate amounts authorized to be appropriated for development assistance and eco-

nomic support assistance for Latin America and the Caribbean, $2,800,000 for each of fiscal years 1992 and 1993 should be used for assistance to the Central American Journalism Program and Regional Administration of Justice Program's Center for the Administration of Justice to support democracy building activities in the region.

SEC. 707. POLICY ON MILITARY BASE RIGHTS IN PANAMA.

(a) FINDINGS.—The Congress finds that—

(1) the Panama Canal is a vital strategic asset to the United States and its allies;

(2) the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal and the Panama Canal Treaty, both signed on September 7, 1977, mandate that (A) no United States troops are to remain in Panama after December 31, 1999; (B) the Canal Zone is to be incorporated into Panama; (C) United States Panama-based communications facilities are to be phased out; (D) all United States training in Panama of Latin American soldiers is to be halted; and (E) management and operational control of the Canal is to be turned over to Panamanian authorities;

(3) the government of President Guillermo Endara has demonstrated its determination to restore democracy to Panama by quickly moving to implement changes in the nation's political, economic, and judicial systems;

(4) friendly cooperative relations currently exist between the United States and the Republic of Panama;

(5) the region has a history of unstable governments which pose a threat to the future operation of the Panama Canal, and the United States must have the discretion and the means to defend the Canal and ensure its continuous operation and availability to the military and commercial shipping of the United States and its allies in times of crisis;

(6) the Panama Canal is vulnerable to disruption and closure by unforeseen events in Panama, by terrorist attack, and by air strikes or other attack by foreign powers;

(7) the United States fleet depends upon the Panama Canal for rapid transit ocean to ocean in times of emergency, as demonstrated during World War II, the Korean Conflict, the Vietnam Conflict, the Cuban Missile Crisis, and the Persian Gulf Conflict, thereby saving 13,000 miles and three weeks steaming effort around Cape Horn;

(8) the presence of the United States Armed Forces offers a viable defense against sabotage or other threat to the Panama Canal; and

(9) the 10,000 United States military personnel now based in Panama, including the headquarters of the United States Southern Command, cannot remain there beyond December 31, 1999, without a new agreement with Panama.

(b) POLICY.—It is the sense of the Congress that the President—

(1) should begin negotiations with the Government of Panama, at a mutually acceptable time, to consider whether the two Governments should allow the permanent stationing of United States military forces in Panama beyond December 31, 1999; and

(2) should consult with the Congress throughout those negotiations.

Subchapter B—The Caribbean

SEC. 711. CARIBBEAN REGIONAL DEVELOPMENT.

Part I of the Foreign Assistance Act of 1961, as amended by chapter 6 of title IV of this Act, is amended by inserting after chapter 5 the following:

"CHAPTER 6—CARIBBEAN REGIONAL DEVELOPMENT

"SEC. 461. SHORT TITLE.

"This chapter may be cited as the 'Caribbean Regional Development Act of 1991'.

"SEC. 462. UNITED STATES POLICIES.

"(a) IN GENERAL.—It is the sense of the Congress that it should be the policy of the United States in providing development and other economic assistance to the Caribbean—

"(1) to help the poor to participate in the development of their societies through a process of equitable economic growth that enables them to increase their incomes and their access to productive resources and services, to protect and advance their rights, and to influence decisions that affect their lives;

"(2) to support development that is environmentally sustainable;

"(3) to promote Caribbean self-reliance by providing assistance to indigenous national and regional governmental and nongovernmental institutions that have the capacity or potential to carry out development programs effectively;

"(4) to support food production for national and regional consumption;

"(5) to promote the diversification of industrial and agricultural production, the development of new products, and the integration of agricultural production with the development of industry and tourism;

"(6) to help advance the process of regional economic integration; and

"(7) to preserve and reinforce traditional Caribbean culture and social values.

"(b) SUPPORTING INDIGENOUS DEMOCRATIC INSTITUTIONS.—Priority in providing development assistance to the Caribbean should be given to supporting indigenous democratic Caribbean institutions that represent, work with, and benefit the poor, and through which the poor participate in making the decisions that affect their lives and their development. Such assistance should be channeled, as appropriate, through United States institutions and Caribbean regional and national institutions that directly fund such democratic Caribbean institutions.

"SEC. 463. PRIORITY AREAS FOR ASSISTANCE.

"To implement the policies set forth in section 462, priority in the allocation of development assistance funds and the economic support assistance funds for the Caribbean, and in the allocation of the local currencies accruing as a result of the use of those funds, should be given to the following:

"(1) INCREASED FOOD PRODUCTION.—Support to national ministries of agriculture, the appropriate specialized agencies of the Caribbean Community (CARICOM) and the Organization of Eastern Caribbean States, the Caribbean Development Bank, and indigenous nongovernmental organizations for efforts to achieve increased food production, as appropriate, through increased staple food production for domestic consumption, including support for—

"(A) the gathering of agricultural data;

"(B) the coordination of agricultural research;

"(C) the improvement of marketing, storage, and transportation systems;

"(D) the provision of credit to agricultural producers; and

"(E) improved coordination of regional planning for increased food production.

"(2) RURAL DEVELOPMENT.—Support for rural development efforts designed to increase rural employment opportunities, enhance the quality of rural life, and retard rural-to-urban migration, including programs that provide access to land and necessary assistance to small producers and cooperatives.

"(3) COMMUNITY-BASED AGROINDUSTRIES.—Support for locally owned cooperative and other small- and medium-scale industries engaged in the processing of indigenous resources, including support for the establishment of a marketing network to facilitate intraregional trade in food through programs that incorporate or serve small producers.

"(4) FINANCIAL RESOURCES FOR SMALL- AND MEDIUM-SIZED FARM AND MANUFACTURING ENTERPRISES.—Provision of financial resources to small- and medium-sized farm and manufacturing enterprises through—

"(A) the creation and capitalization of appropriate financial mechanisms; and

"(B) measures to encourage Caribbean commercial banks and credit unions to provide risk capital to such enterprises.

"(5) EXPANSION OF TOURISM.—Support for the expansion of tourism in the Caribbean through its fuller integration into the local economy, by providing assistance—

"(A) to appropriate governmental and nongovernmental regional organizations for the design and coordination of programs for—

"(i) the expansion of the use of local goods and services;

"(ii) the development and implementation of a marketing strategy for tourism in the Caribbean; and

"(iii) the promotion of investments in tourism integrated with the local economy; and

"(B) for training and utilizing local expertise in hotel and restaurant management and other necessary skills.

"(6) REGIONAL INTEGRATION.—Support for regional integration and institutions, including seeking the cooperation of other donor countries in promoting regional development in the Caribbean and including support for—

"(A) efforts to regionalize and coordinate activities and prevent the proliferation and duplication of regional bureaucracies;

"(B) the efforts of governmental and nongovernmental regional institutions to strengthen the infrastructure necessary to promote regional commercial activity and economic and social development;

"(C) regional research institutes; and

"(D) inter-island transportation and communication links, roads, and port facilities.

"(7) UPGRADING TECHNICAL AND MANAGERIAL SKILLS.—Support for efforts of the countries of the Caribbean to upgrade the technical and managerial skills of their people.

"(8) NATURAL RESOURCE BASE.—Promoting those small-scale, affordable, agricultural and industrial methods suited to local environmental, resource, and climatic conditions, and supporting such actions as the establishment of protected areas, the development of environmental curricula, and programs of public education and dialogue designed to sustain and enhance the renewable natural resource base of the Caribbean.

"(9) PRIVATE SECTOR DEVELOPMENT.—Support for the diversification and promotion of Caribbean exports, for investments in the Caribbean that are appropriate to the needs of each country and of the region, and for the strengthening of private sector institutions, that would continue to promote private sector-led growth through increased trade and investment and that recognizes each country's economic comparative advantage; and support for the strengthening of community-based enterprises that would promote economic growth that benefits the majority of the people of the region.

"(10) DEMOCRATIC DEVELOPMENT AND THE ADMINISTRATION OF JUSTICE.—Support to broaden and deepen democratic institutions and values in the Caribbean and to assist countries in areas such as the administration of justice where requested by the recipient governments.

"(11) ACCESS TO HUMAN SERVICES AND ASSISTANCE FOR HUMAN RESOURCES DEVELOPMENT.—Support for the provision of basic services to the citizens of the Caribbean using, as appropriate, governmental and nongovernmental entities, with emphasis on sustainability of service delivery in areas such as basic education, primary health care, child survival, family planning, and prevention and control of acquired immune deficiency syndrome (AIDS).

"SEC. 464. PROTECTION OF WORKER RIGHTS.

"In considering whether to provide assistance under this Act to the government of any country

in the Caribbean and in considering how much assistance to allocate to such government, the President shall take into account whether such government has failed to extend, protect, and enforce internationally recognized worker rights for workers in that country (including workers within any designated zone) and, if so, whether such government is taking steps to adopt and implement laws that demonstrate significant, tangible, and measurable overall advancement in providing internationally recognized worker rights throughout the country (including in any designated zone).

"SEC. 465. PROTECTION OF PUBLIC HEALTH.

"The agency primarily responsible for administering this part should not provide any assistance, directly or indirectly, for the use of any chemical or other substance in a country in the Caribbean if—

"(1) that use is not permitted under laws of that country relating to protection of public health, or

"(2) that use would not be permitted in the United States under laws of the United States relating to protection of public health.

"SEC. 466. SUPPORT FOR WOMEN'S ROLE IN DEVELOPMENT.

"In providing assistance to the Caribbean, the agency primarily responsible for administering this part should place emphasis on ensuring the active participation of Caribbean women in the development process, particularly through—

"(1) the promotion of greater access by women to productive resources and services, such as land, credit, and markets;

"(2) programs that respond to and support women's domestic needs and activities, including the strengthening of community-based education, health, and childcare programs and other critical social services identified by poor women; and

"(3) the involvement of Caribbean women in research on the factors that contribute to their economically vulnerable situation and in programs that address these factors.

"SEC. 467. CONSULTATION.

"In implementation of assistance policies, programs, and projects in the Caribbean, the agency primarily responsible for administering this part should take into account the perspectives of the rural and urban poor through consultation with Caribbean organizations that work with the poor and that have demonstrated effectiveness in or commitment to the promotion of local, grassroots activities on behalf of long-term development in the Caribbean, as described in section 462(a). The agency should reflect the results of such consultations in its annual planning documents.

"SEC. 468. DEFINITION OF CARIBBEAN.

"As used in this chapter, the term 'Caribbean' includes Anguilla, Antigua and Barbuda, Aruba, the Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Cayman Islands, Montserrat, Netherlands Antilles, Saint Christopher-Nevis, Turks and Caicos Islands, and the British Virgin Islands.".

SEC. 712. ASSISTANCE FOR HAITI.

(a) HAITI'S DEMOCRATIC TRANSITION.—The Congress congratulates—

(1) the Haitian people for accomplishing Haiti's first transition to democracy;

(2) President Jean-Bertrand Aristide, who was elected by the Haitian people as their first democratically elected President;

(3) the Haitian military, which abided by the Haitian Constitution and supported the democratic transition; and

(4) the private voluntary organizations that remained in Haiti under difficult circumstances and which will have a significant role to play in Haiti's democratic future.

(b) UNITED STATES ASSISTANCE.—It is the sense of the Congress that the United States should provide assistance to the Government of Haiti so long as it abides by the Haitian Constitution and respects freedom of expression and human rights, and should continue to provide assistance to Haitian private voluntary organizations, in order to assist Haiti in institutionalizing democracy and to promote economic development that will benefit the Haitian people.

(c) AMOUNTS OF ECONOMIC ASSISTANCE.—It is the sense of the Congress that, for each of fiscal years 1992 and 1993, the United States should provide a total of $100,000,000 in economic assistance for Haiti under the Foreign Assistance Act of 1961 and the Agricultural Trade Development and Assistance Act of 1954, including $35,000,000 in economic support assistance and $40,000,000 in development assistance.

(d) MILITARY ASSISTANCE AND SALES.—

(1) CONGRESSIONAL REVIEW.—At least 15 days before obligating any funds for foreign military financing assistance for Haiti and at least 15 days before issuing any letter of offer to Haiti under the Arms Export Control Act, the President shall notify the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961.

(2) PROHIBITION ON NONLETHAL ASSISTANCE.—Foreign military financing assistance may not be provided to the Haitian military for fiscal years 1992 and 1993, except for nonlethal assistance. Any nonlethal assistance is subject to the requirements of paragraph (1) and section 284 (relating to strengthening civilian control over the military in Latin America and the Caribbean, as enacted by chapter 3 of this title).

SEC. 713. HAITIAN SUGAR CANE HARVESTERS IN THE DOMINICAN REPUBLIC.

(a) UNITED STATES POLICY.—It shall be the policy of the United States to encourage the Government of the Dominican Republic to act expeditiously and forcefully to improve respect for the internationally recognized human rights of Haitian laborers engaged in the sugar cane harvesting industry in the Dominican Republic, including—

(1) the enforcement of provisions in the individual work contracts mandated by President Balaguer's decree of October 15, 1990, including minimum wage requirements, prohibitions on the use of child labor, and guaranteed freedom of movement;

(2) the termination of the deceptive recruitment, and the forcible assembly and transportation to sugar cane plantations, of Haitians who are at the border between Haiti and the Dominican Republic or are within the Dominican Republic;

(3) actions to ensure that personnel employed by, or under contract with, the Government of the Dominican Republic do not carry firearms in the ordinary course of transporting or supervising Haitian workers engaged in sugar cane harvesting;

(4) measures to ensure that the military forces and police of the Dominican Republic act in strict accordance with Dominican law, and refrain from all arbitrary and oppressive conduct, with respect to Haitian workers; and

(5) implementation of provisions to permit any individual entitled to citizenship under the Constitution of the Dominican Republic to obtain a birth certificate and any other document needed to remain and work in the Dominican Republic.

(b) WITHHOLDING OF ASSISTANCE.—Of the amounts made available for economic support assistance for the Dominican Republic for each of fiscal years 1992 and 1993, $1,000,000 shall be withheld from expenditure until the President reports to the appropriate congressional committees on the steps taken by the Government of the Dominican Republic to improve respect for the internationally recognized human rights of Haitian laborers engaged in the sugar cane harvesting industry in the Dominican Republic, including the enforcement of the provisions mandated by President Balaguer's decree of October 15, 1990.

(c) SUGAR QUOTA.—The President should consider increasing the Dominican Republic's annual allocation of the United States sugar quota for each of fiscal years 1992 and 1993, and providing additional economic and development assistance in such fiscal years that may be available if the Government of the Dominican Republic makes significant progress in the areas enumerated in subsection (a).

SEC. 714. ASSISTANCE FOR GUYANA.

(a) RESTRICTION.—For fiscal years 1992 and 1993, assistance may be provided to the Government of Guyana under the Foreign Assistance Act of 1961 or the Agricultural Trade Development and Assistance Act of 1954 only if the President reports to the appropriate congressional committees that the Government of Guyana is in power as a result of free and fair elections. In making such a determination, the President shall, if appropriate, take into account the findings of international observers with respect to the elections.

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

(1) international narcotics control assistance; or

(2) assistance for the holding of free and fair elections.

(c) ECONOMIC ASSISTANCE FOLLOWING INSTALLATION OF A DEMOCRATICALLY ELECTED GOVERNMENT.—It is the sense of the Congress that, following submission of a report pursuant to subsection (a), the United States should provide economic assistance for Guyana under chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance), chapter 4 of part II of that Act (relating to the economic support fund), and the Agricultural Trade Development and Assistance Act of 1954.

(d) ASSISTANCE FOR BASIC HUMAN NEEDS.—

(1) AMOUNT OF ASSISTANCE.—Of the assistance described in paragraph (2), at least $3,000,000 should be used for each of fiscal years 1992 and 1993 to meet basic human needs in Guyana. Such assistance may be provided only through nongovernmental organizations or (if a report is made under subsection (a)) through the Government of Guyana.

(2) SOURCES OF ASSISTANCE.—Paragraph (1) applies with respect to development assistance, economic support assistance, or assistance under title II or title III (including the use of local currency proceeds) under the Agricultural Trade Development and Assistance Act of 1954.

SEC. 715. DEMOCRACY IN SURINAME.

The Congress—

(1) condemns the armed forces of Suriname for the December 1990 coup and for their historic disregard for civilian authority;

(2) strongly urges the armed forces of Suriname to permit a peaceful transfer of power to the duly elected civilian government following the elections held on May 25, 1991; and

(3) calls upon the President to withhold United States assistance from Suriname until such a peaceful transfer of power has taken place, and to use such assistance to bolster civilian rule and to encourage the military to permit the civilian government to exercise genuine authority.

SEC. 716. HUMAN RIGHTS IN CUBA.

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

(1) On March 6, 1991, the United Nations Human Rights Commission passed a resolution, 22 to 6 with 15 abstentions, requesting the Secretary General to name a special representative to monitor the human rights situation in Cuba.

(2) The resolution mandates the special representative to "maintain direct contact with the Government and citizens of Cuba" and to report the results to the Commission in 1992.

(3) The Cuban Ambassador to the United Nations Human Rights Commission Raul Roa stated at the time that Cuba would not accept "a single letter or comma" of the resolution.

(4) On July 2, 1991, the Secretary General of the United Nations appointed Rafael Rivas Posada, a former Colombian legislator and member of the 1988 Cuba Working Group of the United Nations Commission on Human Rights, to serve as special representative and, at that time, the Cuban Government again rejected the mandate of the resolution and indicated its continued unwillingness to cooperate with the special representative.

(5) The continued widespread denial of human rights by the Government of Cuba continues to be of great concern to the people and the Congress of the United States.

(b) SENSE OF CONGRESS.—The Congress—

(1) applauds the actions of the United Nations Human Rights Commission of March 6, 1991; and

(2) calls on the Government of Cuba to cooperate fully with the special representative of the United Nations Human Rights Commission.

SEC. 717. PROHIBITION ON CERTAIN TRANSACTIONS BETWEEN CERTAIN UNITED STATES SUBSIDIARIES AND CUBA.

Notwithstanding any other provision of law, no license may be issued for any transaction described in section 515.559 of title 31, Code of Federal Regulations, as in effect on July 1, 1989, unless a license may be issued for such transaction where undertaken by a firm organized under the laws of any of the States of the United States, except that this section applies only with respect to a foreign subsidiary or affiliate (including any permanent foreign establishment) of a domestic concern which is controlled in fact by such domestic concern (as determined under regulations of the President).

Subchapter C—Provisions Relating to Both Central America and the Caribbean

SEC. 721. MILITARY AIRCRAFT TRANSFERS.

(a) NOTIFICATION OF TRANSFERS BY THE UNITED STATES.—During fiscal years 1992 and 1993, the appropriate congressional committees shall be notified in writing at least 15 days in advance if—

(1) the authorities of part II of the Foreign Assistance Act of 1961 or the Arms Export Control Act are to be used to make available to any country in Central America and the Caribbean any helicopters or other aircraft for military use, or

(2) licenses are to be issued under section 38 of the Arms Export Control Act for the export of any such aircraft to any country in Central America and the Caribbean.

(b) NOTIFICATION OF TRANSFERS BY OTHER COUNTRIES.—During fiscal years 1992 and 1993, the Secretary of State shall promptly notify the appropriate congressional committees whenever any helicopters or other aircraft for military use are provided to any country in Central America and the Caribbean by any foreign country.

CHAPTER 2—SOUTH AMERICA

Subchapter A—Andean Initiative

SEC. 731. ECONOMIC ASSISTANCE AND ADMINISTRATION OF JUSTICE PROGRAMS FOR ANDEAN COUNTRIES.

(a) AUTHORIZATION OF ASSISTANCE.—Of the aggregate amounts authorized to be appropriated for development assistance and economic support assistance, $275,000,000 for each of the fiscal years 1992 and 1993 are authorized to be appropriated for Andean countries.

(b) PRIORITIES IN USE OF ASSISTANCE.—In addition to the use of funds pursuant to subsection (c), priority in the use of funds that are allocated for Bolivia and Peru under subsection (a) shall be given to support programs that focus on providing coca farmers with alternative sources of income, including the introduction of alternative crops, agricultural research and extension, the provision of credit, assistance with land titles, agroindustry, microenterprise development, and infrastructure development.

(c) ADMINISTRATION OF JUSTICE PROGRAMS.—

(1) ADDITIONAL ASSISTANCE FOR BOLIVIA, COLOMBIA, AND PERU.—Of the funds appropriated for economic support assistance under subsection (a), up to $16,000,000 for each fiscal year should be used to provide assistance for Bolivia, Colombia, and Peru—

(A) pursuant to section 534 of the Foreign Assistance Act of 1961 (relating to assistance for law enforcement); and

(B) pursuant to paragraphs (2) and (3) of this subsection.

(2) PROTECTION AGAINST NARCOTERRORIST ATTACKS.—Funds used in accordance with paragraph (1) may be used, notwithstanding section 660 of the Foreign Assistance Act of 1961 (relating to the prohibition on assistance to law enforcement agencies), to provide to Bolivia, Colombia, and Peru such assistance as the government of that country may request to provide protection against narco-terrorist attacks on judges, other government officials, and members of the press.

(3) ASSISTANCE FOR HUMAN RIGHTS OFFICES.—Up to a total of $1,000,000 of the funds used in accordance with paragraph (1) each fiscal year should be used to provide training, technical assistance, and equipment—

(A) for the Office of Special Investigations and the Special Prosecutor for Human Rights, both of which are within the Office of the Attorney General of the Government of Colombia; and

(B) for the Office of Human Rights in the Office of the Attorney General of the Government of Peru.

(4) RELATION TO SECTION 534(g) FUNDS.—The authority to use funds provided in paragraph (1) of this subsection is in addition to the authority provided in section 534(g) of the Foreign Assistance Act of 1961.

(5) PERIOD OF AVAILABILITY.—Funds allocated for use in accordance with paragraph (1) of this subsection shall remain available until expended notwithstanding any other provision of law.

SEC. 732. MILITARY AND LAW ENFORCEMENT ASSISTANCE FOR ANDEAN COUNTRIES.

(a) AUTHORIZATION OF ASSISTANCE.—Of the amounts authorized to be appropriated for foreign military financing assistance, $118,000,000 for each of the fiscal years 1992 and 1993 are authorized to be appropriated for assistance for Andean countries.

(b) PURPOSES OF ASSISTANCE.—Assistance under subsection (a) shall be designed to—

(1) enhance the ability of the government of the recipient country to control illicit narcotics production and trafficking;

(2) strengthen the bilateral ties of the United States with that government by offering concrete assistance in this area of great mutual concern;

(3) strengthen respect for internationally recognized human rights and the rule of law in efforts to control illicit narcotics production and trafficking; and

(4) assist the armed forces of the Andean countries in their support roles for those countries' law enforcement agencies, which are charged with the main responsibility for the control of illicit narcotics production and trafficking.

(c) CONDITIONS OF ELIGIBILITY.—Assistance may be provided for an Andean country under subsection (a) only—

(1) so long as that country has a democratic government; and

(2) the government of that country, including the armed forces and law enforcement agencies, does not engage in a consistent pattern of gross violations of internationally recognized human rights.

(d) LAW ENFORCEMENT TRAINING AND EQUIPMENT.—Subject to subsection (e), funds made available to carry out subsection (a) may be used—

(1) to provide to law enforcement units, that are organized for the specific purpose of narcotics enforcement, education and training in the operation and maintenance of equipment used in narcotics control interdiction and eradication efforts;

(2) for the expenses of deploying, upon the request of the Government of Bolivia, the Government of Colombia, or the Government of Peru, Department of Defense mobile training teams in that country to conduct training in military-related individual and collective skills that will enhance that country's ability to conduct tactical operations in narcotics interdiction; and

(3) for the procurement of defense articles or commodities for use in narcotics control, eradication, and interdiction efforts by law enforcement units that are organized for the specific purpose of narcotics enforcement.

Section 305 of this Act (relating to the exemption of narcotics-related assistance from the prohibition on assistance for law enforcement agencies) applies with respect to the use of funds under this subsection.

(e) MILITARY AND LAW ENFORCEMENT ASSISTANCE.—

(1) LIMITATIONS ON AMOUNTS.—The aggregate amount of military and law enforcement assistance provided for Bolivia, Colombia, and Peru for each of the fiscal years 1992 and 1993 may not exceed $250,000,000. Of that amount—

(A) not more than $150,000,000 for each such fiscal year may be assistance for the armed forces; and

(B) not more than $150,000,000 for each such fiscal year may be assistance for law enforcement units or agencies.

(2) DEFINITION OF MILITARY AND LAW ENFORCEMENT ASSISTANCE.—For purposes of paragraph (1), the term "amount of military and law enforcement assistance" means the sum of—

(A) the amount obligated for foreign military financing assistance;

(B) the amount obligated for international narcotics control assistance;

(C) the amount obligated for international military education and training;

(D) the value of defense articles, defense services, and military education and training made available under the special drawdown authority of paragraphs (1) and (2)(A)(1) of section 506(a) of the Foreign Assistance Act of 1961; and

(E) the value of excess defense articles made available under sections 517, 518, and 519 of the Foreign Assistance Act of 1961.

(f) PROHIBITION ON ASSISTANCE TO PERUVIAN POLICE UNITS THAT VIOLATE HUMAN RIGHTS.—A Peruvian police organization that engages in a consistent pattern of gross violations of internationally recognized human rights shall not be eligible to be considered, for purposes of this section, to be a law enforcement unit that is organized for the specific purpose of narcotics enforcement.

SEC. 733. GENERAL PROVISIONS RELATING TO ASSISTANCE FOR ANDEAN COUNTRIES.

(a) PRESIDENTIAL DETERMINATION REQUIRED.—Assistance may be provided for an Andean country pursuant to section 731(a) and section 732(a), and excess defense articles may be transferred to Bolivia, Colombia, or Peru in fiscal years 1992 and 1993 pursuant to sections

517, 518, or 519 of the Foreign Assistance Act of 1961, only if, before any such assistance is provided or any such defense articles are transferred for that fiscal year, the President determines that—

(1) that country is implementing programs to reduce the flow of cocaine to the United States in accordance with a bilateral or multilateral agreement, to which the United States is a party, that contains specific, quantitative and qualitative, performance criteria with respect to those programs;

(2) the armed forces and law enforcement agencies of that country are not engaged in a consistent pattern of gross violations of internationally recognized human rights, and the government of that country has made significant progress in protecting internationally recognized human rights, particularly in—

(A) ensuring that torture, cruel, inhuman, or degrading treatment or punishment, incommunicado detention or detention without charges and trial, disappearances, and other flagrant denials of the right to life, liberty, or security of the person, are not practiced; and

(B) permitting an unimpeded investigation of alleged violations of internationally recognized human rights, including providing access to places of detention, by appropriate international organizations (including nongovernmental organizations such as the International Committee of the Red Cross) or groups acting under the authority of the United Nations or the Organization of American States; and

(3) the government of that country has effective control over police and military operations related to counternarcotics and counterinsurgency activities.

Paragraph (2) does not apply with respect to assistance under section 731(a) for programs that focus on providing coca farmers with alternative sources of income, including the introduction of alternative crops, agricultural research and extension, the provision of credit, assistance with land titles, agro-industry, micro-enterprise development, and infrastructure development.

(b) NOTIFICATIONS TO CONGRESS.—Not less than 15 days before funds are obligated pursuant to section 731(a) or 732(a), the President shall transmit to the appropriate congressional committees a written notification in accordance with the procedures applicable to reprogrammings under section 634A of the Foreign Assistance Act of 1961. Such notification shall specify—

(1) the country to which the assistance is to be provided;

(2) the type and value of the assistance to be provided;

(3) in the case of assistance provided pursuant to section 732(a), the law enforcement or other units that will receive the assistance; and

(4) an explanation of how the proposed assistance will further—

(A) the objectives specified in subsection (a) of this section, and

(B) in the case of assistance under section 732(a), the purposes specified in section 732(b).

(c) COORDINATION WITH INTERNATIONAL NARCOTICS CONTROL ASSISTANCE PROGRAM.—Assistance authorized by section 731(a) and section 732(a) shall be coordinated with international narcotics control assistance.

(d) BROOKE-ALEXANDER AMENDMENT.—If the President makes the determination described in subsection (a) of this section, section 691(a)(5) of the Foreign Assistance Act of 1961, and any similar provision of the Foreign Operations, Export Financing, and Related Programs Appropriations Act for fiscal years 1992 and 1993, shall not apply with respect to narcotics-related assistance for an Andean country for fiscal years 1992 and 1993.

SEC. 734. COLOMBIA'S EFFORTS TO COMBAT INTERNATIONAL NARCOTICS TRAFFICKING.

(a) FINDINGS.—The Congress makes the following findings:

(1) President Cesar Gaviria of Colombia, and the members of his government, have made important progress in the war against international narcotics trafficking, most notably the arrest and prosecution of members of the Medellin Cartel, and the implementation of extensive programs in law enforcement cooperation and intelligence sharing with the United States.

(2) President Gaviria and the members of his government have taken these initiatives at significant risk to their lives and the safety of their families.

(3) The Medellin and Cali Cartels are made up of the world's most ruthless drug lords and international terrorists responsible for the assassination of politicians, police officers, judges, journalists, and countless innocent persons in Colombia.

(4) Pablo Emilio Escobar Gaviria, the leader of the Medellin Cartel, one of the world's most wanted criminals, is responsible for thousands of narcotics-related deaths worldwide and the smuggling of millions of dollars worth of illegal drugs into the United States.

(5) Pablo Escobar and other leaders of the Medellin Cartel have surrendered to Colombian authorities in exchange for leniency and the guarantee that they will not be extradited to the United States.

(6) The Colombian assembly has recently voted to bar extradition of Colombian nationals under the Colombian Constitution, and the other Andean nations are considering similar measures.

(7) Cooperative agreements between the United States and other nations are essential to our efforts to dismantle drug cartels and bring international drug kingpins to justice.

(b) POLICY.—It is the sense of the Congress that—

(1) the Government of Colombia should continue its efforts to dismantle the Medellin Cartel;

(2) the Government of Colombia should continue to ensure that Pablo Escobar and the other leaders of the Medellin Cartel are isolated from any international drug trafficking, money laundering, and other illegal activities;

(3) the Government of Colombia should show the same resolve in bringing the leaders of the Cali Cartel to justice;

(4) the United States should continue to support the efforts of the Government of Colombia to eradicate the intimidation, bombings, kidnappings, murders, and other domestic violence associated with the narcotics trafficking in Colombia;

(5) though extradition of international drug kingpins would be an effective tool of justice, the United States, Colombia, and the other Andean nations nevertheless should continue to work for additional cooperative agreements to combat narcotics traffickers;

(6) the President should assess the progress of the Government of Colombia in implementing each of the criteria set forth in paragraphs (1), (2), (3) and (5) in determining whether to make a certification for 1992 that Colombia is cooperating in efforts to control international narcotics trafficking.

Subchapter B—Other Provisions Relating to South America

SEC. 741. ARGENTINA AND BRAZIL'S COMMON NUCLEAR POLICY.

(a) RENOUNCING THE PRODUCTION OF NUCLEAR WEAPONS.—The Congress recognizes and congratulates the Government of Argentina and the Government of Brazil for—

(1) the signing, on November 28, 1990, of a joint Declaration on the Common Nuclear Policy of Argentina and Brazil, which bans nuclear weapons production and testing;

(2) creating a bilateral inspection authority to systematize the exchange of information and the reciprocal monitoring of all nuclear facilities in Argentina and Brazil and their respective central accounting systems;

(3) undertaking negotiations with the International Atomic Energy Agency (hereinafter in this section referred to as the "IAEA") on comprehensive full-scope safeguard inspections;

(4) declaring the intention, pending completion of negotiations with the IAEA, to initiate actions leading to the full entry into force of the Treaty for the Prohibition of Nuclear Weapons in Latin America (hereinafter in this section referred to as the "Treaty of Tlatelolco"); and

(5) unilaterally undertaking efforts to promote nuclear nonproliferation, such as calls for all nations in Latin America and the Caribbean to ban all nuclear explosives, including those for peaceful purposes.

(b) FURTHER PROGRESS URGED.—The Congress urges the Government of Argentina and the Government of Brazil to continue their progress towards nuclear nonproliferation by—

(1) meeting the agreed-upon deadline for completing negotiations with the IAEA on full-scope safeguard inspections;

(2) actively pursuing, pending the conclusion of the safeguards agreement with the IAEA, the full entry into force of the Treaty of Tlatelolco; and

(3) increasing controls and limitations on the export of sensitive military-related nuclear technologies.

SEC. 742. MILITARY ASSISTANCE AND SALES FOR CHILE.

During fiscal years 1992 and 1993, foreign military financing assistance may be provided to Chile, and sales may be made to Chile under the Arms Control Export Act, provided the appropriate congressional committees are notified of the amount and nature of the proposed assistance or sale (as the case may be) at least 15 days in advance in accordance with procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961.

CHAPTER 3—OTHER PROVISIONS PERTAINING TO THE REGION

SEC. 751. INTER-AMERICAN FOUNDATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—The first sentence of section 401(s)(2) of the Foreign Assistance Act of 1969 is amended to read as follows: "There are authorized to be appropriated $28,800,000 for fiscal year 1992 and $31,000,000 for fiscal year 1993 to carry out this section.".

(b) BOARD OF DIRECTORS.—

(1) QUALIFICATIONS.—Section 401(g) of that Act is amended by adding at the end the following: "All individuals appointed to the Board shall possess an understanding of and sensitivity to community level development processes. No more than 5 members of the Board may be members of any one political party.".

(2) TRANSITION RULE.—The requirements established by the amendment made by paragraph (1) do not affect appointments made to the Board of the Inter-American Foundation before the date of enactment of this Act.

(c) PRINCIPAL OFFICE.—Section 401(q) of that Act is amended to read as follows:

"(q) The Foundation shall maintain its principal office in the metropolitan Washington, D.C., area. The Foundation may establish agencies, branch offices, or other offices in any place or places outside the United States in which the Foundation may carry on all or any of its operations and business.".

(d) EXPENSES FOR MEETINGS AND PRINTING.—Section 401 of that Act is amended by adding at the end the following:

"(v) Funds made available to the Foundation may be used for the expenses described in section 1345 of title 31 of the United States Code (relating to travel, transportation, and subsistence expenses for meetings).

"(w) Funds made available to the Foundation may be used for printing and binding without regard to section 501 of title 44, United States Code.".

(e) RELATION TO AMENDMENTS IN FOREIGN RELATIONS AUTHORIZATION ACT.—If the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993, contains amendments to section 401 of the Foreign Assistance Act of 1961 that are identical to the amendments described in this section, then whichever of such amendments are enacted later shall not be effective.

SEC. 752. SUPPORT OF INTERNATIONAL EFFORTS AGAINST THE SPREAD OF CHOLERA.

(a) FINDINGS.—The Congress finds that—

(1) in recognition that the cholera epidemic that originated in Peru is rapidly spreading throughout Latin America, and that some cases have been confirmed in the United States;

(2) by the first week of May 1991, Peru had reported 175,780 probable cases of cholera, with 1,288 deaths;

(3) during 1991, the Americas will account for over 90 percent of all cholera cases worldwide;

(4) the poor have been most affected by the disease because of contaminated water supplies, poor sewage systems and sanitary conditions, and inadequate health services; and

(5) unless strong measures are taken to improve this situation, according to the Pan American Health Organization, as many as six million cases, resulting in 40,000 deaths, could occur if the epidemic spreads throughout Latin America and the Caribbean.

(b) AMOUNT OF ASSISTANCE.—The Congress recognizes that prompt United States assistance is necessary to alleviate the human suffering arising from the cholera epidemic in 6 countries in Latin America and to prevent and control its spread to other countries in the region. Accordingly, $25,000,000 of the funds authorized to be appropriated for economic support assistance for each of the fiscal years 1992 and 1993 may be made available for remedial efforts to deal with this epidemic, in addition to amounts otherwise available for such purpose.

(c) USE OF FUNDS.—Such funds shall be utilized to provide assistance—

(1) directly through national and municipal agencies responsible for health, water, and sanitation services;

(2) through the Pan American Health Organization, the United Nations Children's Fund (UNICEF), and other international and nongovernmental organizations;

(3) for emergency medical needs, such as the purchase of oral rehydration salts, antibiotics, and intravenous fluids;

(4) to the appropriate authorities for epidemiological surveillance, environmental health actions, laboratory support, food safety and public education materials, and operational expenses; and

(5) to improve the health and infrastructure systems in order to prevent another epidemic once this one is brought under control.

SEC. 753. STRENGTHENING CIVILIAN CONTROL OVER THE MILITARY.

Title IX of chapter 2 of part I of the Foreign Assistance Act of 1961 (relating to human rights and democracy), as amended by title I and title IV of this Act, is amended by adding at the end the following:

"SEC. 284. STRENGTHENING CIVILIAN CONTROL OVER THE MILITARY IN LATIN AMERICA AND THE CARIBBEAN.

"(a) REQUIREMENT FOR CIVILIAN APPROVAL OF MILITARY ASSISTANCE AND SALES.—In order to strengthen the control of democratically elected civilian governments over the armed forces, military assistance and sales may be delivered to the armed forces of any country in Latin America or the Caribbean having such a civilian government only with the prior approval of that country's head of government.

"(b) DEFINITION OF MILITARY ASSISTANCE AND SALES.—For purposes of this section, the term 'military assistance and sales' means—

"(1) assistance under chapter 2 of part II, including deliveries under the special drawdown authority of section 506 and deliveries of excess defense articles under section 517, 518, and 519;

"(2) international military education and training; and

"(3) sales under the Arms Export Control Act.".

SEC. 754. ASSISTANCE FOR LAW ENFORCEMENT.

Section 534 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 534. ASSISTANCE FOR LAW ENFORCEMENT.

"(a) GENERAL AUTHORITY.—Assistance under this section shall be provided for countries in Latin America and the Caribbean with democratically elected governments—

"(1) to promote respect for the rule of law and internationally recognized human rights by all elements of society;

"(2) to improve the professionalism and effectiveness of law enforcement agencies in the Western Hemisphere based upon the traditional role of civilian law enforcement agencies within a democratic system;

"(3) to improve the capacity of law enforcement officials and the courts to render independent, fair, timely, and accessible justice and to punish all who abuse human life and dignity; and

"(4) to enhance the interaction among courts, prosecutors, and police in the investigation of crime.

"(b) TYPES OF ASSISTANCE AUTHORIZED.—The funds specified in subsection (g) shall be available for assistance under this section for countries in Latin America and the Caribbean that have a democratically elected government to support programs and activities, without regard to section 660 of this Act—

"(1) to enhance professional capabilities to carry out investigative and forensic functions conducted under judicial and prosecutorial control;

"(2) to assist in the development of academic instruction and curricula for training law enforcement personnel;

"(3) to improve the administrative and management capabilities of law enforcement agencies, especially their capabilities relating to career development, personnel evaluation, and internal discipline procedures;

"(4) to improve penal institutions and the rehabilitation of offenders; and

"(5) to enhance protection of participants in judicial cases.

"(c) ASSISTANCE SUBJECT TO NOTIFICATION REQUIREMENT.—Assistance under this section may be provided only if at least 15 days before each obligation of funds the President notifies the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A of this Act.

"(d) PROHIBITION ON LETHAL EQUIPMENT.—Funds made available to carry out this section may not be used to provide any lethal equipment.

"(e) PROHIBITION ON DOD PARTICIPATION.—Personnel of the Department of Defense and members of the United States Armed Forces may not participate in the provision of training under this section.

"(f) LAW ENFORCEMENT TRAINING FOR THE CARIBBEAN.—Training in law enforcement functions provided under this Act for the police or other law enforcement personnel of a country in the Caribbean may only be provided under the auspices of the International Criminal Investigative Training Assistance Program of the Department of Justice. This subsection does not apply with respect to narcotics-related training or to training under chapter 8 of part II (relating to antiterrorism assistance).

"(g) AMOUNTS AVAILABLE FOR LAW ENFORCEMENT ASSISTANCE.—Of the funds available to carry out this chapter for each of fiscal years 1992 and 1993, $10,000,000 should be made available to carry out this section, of which $2,500,000 should be for countries in the Caribbean.

"(h) EXPIRATION.—The authority of this section shall expire on September 30, 1993.".

SEC. 755. INDIGENOUS PEOPLES IN LATIN AMERICA AND THE CARIBBEAN.

(a) ANNUAL REPORTS.—On February 28, 1992, and annually thereafter, the Secretary of State shall submit to the Congress a report, prepared in cooperation with the Administrator of the Agency for International Development, on the status and treatment of indigenous peoples in Latin America and the Caribbean. Such report should contain all available information about—

(1) the promotion and protection of civil, political, social, cultural, and economic rights and traditions of indigenous peoples in the countries of Latin America and the Caribbean;

(2) the extent to which indigenous peoples are able to participate in decisions affecting the protection of their lands, cultures, and traditions, and the allocation of natural resources; and

(3) the steps the United States has taken to ensure that United States development assistance programs promote the well-being of indigenous peoples in the countries of Latin America and the Caribbean.

(b) EFFECTIVE DATE.—This section shall remain in effect until September 30, 1993.

SEC. 756. AUTHORITY TO FORGIVE REPAYMENT OF AN ALLIANCE FOR PROGRESS LOAN.

(a) FORGIVENESS.—Subject to subsection (b), the President may direct the Administrator of the Agency for International Development to release the Institute Centroamericano de Administration de Empresas from its obligation to make further payments to the United States Government on account of the loan made to that organization pursuant to the Alliance for Progress Loan Agreement dated April 25, 1972 (current loan number: 524–L–035).

(b) FEDERAL CREDIT REFORM ACT REQUIREMENTS.—The authority of subsection (a) may be exercised only to the extent that the budget authority for the resulting additional cost (within the meaning of the Federal Credit Reform Act of 1990) has been provided in advance in appropriations Acts.

TITLE VIII—ENTERPRISE FOR THE AMERICA INITIATIVE

SEC. 801. SHORT TITLE.

This title may be cited as the "Enterprise for the Americas Act of 1991".

CHAPTER 1—FOREIGN ASSISTANCE ACT DEBT REDUCTION

SEC. 811. PURPOSE.

The purpose of this chapter is to encourage and support improvement in the lives of the people of Latin America and the Caribbean through market-oriented reforms and economic growth with interrelated actions to promote debt reduction, investment reforms, community based conservation and sustainable use of the environment, and child survival and child development. The Facility will support these objectives through administration of debt reduction operations under this chapter for those countries with democratically elected governments that

meet investment reforms and other policy conditions.

SEC. 812. DEFINITIONS

For purposes of this chapter—

(1) the term "administering body" means the entity provided for in section 818(c);

(2) the term "Americas Framework Agreement" means the agreement provided for in section 818;

(3) the term "Americas Fund" means an Enterprise for the Americas Fund provided for in section 817(a);

(4) the term "beneficiary country" means an eligible country with respect to which the authority of section 814(a)(1) is exercised;

(5) the term 'eligible country' means a country designated by the President in accordance with section 813;

(6) the term "Enterprise for the Americas Board" or "Board" means the board established by section 610 of Agricultural Trade Development and Assistance Act of 1954 (as amended by section 819(c) of this chapter); and

(7) the term 'Facility' means the entity established in the Department of the Treasury by section 601 of that Act.

SEC. 813. ELIGIBILITY FOR BENEFITS.

(a) REQUIREMENTS.—To be eligible for benefits from the Facility under this chapter, a country must be a Latin American or Caribbean country—

(1) whose government is democratically elected;

(2) whose government has not repeatedly provided support for acts of international terrorism;

(3) whose government cooperates on international narcotics control matters;

(4) whose government (including its military or other security forces) does not engage in a consistent pattern of gross violations of internationally recognized human rights;

(5) that has in effect, has received approval for, or, as appropriate in exceptional circumstances, is making significant progress toward—

(A) an International Monetary Fund standby arrangement, extended Fund arrangement, or an arrangement under the structural adjustment facility or enhanced structural adjustment facility, or in exceptional circumstances, a Fund monitored program or its equivalent, unless the President determines (after consultation with the Enterprise for the Americas Board) that such an arrangement or program (or its equivalent) could reasonably be expected to have significant adverse social or environmental effects; and

(B) as appropriate, structural or sectoral adjustment loans from the International Bank for Reconstruction and Development or the International Development Association, unless the President determines (after consultation with the Enterprise for the Americas Board) that the resulting adjustment requirements could reasonably be expected to have significant adverse social or environmental effects;

(6) has put in place major investment reforms in conjunction with an Inter-American Development Bank loan or otherwise is implementing, or is making significant progress toward, an open investment regime; and

(7) if appropriate, has agreed with its commercial bank lenders on a satisfactory financing program, including, as appropriate, debt or debt service reduction.

(b) ELIGIBILITY DETERMINATIONS.—Consistent with subsection (a), the President shall determine whether a country is eligible to receive benefits under this chapter. The President shall notify the appropriate congressional committees of his intention to designate a country as a eligible country at least 15 days in advance of any formal determination.

SEC. 814. REDUCTION OF CERTAIN DEBT.

(a) AUTHORITY TO REDUCE DEBT.—

(1) AUTHORITY.—The President may reduce the amount owed to the United States (or any agency of the United States) that is outstanding as of January 1, 1991, as a result of concessional loans made to an eligible country by the United States under part I of the Foreign Assistance Act of 1961 (or predecessor foreign economic assistance legislation).

(2) APPROPRIATIONS ACT REQUIREMENT.—The authority of this section may be exercised only in such amounts or to such extent as is specifically provided in advance by appropriations Acts.

(3) CERTAIN PROHIBITIONS INAPPLICABLE.—A reduction of debt pursuant to this section shall not be considered assistance for purposes of any provision of law limiting assistance to a country.

(b) IMPLEMENTATION OF DEBT REDUCTION.—

(1) IN GENERAL.—Any debt reduction pursuant to subsection (a) shall be accomplished at the direction of the Facility by the exchange of a new obligation for obligations outstanding as of the date specified in subsection (a)(1).

(2) EXCHANGE OF OBLIGATIONS.—The Facility shall notify the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 of the agreement with an eligible country to exchange a new obligation for outstanding obligations pursuant to this subsection. At the direction of the Facility, the old obligations shall be canceled and a new debt obligation for the country shall be established, and the agency primarily responsible for administering part I of that Act shall make an adjustment in its accounts to reflect the debt reduction.

SEC. 815. REPAYMENT OF PRINCIPAL.

(a) CURRENCY OF PAYMENT.—The principal amount of each new obligation issued pursuant to section 814(b) shall be repaid in United States dollars.

(b) DEPOSIT OF PAYMENTS.—Principal repayments of new obligations shall be deposited in the United States Government account established for principal repayments of the obligations for which those obligations were exchanged.

SEC. 816. INTEREST ON NEW OBLIGATIONS.

(a) RATE OF INTEREST.—New obligations issued by a beneficiary country pursuant to section 814(b) shall bear interest at a concessional rate.

(b) CURRENCY OF PAYMENT; DEPOSITS.—

(1) LOCAL CURRENCY.—If the beneficiary country has entered into an Americas Framework Agreement under section 818, interest shall be paid in the local currency of the beneficiary country and deposited in the Americas Fund provided for in section 817(a). Such interest shall be the property of the beneficiary country, until such time as it is disbursed pursuant to section 817(d). Such local currencies shall be used for the purposes specified in the Americas Framework Agreement.

(2) UNITED STATES DOLLARS.—If the beneficiary country has not entered into an Americas Framework Agreement under section 818, interest shall be paid in United States dollars and deposited in the United States Government account established for interest payments of the obligations for which the new obligations were exchanged.

(c) INTEREST ALREADY PAID.—If a beneficiary country enters into an Americas Framework Agreement subsequent to the date on which interest first became due on the newly issued obligation, any interest already paid on such new obligation shall not be redeposited into the Americas Fund established for that country pursuant to section 817(a).

SEC. 817. ESTABLISHMENT OF, DEPOSITS INTO, AND DISBURSEMENTS FROM AN ENTERPRISE FOR THE AMERICAS FUND.

(a) ESTABLISHMENT.—Each beneficiary country that enters into an Americas Framework Agreement under section 818 shall be required to establish an Enterprise for the Americas Fund to receive payments in local currency pursuant to section 816(b)(1).

(b) DEPOSITS.—Local currencies deposited in an Americas Fund shall not be considered assistance for purposes of any provision of law limiting assistance to a country.

(c) INVESTMENT.—Deposits made in an Americas Fund shall be invested until disbursed. Any return on such investment may be retained by the Americas Fund, without deposit in the Treasury of the United States and without further appropriation by Congress.

(d) DISBURSEMENTS.—Funds in an Americas Fund shall be disbursed only pursuant to an Americas Framework Agreement under section 818.

SEC. 818. AMERICAS FRAMEWORK AGREEMENTS.

(a) AUTHORITY.—The Secretary of State is authorized, in consultation with other appropriate Government officials, to enter into an Americas Framework Agreement with any eligible country concerning the operation and use of the Americas Fund for that country. In the negotiation of such Agreements, the Secretary shall consult with the Enterprise for the Americas Board in accordance with section 819.

(b) CONTENTS OF AGREEMENTS.—An Americas Framework Agreement with an eligible country shall—

(1) require that country to establish an Americas Fund;

(2) require that country to make interest payments under section 816(b)(1) into an Americas Fund;

(3) require that country to make prompt disbursements from the Americas Fund to the administering body described in subsection (c);

(4) when appropriate, seek to maintain the value of the local currency resources of the Americas Fund in terms of United States dollars;

(5) specify, in accordance with subsection (d), the purposes for which amounts in an Americas Fund may be used; and

(6) contain reasonable provisions for the enforcement of the terms of the agreement.

(c) ADMINISTERING BODY.—

(1) IN GENERAL.—Funds disbursed from the Americas Fund in each beneficiary country shall be administered by a body constituted under the laws of that country.

(2) COMPOSITION.—The administering body shall consist of—

(A) one or more individuals appointed by the United States Government,

(B) one or more individuals appointed by the government of the beneficiary country, and

(C) individuals who represent a broad range of—

(i) environmental nongovernmental organizations of the beneficiary country,

(ii) child survival and child development nongovernmental organizations of the beneficiary country,

(iii) local community development nongovernmental organizations of the beneficiary country, and

(iv) scientific or academic organizations or institutions of the beneficiary country.

A majority of the members of the administering body shall be individuals described in subparagraph (C).

(3) RESPONSIBILITIES.—The administering body—

(A) shall receive proposals for grant assistance from eligible grant recipients (as determined under subsection (e)) and make grants to eligible

grant recipients in accordance with the priorities agreed upon in the Americas Framework Agreement, consistent with subsection (d);

(B) shall be responsible for the management of the program and oversight of grant activities funded from resources of the Americas Fund;

(C) shall be subject, on an annual basis, to an audit of financial statements conducted in accordance with generally accepted auditing standards by an independent auditor;

(D) shall be required to grant to representatives of the United States General Accounting Office such access to books and records associated with operations of the Americas Fund as the Comptroller General of the United States may request;

(E) shall present an annual program for review each year by the Enterprise for the Americas Board; and

(F) shall submit a report each year on the activities that it undertook during the previous year to the Chair of the Enterprise for the Americas Board and to the government of the beneficiary country.

(d) ELIGIBLE ACTIVITIES.—Grants from an Americas Fund shall be used for—

(1) activities that link the conservation and sustainable use of natural resources with local community development; and

(2) child survival and other child development activities.

(e) GRANT RECIPIENTS.—Grants made from an Americas Fund shall be made to—

(1) nongovernmental environmental, conservation, child survival and child development, development, and indigenous peoples organizations of the beneficiary country;

(2) other appropriate local or regional entities; and

(3) in exceptional circumstances, the government of the beneficiary country.

(f) REVIEW OF LARGER GRANTS.—Any grant of more than $100,000 from an Americas Fund shall be subject to veto by the Government of the United States or the government of the beneficiary country.

(g) ELIGIBILITY CRITERIA.—In the event that a country fails to meet the eligibility requirements set forth in section 813(a), as determined by the President pursuant to section 813(b), then grants from the Americas Fund for that country may only be made to nongovernmental organizations until such time as the President determines that such country meets the eligibility requirements set forth in section 813(a).

SEC. 819. ENTERPRISE FOR THE AMERICAS BOARD.

(a) RESPONSIBILITIES.—For purposes of this chapter, the Enterprise for the Americas Board shall—

(1) advise the Secretary of State on the negotiations of Americas Framework Agreements pursuant to section 818;

(2) ensure, in consultation with—

(A) the government of the beneficiary country,

(B) nongovernmental organizations of the beneficiary country,

(C) nongovernmental organizations of the region (if appropriate),

(D) environmental, scientific, child survival and child development, and academic leaders of the beneficiary country, and

(E) environmental, scientific, child survival and child development, and academic leaders of the region (as appropriate),

that a suitable administering body is identified for each Americas Fund; and

(3) review the programs, operations, and fiscal audits of each administering body.

(b) SUPPLEMENTAL VIEWS IN ANNUAL REPORT.—Each member of the Board shall be entitled to receive a copy of any report to be transmitted to the Congress pursuant to chapter 5 of this title at least 14 days before the report is to be so transmitted, to have 14 days within which to prepare and submit supplemental views with respect to the implementation of this chapter for inclusion in such report, and to have those views included in the report when it is so transmitted.

(c) AMENDMENTS RELATING TO THE BOARD.—Section 610 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) in the section heading, by striking out "ENVIRONMENT" and inserting in lieu thereof "ENTERPRISE";

(2) in subsection (a), by striking out "Environment" and inserting in lieu thereof "Enterprise";

(3) in subsection (b)(1)(A)—

(A) by striking out "five" and insert in lieu thereof "six", and

(B) by inserting ", at least one of whom shall be a representative of the Department of Agriculture" after "Government"; and

(4) in subsection (b)(1)(B)—

(A) by striking out "four" and inserting in lieu thereof "five",

(B) by inserting "child survival and child development," after "environmental,", and

(C) by inserting ", at least one of whom shall be a representative from a child survival and child development organization" after "Caribbean".

CHAPTER 2—EXPORT-IMPORT BANK DEBT REDUCTION

SEC. 821. EXPORT-IMPORT BANK DEBT REDUCTION.

The Export-Import Bank Act of 1945 (12 U.S.C. 635-635i-4) is amended—

(1) by inserting after the first section the following:

"TITLE I—GENERAL PROVISIONS"; and

(2) by adding at the end the following:

"TITLE II—ENTERPRISE FOR THE AMERICAS INITIATIVE

"SEC. 51. PURPOSE.

"The purpose of this title is to encourage and support improvement in the lives of the people of Latin America and the Caribbean through market-oriented reforms and economic growth with interrelated actions to promote debt reduction, investment reforms, community based conservation and sustainable use of the environment. The Facility will support these objectives through administration of debt reduction operations under this title for those countries with democratically elected governments that meet investment reforms and other policy conditions.

"SEC. 52. DEFINITIONS.

"As used in this title:

"(1) The term 'eligible country' means a country designated by the President in accordance with section 53.

"(2) The term 'Facility' means the entity established in the Department of the Treasury by section 601 of the Agricultural Trade Development and Assistance Act of 1954.

"(3) The term 'IMF' means the International Monetary Fund.

"SEC. 53. ELIGIBILITY FOR BENEFITS UNDER THE FACILITY.

"(a) REQUIREMENTS.—To be eligible for benefits from the Facility under this title, a country must—

"(1) be a Latin American or Caribbean country;

"(2) have in effect, have received approval for, or, as appropriate in exceptional circumstances, be making significant progress toward—

"(A) an IMF standby arrangement, extended IMF arrangement, or an arrangement under the structural adjustment facility or enhanced structural adjustment facility, or in exceptional circumstances, an IMF monitored program or its equivalent; and

"(B) as appropriate, structural or sectoral adjustment loans from the International Bank for Reconstruction and Development or the International Development Association;

"(3) have put in place major investment reforms in conjunction with an Inter-American Development Bank loan or otherwise be implementing, or making significant progress toward, an open investment regime; and

"(4) if appropriate, have agreed with its commercial bank lenders on a satisfactory financing program, including, as appropriate, debt or debt service reduction.

"(b) ELIGIBILITY DETERMINATIONS.—The President shall determine whether a country is an eligible country for purposes of subsection (a).

"SEC. 54. LOANS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.

"(a) AUTHORITY TO SELL, REDUCE, OR CANCEL CERTAIN LOANS.—Notwithstanding any other provision of law, the President may, in accordance with this title—

"(1) sell to any eligible purchaser any loan or portion thereof made to any eligible country or any agency thereof, before January 1, 1991, pursuant to this Act; and

"(2) on receipt of payment from the eligible purchaser, reduce or cancel such loan or portion thereof,

only for the purpose of facilitating debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps, if the sale, reduction, or cancellation would not contravene any term or condition of any prior agreement relating to such loan.

"(b) TERMS AND CONDITIONS.—Notwithstanding any other provision of law other than this title, the President shall establish the terms and conditions under which loans may be sold, reduced, or canceled pursuant to this title.

"(c) TREATMENT UNDER SECURITIES LAWS.—Any sale made pursuant to this title by the Bank of a loan (including any interest therein) to an eligible purchaser described in section 57 of this Act shall be a transaction not required to be registered pursuant to section 5 of the Securities Act of 1933. For purposes of the Securities Act of 1933, the Bank shall not be deemed to be an issuer or underwriter with respect to any subsequent sale or other disposition of such loan (include any interest therein) or any security received by an eligible purchaser pursuant to any debt-for-equity swap, debt-for-development swap, or debt-for-nature swap.

"(d) ADMINISTRATION.—The Facility shall notify the Bank of purchasers the President has determined to be eligible under section 57, and shall direct the Bank to carry out the sale, reduction, or cancellation of a loan pursuant to this title. The Bank shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

"(e) LIMITATIONS.—The authorities of this section may be exercised beginning in fiscal year 1992 and only to such extent as provided for in advance in appropriations Acts for fiscal year 1992 or thereafter, as necessary to implement section 13201 of the Budget Enforcement Act of 1990.

"SEC. 55. AUTHORIZATION OF APPROPRIATIONS.

"For the sale, reduction, and cancellation pursuant to section 54 of loans or portions thereof made pursuant to this Act, there are authorized to be appropriated to the President such sums as may be necessary, which shall remain available until expended.

"SEC. 56. DEPOSIT OF PROCEEDS.

"The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this title shall be deposited in the United States Government account or accounts established for the repayment of such loan.

"SEC. 57. ELIGIBLE PURCHASERS.

"A loan may be sold pursuant to this title only to a purchaser who presents plans satisfactory to the President for using the loan for the purpose of engaging in debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

"SEC. 58. DEBTOR CONSULTATION.

"Before the sale to any eligible purchaser, or any reduction or cancellation pursuant to this title of any loan made to an eligible country, the President shall consult with the country concerning, among other things, the amount of loans to be sold, reduced, or canceled and their uses for debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.".

CHAPTER 3—PARTICIPATION OF THE INTER-AMERICAN DEVELOPMENT BANK

SEC. 831. ROLE OF INTER-AMERICAN DEVELOPMENT BANK AND OTHER PROGRAMS IN FOSTERING INVESTMENT REFORM.

(a) The Secretary of the Treasury shall work closely with the management of the Inter-American Development Bank (in this section referred to as the "IDB") to ensure the full implementation of the IDB's proposed investment sector reform program and the coordination of United States bilateral assistance programs with the efforts of the IDB to enhance the likelihood of full implementation of liberalization efforts by countries in the region served by the IDB.

(b) Within 6 months after the date of enactment of this Act, the Secretary of the Treasury shall transmit a written report to the Chairman of the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate describing the specifics of the investment sector reform programs that are being carried out by the IDB. Such report shall include—

(1) a detailed description of the elements of the investment sector reform program;

(2) the percentage of the annual lending program of the IDB which will be utilized in conjunction with any investment reform efforts;

(3) a list of the countries that have entered into investment sector reform programs with the IDB, or are in the process of negotiating such programs;

(4) an analysis of how United States bilateral programs have complemented investment reform efforts; and

(5) a description of measures taken by the IDB, the United States, and recipient countries to ensure that any negative effects of such reform efforts are not borne disproportionately by the poorest segments of such countries, and will not have an adverse impact on the natural resources of such countries.

SEC. 832. ENTERPRISE FOR THE AMERICAS INVESTMENT FUND.

The Inter-American Development Bank Act (22 U.S.C. 283-283z-8) is amended by adding at the end the following:

"SEC. 37. ESTABLISHMENT OF THE ENTERPRISE FOR THE AMERICAS INVESTMENT FUND.

"(a) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated to the Secretary of the Treasury $100,000,000 for each of the fiscal years 1992 through 1996 solely to carry out the purposes of this section. Such funds shall remain available until expended.

"(b) ESTABLISHMENT OF FUND.—The Secretary of Treasury is hereby authorized to contribute and to make payment of up to $500,000,000 of funds appropriated pursuant to subsection (a), to the Enterprise for the Americas Investment Fund (in this section referred to as the "Fund") which shall be administered by the Bank, provided that the following conditions have been met:

"(1) An agreement establishing the Fund has been signed by the United States Government and the President of the Bank, specifying the terms and conditions under which the United States is to provide monies to the Fund and the terms and conditions under which the Bank is to disburse monies from the Fund.

"(2) At least two additional donors have also entered into the agreement referred to in paragraph (1) and have pledged to the Fund contributions which, in the aggregate, total not less than $500,000,000.

"(3) At least 15 days before the first such contribution to the Fund, the Secretary of Treasury has transmitted the agreement establishing the Fund at the Bank to the Chairman of the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate.

"(4) The agreement includes a provision that requires the Bank to prepare and make public annual reports regarding the operations of the Fund.

"(c) PRINCIPAL ACTIVITIES OF FUND.—

"(1) IN GENERAL.—In negotiating the terms and conditions of the Fund agreement, the Secretary of Treasury shall ensure that United States assistance to the Fund shall be disbursed only for the following purposes:

"(A) Technical assistance to eligible countries for the purpose of identifying and resolving domestic constraints to investment.

"(B) Assistance to private enterprises, and to enterprises the ownership of which is in the process of being transferred from public institutions to private persons, in eligible countries in such activities as enterprise development, venture capital, preparation of investment proposals, and equity support for financial intermediaries to fund and assist enterprises in eligible countries.

"(C) Assistance in building human capital potential, alleviating poverty, reducing legal, regulatory, and policy barriers to economic and social progress as described in section 64(a) of the Bretton Woods Agreements Act, in eligible countries, including programs related to the relocation and retraining of workers displaced by investment reform activities such as the privatization or restructuring of public enterprises, as well as for educational grants to develop expertise in business-related skills necessary for the conduct of private sector activities.

"(D) Assistance to support the development and strengthening of host country capacities for insuring the environmental soundness of investment activities, including the use of taxes, fees, tax rebates, and other market-based incentives and penalties to promote environmentally sound investment decisions by private investors, including support in the form of technical assistance to government agencies and other entities for the development of environmental regulations, standards, and effective enforcement mechanisms applicable to private investment activities.

"(2) LIMITATION.—In negotiating the terms and conditions of the Fund agreement, the Secretary of Treasury shall ensure that not more than 40 percent of the amounts available to the Fund may be used for the purposes described in any particular subparagraph of paragraph (1).

"(d) PERIOD OF AVAILABILITY OF FUNDS.—Notwithstanding subsection (a), if the requirements set forth in subsections (b) and (c) have not been met within 2 years after the date of the enactment of this section, any monies appropriated to carry out the purposes of this section shall no longer be available for obligation or expenditure.

"(e) ASSESSMENT OF ENVIRONMENTAL IMPACT OF PROPOSED ACTIONS OF THE FUND.—If an Enterprise for the Americas Investment Fund is established pursuant to this section, the Secretary of the Treasury shall instruct the United States representative to the Fund not to vote in favor of any action proposed to be taken by the fund which may have a significant adverse effect on the environment unless an assessment of the impact of the action on the environment has been available for at least 120 days before the vote.

"(f) ELIGIBILITY REQUIREMENTS.—With respect to United States assistance to the Fund, to be eligible for disbursements of assistance from the Fund, a country must—

"(1) be a Latin American or Caribbean country;

"(2) have in effect, have received approval for, or, as appropriate in exceptional circumstances, be making significant progress toward—

"(A) an International Monetary Fund standby arrangement, extended International Monetary Fund arrangement, or an arrangement under the structural adjustment facility or enhanced structural adjustment facility, or in exceptional circumstances, an International Monetary Fund monitored program or its equivalent, unless the President determines (after consultation with the Enterprise for the Americas Board) that such an arrangement or program (or its equivalent) could reasonably be expected to have significant adverse social or environmental effects; and

"(B) as appropriate, structural or sectoral adjustment loans from the International Bank for Reconstruction and Development or the International Development Association, unless the President determines (after consultation with the Enterprise for the Americas Board) that the resulting adjustment requirements could reasonably be expected to have significant adverse social or environmental effects;

"(3) have put in place major investment reforms in conjunction with an Inter-American Development Bank loan or otherwise be implementing, or making significant progress toward, an open investment regime;

"(4) if appropriate, have agreed with its commercial bank lenders on a satisfactory financing program, including, as appropriate, debt or debt service reduction;

"(5) have a democratically elected government;

"(6) not harbor or sponsor international terrorists;

"(7) be cooperating in narcotics matters; and

"(8) not have a government with a consistent pattern of gross human rights violatons by its instrumentalities, including its military or security forces.

"(g) ELIGIBILITY DETERMINATIONS.—The President shall determine whether a country is an eligible country for purposes of subsection (f).".

CHAPTER 4—INTERNATIONAL UNIVERSITY FOR THE AMERICAS

SEC. 841. PURPOSE.

The purpose of this title is to promote economic integration and the consolidation and strengthening of democratic institutions in the Hemisphere, and to commemorate the 500th anniversary of the discovery of the Americas by Christopher Columbus through the establishment of an institution of higher education, which shall be known as the "International University for the Americas".

SEC. 842. ESTABLISHMENT.

The Secretary of State, in consultation with other governments in the Hemisphere, shall determine the most appropriate location for the International University for the Americas. In making that determination the Secretary shall ensure that the location chosen is—

(1) in the Americas;

(2) is easily accessible to all peoples in the region;

(3) has demonstrated a commitment to economic integration and democratic values through its policies and programs; and

(4) has expressed an interest in being chosen as a site and has agreed to contribute some amount of assistance, either in cash or kind, toward the costs of developing the institution.

SEC. 843. FACULTY, STUDENTS, AND CURRICULUM.

In developing the bylaws of the International University for the Americas, the Secretary shall ensure that it contains provisions to ensure that faculty and students are drawn from all the nations in the hemisphere, and that the curriculum is designed to develop expertise in fields that will promote the economic integration of the Americas and the consolidation of democracy throughout the Hemisphere.

SEC. 844. FUNDING.

Of the development assistance and economic support assistance funds that are allocated for Latin America and the Caribbean, $500,000 may be made available to carry out the site location and design phase of the International University for the Americas.

CHAPTER 5—REPORTS

SEC. 851. ANNUAL REPORTS TO CONGRESS.

(a) IN GENERAL.—Not later than December 31 of each year, the President shall transmit to the Speaker of the House of Representatives and the President Pro Tempore of the Senate a report on the implementation of this title, title II of the Export-Import Bank Act of 1945, section 37 of the Inter-American Development Bank Act, and title VI of the Agricultural Trade Development and Assistance Act of 1954. Such report shall include—

(1) a description of the activities undertaken by the Enterprise for the Americas Facility during the previous fiscal year;

(2) a description of any Americas Framework Agreements entered into under chapter 1 of this title and a description of any Enviromental Framework Agreement entered into under that title VI;

(3) a description of any grants that have been extended by administering bodies pursuant to an Americas Agreement under that chapter or pursuant to an Enviromental Framework Agreement under that title VI; and

(4) a progress report on the selection of a site and design for the establishment of the International University for the Americas.

(b) CONFORMING AMENDMENT.—Section 614 of the Agricultural Trade Development and Assistance Act of 1954 (relating to annual reports to the Congress on the Enterprise for the Americas Facility) is repealed.

TITLE IX—ASIA AND THE PACIFIC

CHAPTER 1—EAST ASIA AND THE PACIFIC

SEC. 901. BURMA.

(a) CONSIDERATIONS IN FURNISHING ASSISTANCE AND MAKING MILITARY SALES.—During fiscal years 1992 and 1993, in determining whether to furnish assistance to Burma under the Foreign Assistance Act of 1961 or the Agricultural Trade Development and Assistance Act of 1954 (other than emergency humanitarian assistance under either such Act), and whether to make any sales of defense articles or defense services to Burma under the Arms Export Control Act, the President shall take into account whether—

(1) the Government of Burma has—

(A) ceded legal authority to a civilian government as mandated by the elections of May 1990;

(B) released persons arrested for the peaceful expression of their political views, including Aung San Suu Kyi and other leaders of the National League for Democracy; and

(C) ceased harassment of persons and political parties attempting to exercise freedoms of expression, association, and assembly; and

(2) the President has made a certification concerning Burma under section 490 of the Foreign Assistance Act of 1961 (relating to international narcotics cooperation).

(b) NOTIFICATION REQUIREMENT.—During fiscal years 1992 and 1993, the President shall notify the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961, at least 15 days before—

(1) obligating funds for any assistance for Burma under the Foreign Assistance Act of 1961 (other than emergency humanitarian assistance); or

(2) issuing a letter of offer to sell any defense articles or defense services to Burma under the Arms Export Control Act.

(c) STATEMENT OF CONGRESS REGARDING ECONOMIC SANCTIONS AGAINST BURMA.—In view of Burma's failure to comply with the human rights and narcotics control provisions of section 138 of the Customs and Trade Act of 1990, including that it transfer authority to a civilian government, release political prisoners, lift martial law, and meet the certification requirements of section 802(6) of the Narcotics Control Trade Act, the Congress—

(1) welcomes the decision of the President not to negotiate a new textile agreement with Burma;

(2) would welcome a decision by the President to impose additional economic sanctions upon Burma under section 138 of the Customs and Trade Act of 1990, giving primary consideration to the imposition of sanctions on other products that constitute major imports from Burma (including fish, tropical timber, and aquatic animals); and

(3) calls upon other industrialized countries to impose similar sanctions upon Burma.

(d) ASSISTANCE FOR DISPLACED BURMESE AND TO SUPPORT DEMOCRATIC PLURALISM.—

(1) AUTHORITY TO PROVIDE ASSISTANCE.—Notwithstanding any provision of law that restricts assistance to countries, funds described in paragraph (2) may be made available—

(A) for training and education assistance for Burmese outside of Burma who are displaced as a result of civil conflict, and

(B) for activities which support democratic pluralism in Burma.

(2) FUNDS THAT MAY BE USED.—The funds that may be used pursuant to paragraph (1) are—

(A) up to $1,000,000 of development assistance funds for each of fiscal years 1992 and 1993; and

(B) any funds that were made available for development assistance or economic support assistance for prior fiscal years by foreign assistance appropriations Acts and that were allocated or obligated for assistance for Burma.

(3) NOTICE TO CONGRESS OF USE OF PRIOR YEAR FUNDS.—At least 15 days before using the authority of paragraph (2)(B), the President shall notify the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961.

SEC. 902. CAMBODIA.

(a) ACTS OF GENOCIDE IN CAMBODIA.—As a party to the Genocide Convention, the United States reaffirms that genocide is a crime under international law which it undertakes to prevent and punish, and calls upon the competent organs of the United Nations to take such action under the Charter of the United Nations as they consider appropriate for the prevention and suppression of acts of genocide in Cambodia.

(b) HUMANITARIAN AND DEVELOPMENT ASSISTANCE FOR CAMBODIA.—

(1) AUTHORIZATION.—Except as provided in paragraph (2), not more than $20,000,000 of the funds made available for fiscal years 1992 and 1993 for development assistance and economic support assistance shall be made available, predominantly through international relief agencies and United States private and voluntary organizations, for humanitarian and development assistance exclusively for Cambodian civilians and in accordance with the priority needs identified by the Agency for International Development's Report to Congress on Cambodia's Humanitarian and Development Assistance Priorities (transmitted pursuant to the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991), notwithstanding any other provision of law.

(2) ADDITIONAL FUNDING IF THERE IS A SETTLEMENT.—In the event of a settlement of the Cambodian conflict acceptable to the United States, additional amounts of funds made available for fiscal years 1992 and 1993 for development assistance and economic support assistance may be used under paragraph (1). At least 15 days before obligating any such additional funds, the President shall notify the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961.

(3) DEFINITION.—For purposes of this subsection, the term "humanitarian assistance" includes food, clothing, medicine, and other humanitarian assistance, including equipment for the surveying and eradication of explosive mines, but such term does not include (A) the provision of any weapons, weapon systems, or ammunition, or (B) the provision to Cambodian military units of any other equipment, vehicles, or material.

(c) HUMANITARIAN ASSISTANCE TO CHILDREN.—In addition to funds otherwise available for such purposes under subsection (b), not more than $5,000,000 of the funds made available for each of fiscal years 1992 and 1993 for development assistance and economic support assistance shall be made available to provide humanitarian assistance to children and war victims in Cambodia, notwithstanding any other provision of law. Until a settlement of the Cambodian conflict acceptable to the United States, such assistance shall be provided through international relief agencies and United States private and voluntary organizations.

(d) TRAINING OF CAMBODIANS IN SUPPORT OF AN INTERNATIONAL SETTLEMENT OF THE CAMBODIAN CONFLICT.—Notwithstanding any other provision of law, the President may use such amounts (in addition to those otherwise provided for in this section) as may be necessary of funds made available for development assistance and economic support assistance for fiscal years 1992 and 1993 to provide for the nonmilitary training of Cambodians, including Cambodians outside Cambodia and the United States, in appropriate skills that would be used by them in direct support of an internationally acceptable political settlement in that country.

(e) TERMINATION OF ASSISTANCE.—The President shall terminate assistance under this section to any Cambodian organization that he determines is cooperating, tactically or strategically, with the Khmer Rouge in their military operations.

(f) ONSITE ASSESSMENT OF NEEDS FOR ASSISTANCE.—Not later than 120 days after the date of enactment of this Act, the President shall conduct an onsite assessment on a multilateral basis in cooperation with the United Nations, or on an independent basis, within Cambodia (including Phnom Penh) to determine the requirements for the development of social economic and social infrastructure and for the eradication of explosive mines.

(g) REPORT REGARDING THE KHMER ROUGE.—Not later than February 1, 1992, the President shall submit to the Speaker of the House of Representatives and the President Pro Tempore of the Senate a report describing all instances of

military cooperation since January 1, 1991, between the Khmer Rouge and any individual, group, or faction of the noncommunist resistance and describing all instances of human rights abuses by the Khmer Rouge. Such report shall be submitted in both classified and unclassified form.

(h) APPLICABILITY OF EXISTING LAW.—

(1) TRADE RESTRICTIONS.—Funds shall be made available under this section notwithstanding any law or regulation prohibiting trade with Cambodia or any national of Cambodia.

(2) REPROGRAMMING NOTIFICATIONS.—Funds shall be made available under this section subject to the provisions of section 634A of the Foreign Assistance Act of 1961.

(3) PROHIBITIONS.—Any funds made available under this section shall be subject to the prohibitions of section 531(e) of the Foreign Assistance Act of 1961 and section 906 of the International Security Development Cooperation Act of 1985.

(i) CLARIFICATION OF AUTHORITIES GRANTED.—

(1) CERTAIN FUNDING NOT AFFECTED.—Nothing in this section supersedes any provision of this Act that authorizes the appropriation of funds for a specific country, region, organization, or purpose or any provision of the annual Foreign Operations, Export Financing, and Related Programs Appropriations Act that earmarks funds for a specific country, region, organization, or purpose.

(2) APPROPRIATIONS ACT LIMITATIONS NOT AFFECTED.—Nothing in this section supersedes any provision of the annual Foreign Operations, Export Financing, and Related Programs Appropriations Act that specifically refers to the assistance authorized by this section and establishes limitations with respect to such assistance.

(3) APPROPRIATION ACT REPROGRAMMING REQUIREMENTS NOT AFFECTED.—Nothing in this section supersedes the requirements of any provision of the annual Foreign Operations, Export Financing, and Related Programs Appropriations Act that requires prior notification to congressional committees of proposed reprogrammings of funds.

SEC. 903. ARMS TRANSFERS BY THE PEOPLE'S REPUBLIC OF CHINA TO CERTAIN COUNTRIES.

(a) PROHIBITION.—In any calendar year, sales may not be made to the People's Republic of China under the Arms Export Control Act, and licenses may not be issued under section 38 of that Act for the export to the People's Republic of China, of any item on the United States Munitions List for military end-users if the President has determined that there is convincing, credible evidence that—

(1) any United States defense article or technology (including United States licensed technology) was used in—

(A) a cruise missile or ballistic missile,

(B) a advanced fighter aircraft, or

(C) a major component or technology for any such missile or aircraft,

and was transferred willingly to Algeria and Pakistan and such terrorist states as Iran, Iraq, Libya, and Syria by the People's Republic of China in the previous calendar year in contravention of the Arms Export Control Act or regulations issued under section 38 of that Act; or

(2) any chemical weapon, or any material, equipment, or technology intended for use by a military end-user for any nuclear explosive device, or for research on or development of any nuclear explosive device, was transferred willingly to Algeria and Pakistan and such terrorist states as Iran, Iraq, Libya, and Syria by the People's Republic of China in the previous calendar year.

(b) EXCEPTION.—The prohibitions contained in subsection (a) shall not apply to sales or exports of systems or components designed specifically for inclusion in civil products and controlled as defense articles only for purpose of export to a controlled country, unless the President determines that the intended recipient of such items is the military or security forces of the People's Republic of China.

SEC. 904. PROHIBITION ON MILITARY ASSISTANCE TO FIJI.

No foreign military financing assistance and no international military education and training which is made available for fiscal year 1992 or fiscal year 1993 may be provided to Fiji unless the President certifies to the Congress that Fiji has held elections in which there has been broad participation by all communities in Fiji.

SEC. 905. SUPPORT OF HUMANITARIAN PROJECTS IN LAOS.

It is the sense of the Congress that, consistent with section 490 of the Foreign Assistance Act of 1961 (relating to international narcotics cooperation), the President should use available authority and appropriations to provide up to $200,000 in each of fiscal years 1992 and 1993 for support of humanitarian projects in Laos associated with joint United States-Laotian cooperative efforts to resolve questions concerning Vietnam era prisoners of war or those missing in action.

SEC. 906. MALAYSIA.

The Congress—

(1) notes the long tradition of friendship and common interests and values between the Government of Malaysia and the Government of the United States, reflected in part by the Malaysian Government's endorsement of the goal of removing Iraq from Kuwait and its vote in support of United Nations Security Council Resolution 678, which authorized the use of force to obtain that goal;

(2) expresses its deep distress and concern about the current policy and practice of the Government of Malaysia of denying first asylum to Indochinese asylum-seekers, which conflicts with humanitarian practices to which the Malaysian Government had been committed from 1975 to 1989;

(3) urges the Government of Malaysia to reestablish the policy of first asylum and thereby to bring its practices into conformity with internationally recognized humanitarian standards;

(4) expresses its appreciation to the Government of Indonesia, which has provided first asylum to nearly all of the more than 11,000 asylum seekers who have been denied refuge in Malaysia since 1989; and

(5) expresses its readiness to support efforts to provide supplemental assistance to Indonesia to accommodate the increased burden on that country that has resulted from the denial of first asylum by Malaysia.

SEC. 907. ASSISTANCE FOR MONGOLIA.

In recognition of Mongolia's movement toward democracy in establishing a multiparty system and the steps it has taken to establish a free market economy, it is the sense of the Congress that additional assistance should be provided for Mongolia.

SEC. 908. MULTILATERAL ASSISTANCE INITIATIVE FOR THE PHILIPPINES

Part I of the Foreign Assistance Act of 1961 is amended by inserting after chapter 3 the following:

"CHAPTER 4—MULTILATERAL ASSISTANCE INITIATIVE FOR THE PHILIPPINES

"SEC. 401. FINDINGS AND STATEMENT OF POLICY.

"(a) FINDINGS.—The Congress makes the following findings:

"(1) The people of the Philippines and the people of the United States continue to enjoy a longstanding relationship of mutual respect and cooperation.

"(2) The return of democracy to the Philippines under the leadership of President Corazon Aquino has brought our two countries closer together and offers an opportunity to the Philippines to again become an economic, social, and political leader in Southeast Asia.

"(3) The threat to democratic government in the Philippines from both the Communist insurgency and dissident elements in the Philippine military forces jeopardizes the efforts of the Government of the Philippines to broaden the participation of the people of the Philippines in the development of their country.

"(4) It is in the mutual interest of our two peoples that the Philippines be provided all possible assistance, including voluntary debt reduction programs under appropriate circumstances, in its efforts to redress the problems caused by economic deterioration and social inequity which have fueled the domestic insurgency.

"(5) The promotion of democracy and achievement of sustainable economic growth require a partnership among the Philippines, multilateral institutions, bilateral donors, and the private sector to help the Philippines restructure its economy and alleviate its debt service in order to achieve broadly based, self-sustaining growth and to improve the quality of life of the people of the Philippines.

"(6) The Philippines is facing a serious environmental crisis stemming from the loss of tropical forests, growing soil erosion, pollution of rivers, lakes, and estuaries, and deterioration of fisheries. The promotion of sound environmental, natural resource, and agricultural management will enable the Philippines to achieve environmentally and economically sustainable development.

"(7) Since its inauguration in Tokyo in July, 1989, the Multilateral Assistance Initiative for the Philippines has resulted in the pledging of more than $6,800,000,000 in assistance from 26 donor countries and organizations.

"(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

"(1) the United States should continue to participate with the multilateral financial institutions and other bilateral donors in a coordinated economic reform and development program in the Philippines, including voluntary debt reduction programs and environmental restoration and sustainable natural resource management programs; and

"(2) a multiyear commitment of resources by the United States, other bilateral donors, and the multilateral financial institutions, with a continued reform effort and leadership role by the Government of the Philippines, will continue to be necessary in order to ensure economic growth in the Philippines and enhanced participation of the people of the Philippines in the democratic process.

"SEC. 402. ASSISTANCE.

"(a) AUTHORITY.—In order to promote the four basic objectives set forth in section 102, the President is authorized to provide assistance for the Philippines to carry out the purposes of this chapter. Such assistance shall have as its ultimate objective, in conjunction with assistance provided by other donors, support of democracy in the Philippines, promotion of sustained economic growth led by the private sector, and improvement of living conditions for the people of the Philippines, and shall build upon the progress that the Government of the Philippines has made in the development and implementation of economic, structural, judicial, and administrative reforms and the implementation of sustainable natural resources management programs.

"(b) PROGRESS OF REFORMS NECESSARY FOR PROVISION OF ASSISTANCE.—The provision of assistance under this chapter shall be linked to progress by the Government of the Philippines

in the implementation of its economic, structural, judicial, and administrative reform program.

"(c) USES OF ASSISTANCE.—Assistance under this chapter may include support for—

"(1) economic, structural, and administrative reforms, and voluntary debt reduction programs, that are necessary to stimulate growth led by the private sector, import liberalization, export growth and diversification, and the privatization of enterprises owned or controlled by the government;

"(2) infrastructure needed by the private sector, particularly in rural areas;

"(3) strengthening the private sector, including promoting greater participation of the United States private sector in the development of the Philippines;

"(4) natural resource management (including coastal environment management) which supports sustained economic growth; and

"(5) such other programs as are consistent with the purposes of this chapter.

"SEC. 403. REPORTS TO CONGRESS.

"(a) ANNUAL CONGRESSIONAL PRESENTATION DOCUMENTS.—The President shall submit congressional presentation documents regarding programs under this chapter on the same basis as the President submits such documents pursuant to section 634 of this Act regarding development assistance and economic support assistance programs.

"(b) REPORT ON PROGRAMS FOR PREVIOUS FISCAL YEARS.—Within 60 days after the date of enactment of this chapter, the President shall submit a report to the Congress on the accomplishments of programs carried out for fiscal years 1990 and 1991 to carry out the purposes of this chapter, as well as on the objectives of such programs for fiscal year 1992.

"(c) ANNUAL REPORT.—As soon as possible after the transmittal by the President of the Budget of the United States for each fiscal year beginning with fiscal year 1993, the President shall submit a report to the Congress on the progress made in carrying out this chapter. Such report shall include a review of—

"(1) the actions of the Government of the Philippines to achieve the objectives for which assistance under this chapter has been provided, including implementation of economic, structural, judicial, and administrative reforms;

"(2) the participation of other bilateral donors and multilateral financial institutions in the multilateral assistance program for which assistance under this chapter is authorized, including the level of their assistance, and the effectiveness of efforts to coordinate assistance activities;

"(3) the progress being made toward the achievement of the objectives of this chapter and the obstacles to such achievement; and

"(4) the budget request for the relevant fiscal year.

"SEC. 404. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this chapter, in addition to amounts otherwise available for such purposes, $1,000,000,000 (less amounts appropriated to carry out the purposes of this chapter for fiscal years 1990 and 1991), of which—

"(1) not more than $160,000,000 is authorized to be appropriated for fiscal year 1992; and

"(2) such sums as may be necessary are authorized to be appropriated for fiscal year 1993.

"SEC. 405. APPROPRIATIONS IN FUTURE YEARS.

"It is the sense of the Congress that, before requesting the appropriation of additional amounts to carry out this chapter, the President should take into account the progress being made by the Government of the Philippines toward achieving the reform objectives of this chapter, the extent of financial and other participation of other bilateral donors and multilateral financial institutions, and efforts to coordinate the multilateral assistance program for which assistance under this chapter is authorized. Such considerations will be primary factors in decisions by the Congress to provide additional appropriations to carry out this chapter.

"SEC. 406. DONOR COORDINATION.

"It is the sense of the Congress that critical to the success of the multilateral assistance program for which assistance under this chapter is authorized will be the ability of the bilateral donors, the multilateral financial institutions, and the Government of the Philippines to coordinate effectively their objectives and programs. It is further the sense of the Congress that all bilateral donors to this multilateral assistance program should take steps to simplify procurement and disbursement procedures and to ensure that any conditions on the provision or use of assistance are complementary, and that the Government of the Philippines should establish such internal procedures and processes as will ensure the most effective use of the resources provided by the bilateral donors and the multilateral financial institutions.".

SEC. 909. SOUTH PACIFIC REGIONAL PROGRAM.

(a) ADDITIONAL ECONOMIC ASSISTANCE.—In addition to the amounts of development assistance for South Pacific regional development projects and the amounts of economic support assistance under the Fisheries Treaty Program that are authorized to be appropriated by this Act pursuant to the executive branch request, section 532 of the Foreign Assistance Act of 1961 (as amended by title I of this Act) authorizes the appropriation of $10,000,000 for each of fiscal years 1992 and 1993 for economic support assistance for the South Pacific Regional Program. Of that amount, $2,000,000 for each fiscal year is authorized to be appropriated for scholarships for study at postsecondary institutions of education in the United States.

(b) NOTICE TO CONGRESS OF CHANGES IN PROPOSED PROGRAM.—If the President proposes to allocate less development assistance for the South Pacific Regional Program for fiscal year 1992 or 1993 than the amount specified in the congressional presentation materials for that fiscal year, the President shall notify the appropriate congressional committees at least 15 days in advance of such allocation in accordance with the procedures applicable to reprogramming procedures under section 634A of the Foreign Assistance Act of 1961.

SEC. 910. POLICY TOWARD THE FUTURE OF TAIWAN.

(a) FINDINGS.—The Congress finds that—

(1) although peace has prevailed in the Taiwan Strait for the past decade, on June 4, 1989, the Government of the People's Republic of China showed its willingness to use force against the Chinese people who were demonstrating peacefully for democracy; and

(2) in the Taiwan Relations Act, the United States made clear that its decision to enter into diplomatic relations with the People's Republic of China rested upon the expectation that the future of Taiwan would be determined by peaceful means.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the future of Taiwan should be settled peacefully, free from coercion, and in a manner acceptable to the people of Taiwan; and

(2) good relations between the United States and the People's Republic of China depend upon the willingness of the Chinese authorities to refrain from the use or the threat of force in resolving Taiwan's future.

SEC. 911. ADMISSION OF ASIAN COUNTRIES INTO THE OECD.

(a) FINDINGS.—The Congress finds that—

(1) the Republic of Korea, Taiwan, Hong Kong, and Singapore all now have gross national products at per capita levels that exceed those of some of the least developed members of the Organization for Economic Cooperation and Development (hereinafter in the section referred to as the "OECD");

(2) these Asian countries and territories have a substantial interest in furthering the health of the world economy and should assume a more prominent role in managing regional and global economic affairs; and

(3) the ideals of the OECD, namely liberalized trade and investment flows, assistance to the developing countries, and better coordination of national economic policies, are goals that should be strongly embraced and promoted by the newly industrialized countries and territories in Asia.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the President should encourage the OECD to actively undertake the process of study and consultation appropriate to consider for membership in the OECD the Governments of the Republic of Korea, Taiwan, Hong Kong, and Singapore.

CHAPTER 2—SOUTH ASIA

SEC. 921. ASSISTANCE FOR AFGHANISTAN.

(a) AUTHORIZATION.—Section 904(a) of the International Security and Development Cooperation Act of 1985 is amended to read as follows:

"(a) AUTHORIZATION.—The President may make available funds authorized to be appropriated to carry out chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961—

"(1) for the provision of food, medicine, or other humanitarian assistance to the Afghan people, and

"(2) for the development and implementation of long-range bilateral and multilateral reconstruction efforts for Afghanistan and the establishment of a broad-based freely-elected Afghan Government.

Such assistance may be provided notwithstanding any provision of law that restricts assistance to countries.".

(b) AUTHORITY TO USE DEVELOPMENT ASSISTANCE FUNDS.—Section 904(b) of that Act is amended by inserting "chapter 1 of part I and" after "carry out".

SEC. 922. UNITED STATES SUPPORT FOR DEMOCRACY AND DEVELOPMENT IN BANGLADESH.

The Congress—

(1) congratulates the people of Bangladesh on the successful transition to a freely and democratically elected government in Bangladesh following national elections held on February 27, 1991;

(2) welcomes the new government's commitment to the democratic process and to economic adjustment measures being implemented in coordination with the International Monetary Fund;

(3) appreciates Bangladesh's support for international law and collective security, reflected in part by its endorsement of United Nations sanctions against Iraq and its decision to send troops to help defend Saudi Arabia during the Gulf crisis;

(4) finds that Bangladesh's level of income and its commitment to economic reforms meet the requirements for debt relief under section 411 of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), and further finds that, in the absence of Public Law 480 debt relief, Bangladesh will ultimately risk being forced to make substantial debt payments that it did not anticipate; and

(5) urges the President to take action to provide to Bangladesh, at the earliest opportunity, debt relief under section 411 of the Agricultural Trade Development and Assistance Act of 1954.

SEC. 923. HUMAN RIGHTS IN INDIA.

The Congress—

(1) recognizes that India is the world's most populous democracy, with a long tradition of free elections, competing political parties, and vibrant civilian institutions, including an independent judiciary and a free press;

(2) expresses its deep concern that, despite India's history of democratic government and tradition of respect for the rule of law, there exist in parts of the country serious human rights problems, which include arbitrary arrests and detentions without trial, torture, deaths in custody, and disappearances and extrajudicial killings of unarmed civilians and suspected militants;

(3) calls upon the Government of India to take action to promote adherence to internationally recognized human rights standards, including measures to—

(A) fulfill recommendations, made by respected human rights organizations and experts, that call for review of security-related laws, whose application has reportedly contributed to human rights abuses;

(B) ensure against long-term detention without trial, in camera trials, and the holding of persons in incommunicado detention;

(C) ensure that all detainees are brought before a judicial authority promptly after arrest, and to permit family members and lawyers immediate access to all persons in detention;

(D) maintain safeguards against the use in court of confessions that may have been coerced;

(E) curb human rights abuses committed by security and police forces, and to affirm that all members of the security forces will be held responsible and subject to prosecution for human rights abuses in Punjab, Kashmir, and other areas of civil strife;

(F) investigate all reports of human rights violations by members of the security forces and prosecute those who are found responsible; and

(G) permit unrestricted access for international human rights monitoring organizations, such as Amnesty International and Asia Watch, so that they may conduct investigations into alleged human rights violations;

(4) urges the Government of India to pursue discussion and dialogue with representatives of a broad spectrum of the populations of Punjab, Kashmir, and other areas of civil conflict, in order to encourage a process of political normalization and address popular grievances in those regions;

(5) condemns gross abuses by militants in Kashmir and Punjab, who have been responsible for kidnapping, executions of civilians, and attacks on civilian institutions, and urges all militant groups to cease the use of force to achieve political objectives;

(6) urges the Secretary of State to raise Indian human rights issues with the Government of India; and

(7) calls upon Pakistani authorities not to provide arms or training to militants in Punjab or Kashmir, and urges the Secretary of State to convey this message to Pakistani officials.

SEC. 924. NEPAL.

(a) STATEMENT OF CONGRESS.—The Congress—

(1) welcomes the establishment of a democratically elected government in Nepal;

(2) recognizes that broad-based economic growth and development in Nepal will facilitate the strengthening of democratic political institutions; and

(3) declares its readiness to generously support the economic development effort of the democratically elected government of Nepal.

(b) ADDITIONAL ECONOMIC ASSISTANCE.—In addition to the amounts of development assistance authorized to be appropriated by this Act pursuant to the executive branch request for Nepal, section 532 of the Foreign Assistance Act of 1961 (as amended by title I of this Act) authorizes the appropriation of $10,000,000 for each of fiscal years 1992 and 1993 for economic support assistance for Nepal.

(c) NOTICE TO CONGRESS OF CHANGES IN PROPOSED PROGRAM.—If the President proposes to allocate less development assistance for Nepal for fiscal year 1992 or 1993 than the amount specified in the congressional presentation materials for that fiscal year, the President shall notify the appropriate congressional committees at least 15 days in advance of such allocation in accordance with the procedures applicable to reprogramming procedures under section 634A of the Foreign Assistance Act of 1961.

SEC. 925. PAKISTAN.

(a) STATEMENT OF POLICY.—Section 620E of the Foreign Assistance Act of 1961 is amended—

(1) in the section caption, by inserting "; NUCLEAR PROLIFERATION IN SOUTH ASIA" after "PAKISTAN"; and

(2) by amending subsection (a) to read as follows:

"(a)(1) The Congress recognizes that an independent and democratic Pakistan with continued friendly ties with the United States is in the interest of both nations. The United States provides assistance to Pakistan in order to help the people and Government of Pakistan establish enduring democratic institutions and in order to ensure respect for fundamental human rights, including freedom of expression, freedom of association, and freedom of conscience. The conduct of regular and free elections open to all political parties and political leaders is an essential element of democracy.

"(2) United States assistance shall be provided to Pakistan only to the extent it serves to help avoid the profoundly destabilizing effects of the proliferation of nuclear weapons in South Asia and of the capability to manufacture nuclear weapons. The Congress recognizes that a successful nuclear nonproliferation policy in South Asia can best be achieved through a regional United States policy aimed at securing concurrent agreement on nonproliferation by the Government of Pakistan, the Government of India, and the Government of the People's Republic of China. Such a policy should have as its ultimate goal concurrent accession by Pakistan, India, and the People's Republic of China to the Treaty on the Non-Proliferation of Nuclear Weapons.".

(b) EXTENSION OF SYMINGTON AMENDMENT WAIVER.—Section 620E(d) of that Act is amended—

(1) by striking out "April 1, 1992," and inserting in lieu thereof "April 1, 1993,"; and

(2) by adding at the end the following: "The President may not exercise the waiver authority of this subsection unless a certification under subsection (e) is in effect.".

SEC. 926. PROMOTION OF HUMAN RIGHTS IN SRI LANKA.

(a) STATEMENT OF THE CONGRESS.—The Congress—

(1) finds that the United States and Sri Lanka have a long tradition of friendship and share common interests in economic development, international peace and stability, political pluralism, and constitutional, multiparty democracy;

(2) expresses its deep concern that, despite Sri Lanka's tradition of democratic governance, there are continued reports that the Sri Lankan security forces or persons acting under their control or influence are responsible for serious abuses of human rights, including disappearances, torture, and failure to provide family members or lawyers with information on or access to detainees;

(3) welcomes statements by Sri Lankan officials indicating that they recognize the seriousness of these problems and the importance of bringing an end to abuses;

(4) welcomes efforts by the Sri Lankan Government to begin to address human rights concerns through measures that include permitting representatives of international human rights monitoring organizations to visit Sri Lanka, permitting access to international humanitarian organizations such as the International Committee of the Red Cross, permitting access to United Nations organizations dealing with investigations of human rights concerns, and establishing official bodies to investigate disappearances and other allegations of human rights abuses;

(5) believes that continuing progress on these issues will help to ensure further improvement in the relationship between the United States and Sri Lanka based on mutual trust and respect; and

(6) strongly condemns ongoing acts of terror, including killings of civilians and other violations of humanitarian law, by insurgents operating in Sri Lanka.

(b) CONSIDERATIONS IN FURNISHING ASSISTANCE AND MAKING MILITARY SALES.—During fiscal years 1992 and 1993, in determining whether to furnish assistance to Sri Lanka under the Foreign Assistance Act of 1961 or the Agricultural Trade Development and Assistance Act of 1954 (other than emergency humanitarian assistance under either such Act), and whether to make any sales of defense articles or defense services to Sri Lanka under the Arms Export Control Act, the President shall take into account whether the Government of Sri Lanka has—

(1) established a public register of detainees and ensured that detainees have access to lawyers and family members;

(2) taken steps designed to deter disappearances and killings of civilians in all provinces by persons under the control or influence of government forces, such as enhanced efforts to pursue criminal investigations and prosecutions of those responsible for such abuses;

(3) taken measures designed to minimize civilian casualties in its combat operations in the north and east; and

(4) made serious and substantial efforts to investigate and prosecute those involved in the murder of journalist Richard DeZoysa.

(c) ASSISTING THE SRI LANKAN GOVERNMENT TO PROVIDE HUMAN RIGHTS TRAINING AND EDUCATION.—The President should encourage and assist the Government of Sri Lanka to provide effective human rights education and training to members of the military and in Sri Lankan educational institutions and within the society at large.

CHAPTER 3—ECONOMIC COOPERATION PROJECTS IN CHINA AND TIBET

SEC. 941. STATEMENT OF PRINCIPLES.

(a) PURPOSE.—It is the purpose of this chapter to create principles governing the conduct of United States economic cooperation projects in the People's Republic of China and Tibet.

(b) PRINCIPLES.—It is the sense of the Congress that any United States economic cooperation project in the People's Republic of China or Tibet should adhere to the following principles:

(1) Seek to ensure that decisions concerning employment in the United States economic cooperation project do not entail discrimination based on sex, religion, ethnic or national background, political belief, nonviolent political activity, or political party membership.

(2) Ensure, through consultation with relevant government authorities where appropriate, that methods of production used in the United States economic cooperation project do not pose an unnecessary physical danger to workers, to neighboring populations and property, and to the surrounding environment.

(3) Ensure that no convict or forced labor under penal sanctions is knowingly used in the United States economic cooperation project.

(4) Ensure that no goods that are mined, produced, or manufactured, in whole or in part, by convict or forced labor under penal sanctions are knowingly used in the United States economic cooperation project.

(5) Undertake to protect freedom of assembly and association among the employees of the United States economic cooperation project, and to foster positive and constructive consultation between employees and management of the United States economic cooperation project.

(6) Promote the training of employees of the United States economic cooperation project, in particular the training of Chinese employees in managerial positions in the principles of market-oriented business management.

(7) Undertake to protect freedom of expression for the employees of the United States economic cooperation project, including the freedom to seek, receive, and impart information and ideas of all kinds.

(8) Discourage compulsory political indoctrination on the premises of the operations of the United States economic cooperation project.

(9) Attempt to raise with the relevant agencies of the Chinese Government those individuals detained, arrested, or convicted since March 1989 solely for nonviolent expression of their political views, and to urge the officials concerned to release publicly a list of the names of those individuals.

(c) PROMOTION OF PRINCIPLES TO OTHER NATIONS.—The Secretary of State shall forward a copy of the principles set forth in subsection (b) to the member nations of the Organization for Economic Cooperation and Development and encourage them to promote principles similar to these principles.

SEC. 942. REGISTRATION REQUIREMENT.

(a) IN GENERAL.—The United States parent company of each United States economic cooperation project in the People's Republic of China or Tibet shall register with the Secretary of State and indicate whether the United States economic cooperation project will implement the principles set forth in section 941(b). No fee shall be required for registration under this subsection.

(b) EFFECTIVE DATE.—The registration requirement of subsection (a) shall take effect 6 months after the date of enactment of this Act.

SEC. 943. REPORTING REQUIREMENT.

(a) REPORT.—The United States parent company of each United States economic cooperation project in the People's Republic of China or Tibet shall report to the Department of State describing the United States economic cooperation project's adherence to the principles set forth in section 941(b). The United States parent company providing such report shall do so by completing and submitting a reporting form furnished by the Department of State. The first report shall be submitted not later than 1 year after the date on which the United States economic cooperation project registers under section 942 and not later than the end of each 1-year period occurring thereafter.

(b) REVIEW OF REPORT.—The Secretary of State shall review each report submitted under subsection (a) and determine whether the United States economic cooperation project which is the subject of the report is adhering to the principles. The Secretary may request additional information from the United States parent company submitting the report and from other sources, in order to verify the information submitted.

(c) ANNUAL REPORT.—The Secretary of State shall submit to the Congress and to the Secretariat of the Organization for Economic Cooperation and Development a report describing the level of adherence to the principles by United States economic cooperation projects subject to the reporting requirement of subsection (a). Such report shall be submitted not later than 2 years after the date of enactment of this Act and not later than the end of each 1-year period occurring thereafter.

(d) ASSISTANCE FROM PRIVATE PARTIES.—The Secretary of State may use funds otherwise available to the Secretary for such purposes to enter into contracts with one or more private organizations or individuals to assist the Secretary in carrying out this section.

SEC. 944. DEFINITIONS.

For purposes of this chapter—

(1) the terms "adhere to the principles", "adhering to the principles" and "adherence to the principles" mean—

(A) agreeing to implement the principles set forth in section 941(b);

(B) implementing those principles by taking good faith measures with respect to each such principle; and

(C) reporting accurately to the Department of State on the measures taken to implement those principles;

(2) the term "United States economic cooperation project" means—

(A) an enterprise legally incorporated in the People's Republic of China or Tibet—

(i) which is either—

(I) a wholly owned subsidiary of a corporation, partnership, or other business association organized under the laws of the United States; or

(II) a joint venture undertaken by 2 or more persons, at least 1 of which is a wholly owned subsidiary of a corporation, partnership, or other business association organized under the laws of the United States; and

(ii) which employs more than 50 individuals in the People's Republic of China or Tibet; or

(B) a branch office or representative office of a corporation, partnership, or other business association organized under the laws of the United States, which employs more than 25 employees in the People's Republic of China or Tibet;

(3) the "United States parent company of a United States economic cooperation project" is a corporation, partnership, or other business association organized under the laws of the United States, of which—

(A) the United States economic cooperation project, or (in the case of a United States economic cooperation project that is a joint venture) 1 of the persons undertaking such project, is a wholly owned subsidiary; or

(B) the United States economic cooperation project is a branch office or representative office; and

(4) the term "organized under the laws of the United States" means organized under the laws of the United States, any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, or any other territory or possession of the United States.

SEC. 945. ENFORCEMENT OF CURRENT LAW.

Beginning 3 months after the date of enactment of this Act, and every 12 months thereafter, the Secretary of State shall submit to the appropriate congressional committees a report describing—

(1) enforcement procedures with respect to the implementation of section 307 of the Tariff Act of 1930 (19 U.S.C. 1307);

(2) steps taken to investigate which goods, wares, articles, or merchandise are mined, produced, or manufactured, in whole or in part, by convict labor or forced labor in the People's Republic of China and Tibet; and

(3) the results of such investigations.

TITLE X—AFRICA

CHAPTER 1—DEVELOPMENT FUND FOR AFRICA

SEC. 1001. DEVELOPMENT FUND FOR AFRICA.

(a) HEALTH AND AIDS PREVENTION.—Section 496(i)(2) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(2) HEALTH AND AIDS PREVENTION.—

"(A) HEALTH.—Improving health conditions, with special emphasis on meeting the health needs of mothers and children (including displaced children) through the establishment of primary health care systems that give priority to preventive health and that will be ultimately self-sustaining.

"(B) ACQUIRED IMMUNE DEFICIENCY SYNDROME (AIDS).—Preventing and controlling the spread of acquired immune deficiency syndrome (AIDS), with a special emphasis on community-based education programs focused on changing attitudes and behavior.".

(b) MINIMUM LEVELS OF ASSISTANCE FOR CERTAIN CRITICAL SECTORS.—Section 496(j) of that Act is amended to read as follows:

"(j) MINIMUM LEVEL OF ASSISTANCE FOR CERTAIN CRITICAL SECTORS.—The Administrator should target the equivalent of the following percentages of the amount appropriated for each fiscal year to carry out this chapter for each of the following:

"(1) NATURAL RESOURCE BASE.—Ten percent for activities described in subsection (i)(1)(B), including identifiable components of agricultural production projects.

"(2) HEALTH.—Ten percent for activities described in subsection (i)(2)(A).

"(3) AIDS PREVENTION AND CONTROL.—Five percent for activities described in subsection (i)(2)(B). In determining compliance with this paragraph, funds provided through international organizations shall be excluded.

"(4) VOLUNTARY FAMILY PLANNING SERVICES.—Ten percent for activities described in subsection (i)(3).".

(c) SUPPORT FOR SADCC PROJECTS.—Section 496(o)(2) of that Act is amended by inserting "communications;" after "electricity);".

(d) AUTHORIZATIONS OF APPROPRIATIONS.—Section 497 of that Act is amended by inserting before the first sentence the following: "There are authorized to be appropriated to carry out this chapter $1,000,000,000 for each of fiscal years 1992 and 1993.".

CHAPTER 2—OTHER ASSISTANCE FOR AFRICA

SEC. 1021. AFRICAN DEVELOPMENT FOUNDATION.

(a) SENSE OF CONGRESS.—It is the sense of the Congress that the purposes of the African Development Foundation, as set forth in the African Development Foundation Act, which include supporting self-help activities at the local level, fostering effective participation, and encouraging the establishment and growth of indigenous development institutions which can respond to the requirements of the poor, are consistent with the purpose specified in section 496(c) of the Foreign Assistance Act of 1961.

(b) AUTHORIZATIONS OF APPROPRIATIONS.—Section 510 of the African Development Foundation Act is amended by striking out all of the first sentence that follows "purpose," and inserting in lieu thereof "$14,950,000 for fiscal year 1992 and $14,950,000 for fiscal year 1993.".

SEC. 1022. SUPPORT FOR THE SOUTHERN AFRICA DEVELOPMENT COORDINATION CONFERENCE.

(a) FUNDING FOR SADCC PROJECTS FROM DEVELOPMENT FUND FOR AFRICA.—Funds made available for assistance from the Development Fund for Africa for fiscal year 1992 and fiscal year 1993 shall be used to assist sector projects described in section 496(o) of the Foreign Assistance Act of 1961. It is the sense of the Congress that $60,000,000 of such funds for fiscal year 1992 and $75,000,000 of such funds for fiscal year 1993 should be made available to assist such sector projects.

(b) WAIVER OF BROOKE-ALEXANDER AMENDMENT.—Funds made available pursuant to this section may be used without regard to section 691(a)(5) of the Foreign Assistance Act of 1961 or any similar provision.

SEC. 1023. ECONOMIC SUPPORT ASSISTANCE FOR SUB-SAHARAN AFRICA.

Of the amounts made available for economic support assistance, at least $28,300,000 for fiscal year 1992 and $28,300,000 for fiscal year 1993 should be made available only for sub-Saharan Africa.

SEC. 1024. SUPPORT FOR DEMOCRATIZATION IN SUB-SAHARAN AFRICA.

It is the sense of the Congress that the United States should strongly encourage and support efforts to strengthen the independence and effectiveness of democratic institutions in sub-Saharan Africa. The President is encouraged, therefore, to provide substantially increased assistance under section 281 of the Foreign Assistance Act of 1961 (relating to human rights and democratic initiatives) for programs and activities designed to promote the growth and development of democratic institutions, including independent judiciaries, in sub-Saharan Africa.

SEC. 1025. AFRICAN CENTER FOR CONFLICT RESOLUTION.

(a) ESTABLISHMENT.—The Administrator of the Agency for International Development shall take such steps as may be necessary to provide for the establishment of an African Center for Conflict Resolution. The purpose of the center shall be to review, analyze, research, and resolve conflicts on the continent of Africa, including regional, national, and subnational conflicts.

(b) FUNDING.—Funds made available for assistance from the Development Fund for Africa for fiscal year 1992 shall be used to support the establishment of the African Center for Conflict Resolution pursuant to subsection (a).

CHAPTER 3—PROVISIONS RELATING TO SPECIFIC COUNTRIES

SEC. 1041. LIMITED ASSISTANCE FOR ANGOLA.

(a) DEMOCRACY-BUILDING AND OTHER ASSISTANCE.—Beginning with fiscal year 1992, the President shall provide—

(1) nonpartisan election and democracy-building assistance to Angola for support in developing democratic institutions and supporting such institutions; and

(2)(A) assistance for the voluntary relocation and resettlement of refugees and displaced persons, and the demobilization and retraining of former military members of the National Union for the Total Independence of Angola (UNITA) and the armed forces of the Government of the People's Republic of Angola,

(B) humanitarian assistance, with a special emphasis on the medical needs of children, and

(C) other appropriate assistance to implement the Angola peace accords.

(b) SUPERSEDING EXISTING LAW.—Assistance under this section shall be provided without regard to any provision of law which prohibits direct or indirect assistance for Angola.

(c) PROHIBITION.—In the event that the Government of the People's Republic of Angola or the National Union for the Total Independence of Angola systematically violates the Angola peace accords, then none of the funds made available under this section may thereafter be obligated or expended for Angola.

(d) REPORTING REQUIREMENT.—The Secretary of State shall submit a report to the Congress on June 1, 1992, and every 6 months thereafter, providing details of how funds have been used under this section.

(e) DEFINITION.—As used in this section, the term "Angola peace accords" means the document entitled Fundamental Principles for the Establishment of Peace in Angola, done at Lisbon on May 31, 1991.

SEC. 1042. BURUNDI.

For fiscal years 1992 and 1993, in determining whether to furnish assistance under the Foreign Assistance Act of 1961 to Burundi, the President shall take into account that the Government of Burundi—

(1) has made substantial progress in reforming its military by engaging in a massive Hutu recruitment program, which is unprecedented in Burundi history;

(2) has taken important steps to reverse the pattern of discrimination against the Hutu; and

(3) has embarked on a major repatriation effort to accommodate the return of thousands of Hutu who fled the country in fear.

SEC. 1043. KENYA.

(a) STATEMENTS OF POLICY.—The Congress—

(1) condemns the arrest and detention of Kenyan citizens for the peaceful expression of their political views;

(2) condemns the Government of Kenya's disregard of human rights and fundamental freedoms;

(3) calls upon the Government of Kenya to end the intimidation and harassment of those who are critical of government policies and those working for democracy in Kenya, particularly individuals within the church, the press, and the legal and academic communities;

(4) calls upon the Government of Kenya to respect internationally recognized human rights, including implementing effective safeguards to ensure freedom of the press, the independence of the judiciary, and the rights of individuals imprisoned or detained by the government; and

(5) calls upon the Government of Kenya to permit access to Somalian refugees in Kenya by relief agencies, including nongovernmental organizations and the United Nations High Commissioner for Refugees.

(b) ASSISTANCE AND MILITARY SALES.—

(1) SUSPENSION.—Subject to paragraph (2), economic and military assistance to Kenya shall be suspended as of the date of the enactment of this Act. This subsection applies to any economic and military assistance for fiscal year 1990, 1991, 1992, or 1993 (including deliveries of assistance obligated for fiscal year 1990 or 1991).

(2) WAIVER.—The President may waive the restriction in paragraph (1) if the President determines and reports to the appropriate congressional committees that the Government of Kenya is taking steps to—

(A) release political detainees and end the prosecution of individuals for the expression of their political beliefs;

(B) cease any physical abuse or mistreatment of prisoners;

(C) restore judicial independence; and

(D) restore freedom of expression to the people of Kenya.

(3) DEFINITION.—For purposes of this subsection, the term "economic and military assistance" means economic support assistance and foreign military financing assistance.

SEC. 1044. LIBERIA.

(a) FINDINGS.—The Congress finds that—

(1) as a result of a protracted civil war, a general breakdown of law and order, the displacement of up to one-half of the country's population, the destruction of significant sections of the infrastructure, and the resulting economic collapse, the people of Liberia are suffering from—

(A) severe malnutrition and life-threatening disease conditions;

(B) a total collapse of Liberia's agricultural market due to abandoned farmlands and displaced farmers; and

(C) a nationwide dismantling of the health, educational, and sanitation systems; and

(2) because of a long, historical, and special relationship with the Republic of Liberia, it is in the interest of the United States and the international community to respond to the urgent needs of the people of Liberia and to assist in every way possible that country's effort to restore democracy and promote democratic institutions.

(b) STATEMENT OF POLICY REGARDING ASSISTANCE FOR LIBERIA.—It is the policy of the United States to continue to commit increased diplomatic resources for the purposes of resolving the fundamental political conflicts that underlie the protracted humanitarian emergency in Liberia.

(c) SUPPORT FOR PEACEKEEPING EFFORTS.—It is the sense of the Congress that the President should continue to support the peacekeeping efforts in Liberia being carried out by the Economic Community of West African States (ECOWAS).

(d) USE OF FUNDS TO SUPPORT PEACEKEEPING EFFORTS.—

(1) IN GENERAL.—Funds authorized to be appropriated by this Act for foreign military financing assistance and funds described in paragraphs (2) and (3) may be made available, notwithstanding any provision of law that restricts eligibility for assistance, to support the efforts of the Economic Community of West African States (ECOWAS) to expand the military involvement of its members in peacekeeping efforts in Liberia.

(2) USE OF FMF PIPELINE FUNDS.—The President is authorized to deobligate any funds that have been obligated for foreign military financing assistance for any prior fiscal year but that are unexpended on the date of enactment of this Act and use such funds pursuant to paragraph (1).

(3) USE OF ESF PIPELINE FOR LIBERIA FUNDS.—The President is authorized to deobligate funds that have been obligated for economic support assistance for Liberia for any prior fiscal year but that are unexpended on the date of enactment of this Act and use such funds pursuant to paragraph (1).

(4) REQUIREMENT FOR APPROPRIATIONS ACTION.—The authority provided in this subsection may be exercised only to the extent provided in advance in an appropriations Act.

(e) INTERNATIONAL DISASTER ASSISTANCE FOR LIBERIA.—Chapter 9 of part I of the Foreign Assistance Act of 1961, as amended by chapter 6 of title IV of this Act, is amended by inserting after section 493 the following new section:

"SEC. 494. LIBERIAN CIVIL STRIFE ASSISTANCE.

"(a) IN GENERAL.—The President is authorized to provide assistance for civil strife relief, rehabilitation, and general recovery in Liberia. In providing such assistance, priority shall be given to activities that—

"(1) coordinate and enhance the efforts of the United States, Liberia, and international private and voluntary organizations to provide relief, rehabilitation, and recovery projects in Liberia;

"(2) assist in the restoration of services in Liberia that provide water and power;

"(3) encourage and facilitate the provision of health care, including activities relating to the provision of primary health care;

"(4) encourage and facilitate the restoration of educational services, including activities relating to the provision of educational services to displaced children; and

"(5) contribute to efforts by the international community to respond to the relief and development needs of the people of Liberia.

"(b) HUMANITARIAN PURPOSES.—Assistance provided under this section shall be for humanitarian purposes.

"(c) AVAILABILITY OF FUNDS.—Funds made available for the purposes of this chapter may be used to carry out this section.

"(d) GENERAL POLICIES AND AUTHORITIES.—Except as otherwise provided in this section, assistance under this section shall be furnished in accordance with the policies and general authorities contained in section 491.".

(f) RESTRICTIONS ON ASSISTANCE TO LIBERIA.—For fiscal years 1992 and 1993, assistance under the Foreign Assistance Act of 1961 may be pro-

vided to the Government of Liberia only if the President determines and reports to the Congress that the Government of Liberia has achieved substantial progress toward reconciliation and toward free and fair elections that are monitored by international observers. This subsection shall not be construed to affect the provision of humanitarian assistance or the provision of assistance to nongovernmental organizations for activities to enhance progress toward reconciliation and free and fair elections in Liberia.

(g) WAIVER OF BROOKE-ALEXANDER AMENDMENT.—Assistance may be provided under this section notwithstanding section 691(a)(5) of the Foreign Assistance Act of 1961 or any similar provision.

SEC. 1045. MALAWI.

(a) FINDINGS.—The Congress finds that—

(1) the Government of Malawi has provided refuge to some 920,000 refugees from Mozambique despite great costs to the Malawian economy, and since 1986 has generously supported the work of the United Nations High Commissioner for Refugees;

(2) President H. Kamazu Banda has ruled Malawi since 1964, and his rule has been characterized by severe repression and abuses of human rights, including political imprisonment, torture, unfair trials, and deaths in detention;

(3) the Government of Malawi continues to detain without charge or trial a number of prominent Malawian citizens because of their political views, including Goodluck Mhango, Aleke Banda, Orton and Vera Chirwa, and approximately 20 other prisoners;

(4) according to the Department of State's Country Reports on Human Rights Practices for 1990, the Government of Malawi restricts freedom of the press and prohibits political meetings outside the framework of the ruling party; and

(5) the Malawi Young Pioneers are a force in the suppression of freedom of expression and in the intimidation of Malawian citizens, hindering prospects for the democratization of the country.

(b) STATEMENTS OF POLICY.—The Congress—

(1) recognizes and commends the Banda Government's response to the influx of refugees from Mozambique;

(2) condemns the abuse of human rights of Malawian citizens which has characterized the Banda presidency; and

(3) urges President Banda to release remaining prisoners of conscience, to end incommunicado detention and torture and abuse of prisoners, and to permit freedom of speech and association in Malawi.

(c) RESTRICTIONS ON MILITARY ASSISTANCE.—For fiscal years 1992 and 1993, foreign military financing assistance for Malawi—

(1) may not be provided for the Malawi Young Pioneers; and

(2) may only be provided to support the Malawian military's effort to secure the Nacala Railroad, for programs which support conservation and biological diversity, and for military activities which assist in the Mozambique peace process, including the protection of Mozambican refugees.

SEC. 1046. MOZAMBIQUE.

(a) STATEMENTS OF POLICY.—It shall be the policy of the United States—

(1) to give priority to encouraging a constitutional transition to multiparty democracy in Mozambique and to securing a fair negotiated political settlement between the Government of Mozambique and Mozambique National Resistance (RENAMO), which includes a cease-fire and free and fair elections;

(2) to continue to expand its bilateral development assistance to Mozambique through appropriate private and public channels and through the Southern African Development Coordination Conference (SADCC); and

(3) to encourage international support for adequate levels of emergency humanitarian assistance (including food, medical care, shelter, and agricultural assistance) for the one-third of Mozambique's population that is displaced or otherwise at-risk in that country, as well as the approximately 1,000,000 Mozambican refugees located in neighboring countries.

(b) RELATION OF ASSISTANCE TO HUMAN RIGHTS.—The provision to Mozambique of economic support assistance and foreign military financing assistance for fiscal years 1992 and 1993 shall bear a relation to significant steps by the Government of Mozambique to increase respect for internationally recognized human rights in Mozambique, and thereby promote a political settlement to the conflict in the country.

SEC. 1047. SOUTH AFRICA.

(a) ASSISTANCE FOR SOUTH AFRICA.—Chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by inserting after title IX the following:

"TITLE X—SOUTH AFRICA

"SEC. 291. SOUTH AFRICA.

"It is the sense of the Congress that—

"(1) the United States should support the elimination of apartheid and the establishment of democratic majority rule in South Africa through a comprehensive policy to bring about a nonracial democracy;

"(2) this policy should include, among other measures, assistance for disadvantaged South African groups and organizations which are neither controlled nor financed by the Government of South Africa, and such assistance should include the encouragement of private investment in firms owned by disadvantaged South Africans consistent with the Comprehensive Anti-Apartheid Act of 1986, scholarships, assistance to promote the participation of disadvantaged South Africans in trade unions and private enterprise, and alternative education and community development programs;

"(3) United States firms in South Africa should provide similar assistance; and

"(4) the President should seek the cooperation of United States allies in Western Europe and Japan to join in similar multilateral initiatives to aid disadvantaged South Africans.

"SEC. 292. FOSTERING A JUST SOCIETY AND HELPING VICTIMS OF APARTHEID IN SOUTH AFRICA.

"(a) USE OF FUNDS.—Of the amounts made available to carry out section 281 of this Act, $1,500,000 for each fiscal year should be made available for grants to nongovernmental organizations in South Africa promoting political, economic, social, judicial, and humanitarian efforts to foster a just society and to help victims of apartheid.

"(b) PRIORITIES.—In making grants under this section, priority should be given to those organizations or activities which contribute, directly or indirectly, to promoting a just society, to aiding victims of official discrimination, and to the nonviolent elimination of apartheid. Priority should also be given to those organizations whose programs and activities evidence community support.

"(c) POLITICAL PRISONERS; NONVIOLENT RESISTANCE TO APARTHEID.—Of the funds made available to carry out this section each fiscal year, not less than $500,000 should be made available for—

"(1) direct legal and other assistance to political detainees and prisoners and their families, including the investigation of the killing of protesters and prisoners; and

"(2) support for actions of black-led community organizations to resist, through nonviolent means, the enforcement of apartheid policies.

"(d) LIMITATIONS.—Grants may be made under this section only for organizations whose character and membership reflect the objective of a majority of South Africans for an end to the apartheid system of separate development and for interracial cooperation and justice. Grants may not be made under this section to governmental institutions or organizations or to organizations financed or controlled by the Government of South Africa.

"SEC. 293. ASSISTANCE FOR DISADVANTAGED SOUTH AFRICANS.

"(a) ASSISTANCE AUTHORIZED.—Funds made available each fiscal year for economic support assistance, development assistance, and assistance from the Development Fund for Africa may be made available for assistance for disadvantaged South Africans, notwithstanding any other provision of law.

"(b) ACTIVITIES SUPPORTED.—Assistance furnished under this section and, in the case of paragraph (3), under section 292—

"(1) shall be provided for activities that are consistent with the objective of a majority of South Africans for an end to the apartheid system and the establishment of a society based on nonracial principles;

"(2) should, in the case of education programs, to the maximum extent possible, be used for study within South Africa and place greater emphasis on improving primary and secondary education in South Africa; and

"(3) shall give priority to working with and through South African nongovernmental organizations whose leadership and staff are selected on a nonracial basis, and which have the support of the disadvantaged communities being served by such organizations.

"(c) USES OF ASSISTANCE.—

"(1) ASSISTANCE WITHIN FY 1991 LEVELS.—

"(A) USE.—During each fiscal year, $40,000,000 of the funds made available pursuant to subsection (a) shall be used for assistance for such activities as scholarships, assistance to promote the participation of disadvantaged South Africans in trade unions and private enterprise, and alternative education and community development programs.

"(B) LIMITATION.—Assistance furnished under this paragraph may not be used to provide support to organizations or groups which are financed or controlled by the Government of South Africa. This paragraph shall not be construed to prohibit or limit scholarship or bursaries programs.

"(2) ASSISTANCE IN EXCESS OF $40,000,000.—

"(A) USE.—During each fiscal year, funds made available pursuant to subsection (a) that are in excess of $40,000,000 may be used for assistance for programs only in the health, education, and housing sectors.

"(B) LIMITATION.—Except as provided in subparagraph (C), assistance furnished under this paragraph may not be used to provide support to organizations or groups which are financed or controlled by the Government of South Africa. This subparagraph shall not be construed to prohibit or limit scholarship or bursaries programs.

"(C) EXCEPTION.—Notwithstanding subparagraph (B), assistance under this paragraph may be furnished through nongovernmental organizations to support health, educational, and housing institutions or facilities even if such institutions or facilities are financed or controlled by the Government of South Africa if the President—

"(i) consults with the appropriate congressional committees before making a determination under clause (ii); and

"(ii) determines, and so reports to the Congress 15 days in advance of the proposed obligation of funds in accordance with the procedures applicable to reprogramming notifications under section 634A of this Act, that—

"(I) the provision of assistance to such institutions or facilities is in support of the objec-

tives of this section to assist disadvantaged South Africans, and

"(II) the Government of South Africa is continuing to make progress toward dismantling apartheid and establishing a nonracial democracy.

"(d) CONSULTATION WITH SOUTH AFRICAN ORGANIZATIONS; COMMITMENT BY SOUTH AFRICAN GOVERNMENT.—Before obligating any funds under this section, the President should—

"(1) consult with South African organizations representative of the majority population of South Africa; and

"(2) seek a commitment from the Government of South Africa that it will provide additional resources to meet the needs of disadvantaged South Africans.

"(e) REPORTS TO CONGRESS.—Beginning on January 1, 1992, and every 6 months thereafter, the President shall submit to the Congress a report describing the extent and type of assistance provided under this section during the preceding 6-month period.".

(b) LIMITATION ON ASSISTANCE.—Assistance for any fiscal year under the Foreign Assistance Act of 1961, including assistance with funds appropriated before the date of enactment of this Act, may not be delivered to the Communist Party of South Africa or any affiliated or associated organization. The President shall undertake efforts to ensure that recipients of United States assistance in South Africa are not engaged in violations of internationally recognized human rights, including the unlawful detention of individuals, and do have in place democratic processes for internal decisionmaking and the selection of leaders.

SEC. 1048. ZAIRE.

(a) FINDINGS.—The Congress finds that—

(1) the people of the United States and the people of Zaire have cooperated in educational programs, cultural affairs, foreign policy issues, and economic development efforts in the 30 years since the independence of Zaire;

(2) the people of the United States support the development of democratic institutions in Zaire that reflect the will of the people of Zaire;

(3) in a speech given on April 24, 1990, President Mobutu Sese Seko of Zaire stated that he was committed to the establishment of a multiparty democracy and the holding of free and fair elections in Zaire;

(4) the people of Zaire have clearly endorsed the introduction of political pluralism in Zaire, as reflected in the establishment of political parties, and have engaged in public debate on the political future of Zaire;

(5) there are continued reports of arrests and other harassment of persons attempting to exercise their rights;

(6) in May 1990, students in Lubumbashi University were violently attacked by Zairian security forces, leading to an undetermined number of casualties;

(7) in April 1991, security forces attempted to suppress political rallies in Lubumbashi and Mbuji-Mayi, provoking a confrontation that led to the death and injury of dozens of Zairian civilians;

(8) to ensure a successful political transition which enjoys credibility in Zaire, the process that culminates in national elections must have the strong support of a broad spectrum of Zairian society, including all major opposition political parties, as well as labor, professional, and other nongovernmental organizations, and the direct participation of these groups in drafting a new constitution and in organizing the procedures and the timing of national elections; and

(9) important elements of that process will include—

(A) respect for freedoms of expression, association, and assembly;

(B) fair access to the broadcast media for opposition candidates and parties;

(C) an electoral law and procedures that guarantee fairness; and

(D) an effective transition government that is politically neutral.

(b) STATEMENT OF THE CONGRESS.—The Congress—

(1) congratulates all the people of Zaire for their efforts to form political parties and encourage political pluralism in their country;

(2) urges the Government of Zaire to agree to the establishment of independent international inquiries into attacks on students at Lubumbashi University in May 1990, and into the incidents at Lubumbashi and Mbuji-Mayi in April 1991;

(3) urges the Government of Zaire to implement quickly and fully the commitment to provide fair access to the broadcast media for opposition candidates and parties;

(4) urges the Government of Zaire to ensure respect for freedom of expression, association, and assembly at all levels and throughout Zaire and to protect from harassment all citizens exercising their democratic rights;

(5) urges the creation of a politically neutral transition government with full authority for administering the country prior to national elections, including effective control over security forces and finances;

(6) urges the direct participation of a broad spectrum of Zairian society, including all major opposition political parties, as well as labor, professional, and other nongovernmental organizations, in the drafting of a new constitution;

(7) stresses the importance of an electoral law and electoral procedures that guarantee impartiality in electoral administration, provide adequate resources and legal authority to those responsible for administering the elections, allow an adequate time period for newly established political parties to organize and campaign, and permit international election observers; and

(8) expresses its readiness to explore ways of providing support to facilitate the holding of free and fair elections in Zaire.

(c) FOREIGN MILITARY FINANCING ASSISTANCE.—Except as provided in subsection (g), foreign military financing assistance may not be provided for Zaire for fiscal years 1992 and 1993.

(d) INTERNATIONAL MILITARY EDUCATION AND TRAINING.—Except as provided in subsection (g), international military education and training may not be provided for Zaire for fiscal years 1992 and 1993.

(e) ECONOMIC SUPPORT ASSISTANCE.—Except as provided in subsection (g), economic support assistance may not be provided for Zaire for fiscal years 1992 and 1993.

(f) DEVELOPMENT ASSISTANCE.—Except as provided in subsection (g), for fiscal years 1992 and 1993 assistance from the Development Fund for Africa and development assistance shall not be transferred to the Government of Zaire. This subsection does not prohibit nongovernmental organizations from working with appropriate ministries or departments of the Government of Zaire.

(g) WAIVER IF THERE ARE FREE AND FAIR ELECTIONS.—

(1) AUTHORIZATION.—The President may waive the prohibitions in subsections (c) through (f) if the President determines, and reports in accordance with paragraph (2), that free and fair national elections have been held in Zaire and that the elected government demonstrates a commitment to bring about freedom of expression for the people of Zaire, a reformed and independent judiciary, and reform of, and applications of the rule of law to, Zaire security forces.

(2) CONGRESSIONAL REVIEW OF DETERMINATION.—A determination under paragraph (1) shall not become effective until 15 days after it is reported to the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961.

(3) CONGRESSIONAL REVIEW OF ASSISTANCE.—If the President has made the determination required by paragraph (1), the President shall notify the appropriate congressional committees, in accordance with the procedures applicable to reprogramming notifications under section 634A of that Act, at least 15 days before obligating any funds for any assistance for Zaire described in subsections (c) through (f).

CHAPTER 4—HORN OF AFRICA RECOVERY AND FOOD SECURITY

SEC. 1061. FINDINGS.

The Congress makes the following findings:

(1) The Horn of Africa (the region comprised of Ethiopia, Somalia, Sudan, and Djibouti) is characterized by an extraordinary degree of food insecurity as a result of war, famine, mounting debt, recurrent drought, poverty, and agricultural disruption, as well as gross violations of human rights, political repression, environmental destruction, and the breakdown of such essential services as primary education and health care.

(2) Internal conflict and famine have killed an estimated 2,000,000 people in Ethiopia, Sudan, and Somalia since 1985, and generated another 8,000,000 displaced persons and refugees, a number so high as to make millions wards of the United Nations and the international community. Relief officials now estimate that another 15,000,000 to 20,000,000 people are threatened by starvation as civil war and drought continue to ravage the area.

(3) Governments and armed opposition groups in Ethiopia, Sudan, and Somalia have been guilty of gross violations of human rights, which further erode food security in those countries.

(4) Assistance policies have failed in large part because of political and economic insecurity, which have prevented the development of programs to achieve sustainable development and programs to achieve food security.

(5) Appropriate assistance should promote real food security, which means access by all people at all times to enough food for an active and healthy life and the availability of sufficient income and food to prevent chronic dependency upon food assistance.

(6) The end of the Cold War rivalries in the Horn of Africa affords the United States the opportunity to develop a policy which addresses the extraordinary food security problem in the region.

(7) Notwithstanding other pressing needs, the United States must accordingly fashion a new foreign policy toward the Horn of Africa and cooperate with other major donors and the United Nations—

(A) to develop an emergency relief plan which meets the immediate basic human needs that arise as long as civil strife and famine afflict the region;

(B) to promote immediately cease-fires, secure relief corridors, and an end to these conflicts; and

(C) to provide creative developmental assistance which attacks the root causes of famine and war and assists these nations on the path to long-term security, reconstruction, voluntary repatriation, economic recovery, democracy, and peace, and which targets assistance to assist the poor majority more effectively.

SEC. 1062. STATEMENT OF POLICY REGARDING INDIVIDUAL COUNTRIES.

(a) ETHIOPIA.—It is the sense of the Congress that the President should—

(1) call upon the authorities who now exercise control over the central government in Ethiopia

to protect the basic human rights of all citizens, to release from detention all political prisoners and other detainees who were apprehended by the Mengistu regime, and to facilitate the distribution of international relief and emergency humanitarian assistance throughout the country;

(2) urge all authorities in Ethiopia to make good faith efforts to—

(A) make permanent the cease-fire now in place and to permit the restoration of tranquility in the country, and

(B) make arrangements for a transitional government that is broadly-based, that accommodates all appropriate points of view, that respects human rights, and that is committed to a process of reform leading to the writing of a constitution and the establishment of representative government; and

(3) support efforts to ensure that the people of Eritrea are able to exercise their legitimate political rights, consistent with international law, including the right to participate actively in the determination of their political future, and call upon the authorities in Eritrea to keep open the ports of Mitsiwa and Aseb and to continue to permit the use of those ports for the delivery and distribution of humanitarian assistance to Eritrea and to Ethiopia as a whole.

(b) SOMALIA.—It is the sense of the Congress that the President should—

(1) use whatever diplomatic steps he considers appropriate to encourage a peaceful and democratic solution to the problems in Somalia;

(2) commit increased diplomatic resources and energies to resolving the fundamental political conflicts which underlie the protracted humanitarian emergencies in Somalia; and

(3) ensure, to the maximum extent possible and in conjunction with other donors, that emergency humanitarian assistance is being made available to those in need, and that none of the beneficiaries belong to military or paramilitary units.

(c) SUDAN.—It is the sense of the Congress that the President should—

(1) urge the Government of Sudan and the Sudanese People's Liberation Army to adopt at least a temporary cessation of hostilities in order to assure the delivery of emergency relief to civilians in affected areas;

(2) encourage active participation of the international community to meet the emergency relief needs of Sudan; and

(3) take steps to achieve a permanent peace.

SEC. 1063. HORN OF AFRICA RELIEF AND REHABILITATION PROGRAM.

(a) EQUITABLE DISTRIBUTION OF RELIEF AND REHABILITATION ASSISTANCE.—It should be the policy of the United States in promoting equitable distribution of relief and rehabilitation assistance in the Horn of Africa—

(1) to assure noncombatants (particularly refugees and displaced persons) equal and ready access to all food, emergency, and relief assistance and, if relief or relief agreements are blocked by one faction in a region, to continue supplies to the civilian population located in the territory of any opposing faction;

(2) to provide relief, rehabilitation, and recovery assistance to promote self-reliance; and

(3) to assure that relief is provided on the basis of need without regard to political affiliation, geographic location, or the ethnic, tribal, or religious identity of the recipient.

(b) MAXIMIZING INTERNATIONAL RELIEF EFFORTS.—It should be the policy the United States in seeking to maximize relief efforts for the Horn of Africa—

(1) to redouble its commendable efforts to secure safe corridors of passage for emergency food and relief supplies in affected areas and to expand its support for the growing refugee population;

(2) to commit sufficient resources under title II of the Agricultural Trade Development and Assistance Act of 1954 (relating to emergency and private assistance programs), and under chapter 9 of part I of the Foreign Assistance Act of 1991 (relating to international disaster assistance), to meet urgent needs in the region and to utilize unobligated security assistance to bolster these resources;

(3) to consult with member countries of the European Community, Japan, and other major donors in order to increase overall relief and developmental assistance for the people in the Horn of Africa;

(4) to lend the full support of the United States to all aspects of relief operations in the Horn of Africa, and to work in support of United Nations and other international and voluntary agencies, in breaking the barriers currently threatening the lives of millions of refugees and others in need; and

(5) to urge the Secretary General of the United Nations to immediately appoint United Nations field coordinators for each country in the Horn of Africa who can act with the Secretary General's full authority.

(c) HORN OF AFRICA CIVIL STRIFE AND FAMINE ASSISTANCE.—

(1) AUTHORIZATION OF ASSISTANCE.—The President is authorized to provide international disaster assistance under chapter 9 of part I of the Foreign Assistance Act of 1961 for civil strife and famine relief and rehabilitation in the Horn of Africa.

(2) DESCRIPTION OF ASSISTANCE TO BE PROVIDED.—Assistance pursuant to this subsection shall be provided for humanitarian purposes and shall include—

(A) relief and rehabilitation projects to benefit the poorest people, including—

(i) the furnishing of seeds for planting, fertilizer, pesticides, farm implements, crop storage and preservation supplies, farm animals, and vaccine and veterinary services to protect livestock;

(ii) blankets, clothing, and shelter;

(iii) emergency health care; and

(iv) emergency water and power supplies;

(B) emergency food assistance (primarily wheat, maize, other grains, processed foods, and oils) for the affected and displaced civilian population of the Horn of Africa; and

(C) inland and ocean transportation of, and storage of, emergency food assistance, including the provision of trucks.

Assistance described in subparagraphs (B) and (C) shall be in addition to any such assistance provided under title II of the Agricultural Trade Development and Assistance Act of 1954.

(3) USE OF PVOS FOR RELIEF, REHABILITATION, AND RECOVERY PROJECTS.—Assistance under this subsection should be provided, to the maximum extent possible, through United States, international, and indigenous private and voluntary organizations.

(4) MANAGEMENT SUPPORT ACTIVITIES.—Up to two percent of the amount made available for each fiscal year under paragraph (5) for use in carrying out this subsection may be used by the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 for management support activities associated with the planning, monitoring, and supervision of emergency humanitarian and food assistance in the Horn of Africa provided under this subsection and subsection (d).

(5) TRANSFER OF SECURITY ASSISTANCE FUNDS.—The authority of section 610 of the Foreign Assistance Act of 1961 may be used to transfer for use in carrying out this subsection, without regard to the 20-percent increase limitation contained in that section, unobligated security assistance funds made available for fiscal year 1992 and 1993. As used in this paragraph, the term "security assistance funds" means funds available for economic support assistance, foreign military financing assistance, or international military education and training.

(d) EMERGENCY FOOD ASSISTANCE.—The President is urged to use the authorities of title II of the Agricultural Trade Development and Assistance Act of 1954 to provide supplemental emergency food assistance for the various civilian victims of civil strife in the Horn of Africa, in accordance with paragraphs (2)(B), (2)(C), and (3) of subsection (c), in addition to the assistance otherwise provided for such purposes.

SEC. 1064. HORN OF AFRICA PEACE INITIATIVE.

(a) SUPPORT FOR GRASSROOTS PARTICIPATION.—It shall be the policy of the United States in promoting peace and development in the Horn of Africa—

(1) to support expanded pluralistic and popular participation, the process by which all groups of people are empowered to involve themselves directly in creating the structures, policies, and programs to contribute to equitable economic development, and to local, national, and regional peace initiatives;

(2) to ensure that all citizens enjoy the protection of civil, political, economic, social, religious, and cultural rights, an independent judiciary, and representative governmental institutions, regardless of gender, religion, ethnicity, occupation, or association; and

(3) to provide assistance to indigenous nongovernmental institutions that carry out activities in government-controlled or opposition-controlled territories and have the capacity or potential to promote conflict resolution, to advance development programs, or to carry out relief activities such as those described in section 1063(c)(2).

(b) CONSULTATIONS.—The President is encouraged to undertake immediate consultations with the Soviet Union and other countries, with armed and unarmed parties in the Horn of Africa, and with the Secretary General of the United Nations, in order to bring about negotiated settlements of the armed conflicts in the Horn of Africa.

(c) MECHANISMS.—It is the sense of the Congress that, to best achieve the policy under subsection (a), the President should—

(1) direct the United States representative to the United Nations to—

(A) urge the Secretary General of the United Nations to make cease-fires, safe corridors for emergency relief, and negotiated settlements of the armed conflicts in the Horn of Africa a high and urgent priority;

(B) propose that the United Nations Security Council establish a United Nations arms embargo to end the supply of arms to the region, pending the resolution of civil wars and other armed conflicts; and

(C) pledge diplomatic and material resources for enhanced United Nations peacekeeping and peacemaking activities in the region, including monitoring of cease-fires;

(2) play an active and ongoing role in other fora in pressing for negotiated settlements to armed conflicts in the Horn of Africa; and

(3) support and participate in regional and international peace consultations that include broad representation from the countries and factions concerned.

SEC. 1065. HORN OF AFRICA FOOD SECURITY AND RECOVERY STRATEGY.

(a) TARGETING ASSISTANCE TO AID THE POOR MAJORITY; USE OF PVOS AND INTERNATIONAL ORGANIZATIONS.—

(1) TARGETING ASSISTANCE.—United States developmental assistance for the Horn of Africa should be targeted to aid the poor majority of the people of the region (particularly refugees, women, the urban poor, and small-scale farmers and pastoralists) to the maximum extent prac-

ticable. United States Government aid institutions should seek to—

(A) build upon the capabilities and experiences of United States, international, and indigenous private and voluntary organizations active in local grassroots relief, rehabilitation, and development efforts;

(B) consult closely with such organizations and significantly incorporate their views into the policymaking process; and

(C) support the expansion and strengthening of their activities without compromising their private and independent nature.

(2) PVOs AND INTERNATIONAL ORGANIZATIONS.—While support from indigenous governments is crucial, sustainable development and food security in the Horn of Africa should be enhanced through the active participation of indigenous private and voluntary organizations, as well as international private and voluntary organizations, and international organizations that have demonstrated their ability to work as partners with local nongovernmental organizations and are committed to promoting local grassroots activities on behalf of long-term development and self-reliance in the Horn of Africa.

(3) POLICY ON ASSISTANCE TO GOVERNMENTS.—United States assistance should not be provided to the Government of Ethiopia, the Government of Somalia, or the Government of Sudan until concrete steps toward peace, democracy, and human rights are taken in the respective country.

(4) SUPPORT FOR PVOS.—Meanwhile, the United States should provide developmental assistance to those countries by supporting United States, indigenous, and international private and voluntary organizations working in those countries. Such assistance should be expanded as quickly as possible.

(b) EXAMPLES OF PROGRAMS.—Assistance pursuant to this section should include programs to—

(1) reforest and restore degraded natural areas and reestablish resource management programs;

(2) reestablish veterinary services, local crop research, and agricultural development projects;

(3) provide basic education, including efforts to support the teaching of displaced children, and rebuild schools;

(4) educate young people outside of their countries if conflict within their countries continues;

(5) reconstitute and expand the delivery of primary and maternal health care; and

(6) establish credit, microenterprise, and income generation programs for the poor.

(c) VOLUNTARY RELOCATION AND REPATRIATION.—Assistance pursuant to this section should also be targeted to the voluntary relocation and voluntary repatriation of displaced persons and refugees after peace has been achieved. Assistance pursuant to this chapter may not be made available for any costs associated with any program of involuntary or forced resettlement of persons.

(d) DEBT RELIEF; INTERNATIONAL FUND FOR RECONSTRUCTION.—Developmental assistance for the Horn of Africa should be carried out in coordination with long-term strategies for debt relief of countries in the region and with emerging efforts to establish an international fund for reconstruction of developing countries which settle civil wars within their territories.

(e) ASSISTANCE THROUGH PVOS AND INTERNATIONAL ORGANIZATIONS.—Unless a certification has been made with respect to that country under section 1067, development assistance and assistance from the Development Fund for Africa for Ethiopia, Somalia, and Sudan shall be provided only through—

(1) United States, international, and indigenous private and voluntary organizations (as the term "private and voluntary organization" is defined in section 496(e)(2) of the Foreign Assistance Act of 1961); or

(2) through international organizations that have demonstrated effectiveness in working in partnership with local nongovernmental organizations and are committed to the promotion of local grassroots activities on behalf of development and self-reliance in the Horn of Africa (such as the United Nations Children's Fund, the International Fund for Agricultural Development, the United Nations High Commissioner for Refugees, the United Nations Development Program, and the World Food Program).

This subsection does not prohibit the organizations referred to in paragraphs (1) and (2) from working with appropriate ministries or departments of the respective governments of such countries.

(f) WAIVER OF RESTRICTIONS.—Assistance pursuant to this section may be made available to Ethiopia, Somalia, and Sudan notwithstanding any provision of law (other than the provisions of this chapter) that would otherwise restrict assistance to such countries.

(g) UNITED STATES VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS FOR DEVELOPMENTAL ASSISTANCE FOR THE HORN OF AFRICA.—It should be the policy of the United States to provide increasing voluntary contributions to United Nations agencies (including the United Nations Children's Fund, the International Fund for Agricultural Development, the United Nations High Commissioner for Refugees, the United Nations Development Program, and the World Food Program) for expanded programs of assistance for the Horn of Africa and for refugees from the Horn of Africa who are in neighboring countries.

(h) DEVELOPMENTAL ASSISTANCE AUTHORITIES.—Assistance to carry out this section shall be provided pursuant to the authorities of chapter 1 of part I (relating to development assistance) and chapter 10 of part I (relating to the Development Fund for Africa) of the Foreign Assistance Act of 1961.

SEC. 1066. PROHIBITIONS ON SECURITY ASSISTANCE TO ETHIOPIA, SOMALIA, AND SUDAN.

(a) PROHIBITION.—Economic support assistance, foreign military financing assistance, and international military education and training may not be provided for fiscal year 1992 or 1993 for the Government of Ethiopia, the Government of Somalia, or the Government of Sudan unless the President makes the certification described in section 1067 with respect to that government.

(b) ASSISTANCE FOR ETHIOPIA; CONDITIONAL WAIVER OF BROOKE-ALEXANDER AMENDMENT.—If the President makes the certification described in section 1067 with respect to the Government of Ethiopia, the President may provide economic support assistance, foreign military financing assistance, and international military education and training for Ethiopia for fiscal years 1992 and 1993 notwithstanding section 691(a)(5) of the Foreign Assistance Act of 1961 or any similar provision.

SEC. 1067. CERTIFICATION.

The certification required by sections 1065(e) and 1066 is a certification by the President to the appropriate congressional committees that the government of the specified country—

(1) has begun to implement peace agreements, national reconciliation agreements, or both;

(2) has demonstrated a commitment to human rights within the meaning of sections 283 and 691(a)(2) of the Foreign Assistance Act of 1961;

(3) has manifested a commitment to democracy, has held, or established a timetable for, free and fair elections, and has agreed to implement the results of those elections; and

(4) in the case of a certification for purposes of section 1065(e), has agreed to distribute developmental assistance on the basis of need without regard to political affiliation, geographic location, or the ethnic, tribal, or religious identity of the recipient.

SEC. 1068. REPORTING REQUIREMENT.

Not later than 180 days after the date of enactment of this Act and each 180 days thereafter, the President shall submit a report to the appropriate congressional committees on the efforts and progress made in carrying out this chapter.

CHAPTER 5—OTHER PROVISIONS

SEC. 1081. UNITED STATES TRADE RESTRICTIONS ON PRODUCTS FROM SUB-SAHARAN AFRICA.

It is the sense of the Congress that special efforts should be undertaken to reduce trade barriers and to promote economic interchange between the United States and developing countries in sub-Saharan Africa.

SEC. 1082. RECOGNITION OF SUB-SAHARAN AFRICAN SUPPORT DURING THE PERSIAN GULF CRISIS.

It is the sense of Congress that—

(1) the countries of Sub-Saharan Africa which supported United Nations efforts in the Persian Gulf conflict are to be applauded and paid a public debt of gratitude and appreciation for their courageous stance, a signal to the world of their commitment to the rule of law; and

(2) those countries are to be commended for their support of the United States in a time of crisis.

SEC. 1083. CONDITIONS ON FURNISHING IMET FOR SUB-SAHARAN AFRICA.

(a) CONSIDERATIONS IN PROVIDING ASSISTANCE.—In deciding whether to provide international military education and training to a country in sub-Saharan Africa, the President shall consider—

(1) whether that country has a government that—

(A) was democratically elected as the result of free and fair elections, or

(B) is committed to respecting internationally recognized human rights and to permitting freedom of expression and has achieved substantial progress in a process of democratization;

(2) whether the armed forces of that country are involved in human rights violations or the government of that country otherwise fails to respect internationally recognized human rights; and

(3) whether the armed forces or other elements of the government of that country are actively engaged in destabilization efforts aimed at any other country.

(b) REPORTS TO CONGRESS.—If international military education and training is provided to any country in sub-Saharan Africa that is not described in paragraph (1) of subsection (a) or that is described in paragraph (2) or (3) of subsection (a), the President shall, within 30 days after obligating funds for such assistance to that country, submit to the appropriate congressional committees a report setting forth the reasons for providing such assistance.

SEC. 1084. PREEMPTION OF STATE AND LOCAL SANCTION MEASURES AGAINST NAMIBIA.

(a) PREEMPTION.—Effective upon the date of enactment of this Act, any sanction imposed by any State or any governmental subdivision thereof, that is directed at South Africa or persons engaging in commercial or financial transactions in or with South Africa, and that also applies with respect to Namibia, shall be null and void to the extent that such sanction applies to Namibia or persons engaging in commercial or financial transactions in or with Namibia, unless such application is consistent with Federal law.

(b) DEFINITION.—For purposes of this section, the term "State" means any of the Several

States, the District of Columbia, and any territory or possession of the United States.

SEC. 1085. STUDY ON THE IMPACT OF ADJUSTMENT SUPPORTED PROGRAMS ON THE DEVELOPMENT FUND FOR AFRICA.

There is concern that programs related to Structural Adjustment Programs may have retarded progress toward the achievement of goals established by the Congress for the Development Fund for Africa. It is the sense of the Congress that a detailed study should be undertaken by the Office of Technology Assessment, in a cross-section of sub-Saharan African countries, of the process of formulation of, and the economic, social, and environmental impact of, the programs of adjustment supported or leveraged by the Agency for International Development through the Development Fund for Africa.

TITLE XI—AID, TRADE, AND COMPETITIVENESS

SEC. 1101. SHORT TITLE.

This title may be cited as the "Aid, Trade, and Competitiveness Act of 1991".

SEC. 1102. CAPITAL PROJECTS OFFICE WITHIN THE AGENCY FOR INTERNATIONAL DEVELOPMENT.

(a) ESTABLISHMENT OF OFFICE.—The Administrator of Agency for International Development shall establish a capital projects office to carry out the purposes described in subsection (b).

(b) PURPOSES OF OFFICE.—The purposes referred to in subsection (a) are—

(1) to develop an AID program that would focus solely on developmentally sound capital projects, taking into consideration the development needs of the host country and the export opportunities for United States firms; and

(2) to consider specifically opportunities for United States high-technology firms, including small- and medium-sized firms, in putting together capital projects for developing countries and for SEED eligible East European countries.

(c) ACTIVITIES OF AID.—The Administrator of AID, acting through the capital projects office in coordination with the Export-Import Bank of the United States (as appropriate) and the Trade and Development Agency—

(1) shall put together capital projects in developing countries and in SEED eligible East Europe countries;

(2) shall periodically review infrastructure needs in developing countries and SEED eligible East European countries and shall explore opportunities for United States firms in the development of new capital projects in these countries, keeping both United States firms and the Congress informed of these reviews;

(3) shall determine whether each capital project for which AID provides funding is developmentally sound, as set forth in the criteria developed by the Development Assistance Committee of the Organization for Economic Cooperation and Development;

(4) shall coordinate its activities with other AID offices, and work with AID country missions, in developing capital projects that provide opportunities for United States firms consistent with AID's primary mission to help these countries with traditional development projects;

(5) shall coordinate where appropriate funds available to AID for "tied-aid" purposes; and

(6) shall play a special role in helping to meet the infrastructure needs of SEED eligible East European countries by meeting the challenge of infrastructure assistance provided by foreign governments to those countries, including by undertaking a comprehensive study of the infrastructure needs of the various SEED eligible East European countries—

(A) to identify those sector in the economies of these countries that are most in need of rebuilding, and

(B) to identify the state of technology in these countries and the opportunity for United States high technology firms to help develop a technological infrastructure in these countries, as well as an assessment of export opportunities for United States high technology companies.

The results of the study conducted pursuant to paragraph (6) shall be reported to the appropriate congressional committees within 12 months after the date of enactment of this Act.

SEC. 1103. COORDINATION.

The President shall utilize the existing interagency coordinating mechanism to coordinate activities under this title with other relevant activities of the United States Government.

SEC. 1104. REPORTS TO CONGRESS ON CAPITAL PROJECTS.

Not later than February 1, 1993, and each year thereafter, the President shall submit to the Congress a report describing—

(1) the extent to which United States Government resources have been expended specifically to support capital projects in developing countries and SEED eligible East European countries;

(2) the extent to which the activities of the United States Government have been coordinated pursuant to section 1103; and

(3) the extent to which United States Government capital projects and tied-aid programs have affected United States exports.

SEC. 1105. NEGOTIATIONS OF THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT.

If by February 1, 1992, a new agreement within the Organization for Economic Cooperation and Development has not been reached that meets the objective of reducing the levels of concessional financing by member countries of the Organization other than the United States, the Secretary of the Treasury, together with the President of the Bank, shall submit a report to the Congress on the status of the negotiations, including an analysis of the negotiations since 1987, the causes for the failure to reach an agreement by that date, and reasons the United States Government believes that continued negotiations will result in achieving the above mentioned objective.

SEC. 1106. FUNDING FOR CAPITAL PROJECTS.

The Congress strongly urges the President to use at least $650,000,000 for fiscal year 1992 and at least $700,000,000 for fiscal year 1993 of the total amounts made available for economic support assistance, assistance under the Multilateral Assistance Initiative for the Philippines, and assistance under the Support for East European Democracy (SEED) Act of 1989, for grants for developmentally sound capital projects. Such grants may be combined with financing offered by private financial entities or other entities.

SEC. 1107. REPORT ON THE FEASIBILITY OF AID CREDIT GUARANTEES TO FINANCE CAPITAL PROJECTS.

Not later than February 1, 1992, the President shall submit to the appropriate congressional committees a report on the feasibility of allowing AID to offer credit guarantees for the financing of capital projects.

SEC. 1108. DEFINITIONS.

For purposes of this title—

(1) the term "AID" means the Agency for International Development";

(2) the term "Bank" means the Export-Import Bank of the United States;

(3) the term "capital projects" means a project involving the construction, expansion, alteration of, or the acquisition of equipment for, a physical facility or physical infrastructure, including related engineering design (concept and detail) and other services, the procurement of equipment (including any related services), and feasibility studies or similar engineering and economic services;

(4) the term "SEED eligible East European country" means a country that is an eligible East European country under section 4 of the Support for East European Democracy (SEED) Act of 1989 (as amended by title V of this Act); and

(5) the term "tied-aid credit" has the meaning given to such term in section 15(h)(1) of the Export-Import Bank Act of 1945.

SEC. 1109. AUTHORIZATION OF ADDITIONAL FUNDING FOR THE TRADE AND DEVELOPMENT AGENCY FOR FISCAL YEAR 1993.

In addition to amounts otherwise authorized to be appropriated, there are authorized to be appropriated for the Trade and Development Agency $20,000,000 for fiscal year 1993 to carry out section 661 of the Foreign Assistance Act of 1961.

TITLE XII—PEACE CORPS

SEC. 1201. AUTHORIZATIONS OF APPROPRIATIONS.

Section 3(b) of the Peace Corps Act (22 U.S.C. 2502(b)) is amended to read as follows:

"(b) AUTHORIZATIONS OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the purposes of this Act $200,000,000 for fiscal year 1992, which are authorized to remain available until September 30, 1993, $200,000,000 for fiscal year 1993, which are authorized to remain available until September 30, 1994.".

SEC. 1202. PEACE CORPS FOREIGN CURRENCY FLUCTUATIONS.

(a) ESTABLISHMENT OF FOREIGN CURRENCY FLUCTUATIONS ACCOUNT.—The Peace Corps Act (22 U.S.C. 2501 et seq.) is amended by inserting after section 15 the following new section:

"SEC. 16. FOREIGN CURRENCY FLUCTUATIONS ACCOUNT.

"(a) ESTABLISHMENT.—(1) There is established in the Treasury of the United States an account to be known as the 'Foreign Currency Fluctuations, Peace Corps, Account'. The account shall be used for the purpose of providing funds to pay expenses for operations of the Peace Corps outside the United States which, as a result of fluctuations in currency exchange rates, exceed the amount appropriated for such expenses.

"(2) Funds in the account may be transferred, upon the certification of the Director of the Peace Corps (or the Director's designee) that the transfer is necessary for the purpose specified in paragraph (1), to the account containing funds appropriated for the expenses of the Peace Corps.

"(b) USE OF FUNDS IN THE ACCOUNT.—Funds transferred under subsection (a) shall be merged with, and be available for the same time period, as the appropriation to which they are applied. Notwithstanding any provision of law limiting the amount of funds the Peace Corps may obligate in any fiscal year, such amount shall be increased to the extent necessary to reflect fluctuations in exchange rates from those used in preparing the budget submission.

"(c) EXCHANGE RATES APPLICABLE TO OBLIGATIONS.—An obligation of the Peace Corps payable in the currency of a foreign country may be recorded as an obligation based upon exchange rates used in preparing a budget submission. A change reflecting fluctuations in exchange rates may be recorded as a disbursement is made.

"(d) TRANSFERS BACK TO ACCOUNT.—Funds transferred from the Foreign Currency Fluctuations, Peace Corps, Account may be transferred back to that account—

"(1) if the funds are not needed to pay obligations incurred because of fluctuations in currency exchange rates of foreign countries in the appropriation to which the funds were originally transferred; or

"(2) because of subsequent favorable fluctuations in the rates or because other funds are, or become, available to pay such obligations.

"(e) LIMITATION ON TRANSFERS BACK.—A transfer of funds back to the account under sub-

section (d) may not be made after the end of the fiscal year or other period for which the appropriation, to which the funds were originally transferred, is available for obligation.

"(f) TRANSFERS TO THE ACCOUNT FROM REGULAR APPROPRIATIONS.—(1) At the end of the fiscal year or other period for which appropriations for the expenses of the Peace Corps are made available, unobligated balances of such appropriation may be transferred into the Foreign Currency Fluctuations, Peace Corps, Account, to be merged with and available for the same period and purposes as that account.

"(2) The authority of this subsection shall be exercised only to the extent that specific amounts are provided in advance in an appropriation Act.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Foreign Currency Fluctuations, Peace Corps, Account for each fiscal year such sums as may be necessary to maintain a balance of $5,000,000 in such account at the beginning of such fiscal year.

"(h) REPORTS.—The Director of the Peace Corps shall submit to the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives, and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate, each year a report on funds transferred under this section.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to each fiscal year after fiscal year 1991.

SEC. 1203. EVALUATION OF HEALTH-CARE SERVICES PROVIDED TO PEACE CORPS VOLUNTEERS.

(a) IN GENERAL.—The Director of the Peace Corps shall contract with an eligible organization or organizations to conduct before January 1, 1997, a total of three evaluations of the health-care needs of the Peace Corps volunteers and the adequacy of the system through which the Peace Corps provides health-care services in meeting those needs.

(b) REQUIREMENTS OF THE EVALUATIONS.—Each evaluation shall include an assessment of the adequacy of the Peace Corps health-care system—

(1) to provide diagnostic, treatment, and referral services to meet the health-care needs of Peace Corps volunteers, and

(2) to conduct health examinations of applicants for enrollment as Peace Corps volunteers and to provide immunization and dental care preparatory to service of applicants for enrollment who have accepted an invitation to begin a period of training for service as a Peace Corps volunteer.

(c) REPORTS TO THE PEACE CORPS.—An organization making an evaluation under this section shall submit to the Director of the Peace Corps a report containing its findings and recommendations not later than December 31, 1992, December 31, 1994, and December 31, 1996, as the case may be. Each report shall include recommendations regarding appropriate standards and procedures for ensuring the furnishing of quality medical care and for measuring the quality of care provided to Peace Corps volunteers.

(d) REPORT TO CONGRESS.—Not later than 90 days after receipt of a report required by subsection (c), the Director of the Peace Corps shall transmit the report, together with the Director's comments, to the appropriate congressional committees.

(e) DEFINITIONS.—For purposes of this section—

(1) the term "appropriate congressional committees" means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives; and

(2) the term "eligible organization" means an independent health-care accreditation organization or other independent organization with expertise in evaluating health-care systems similar to that of the Peace Corps.

SEC. 1204. REPORTING REQUIREMENT ON EMPLOYMENT-RELATED MATTERS.

(a) IN GENERAL.—Not later than August 31, 1992, the Director of the Peace Corps and the Secretary of Labor shall jointly submit to the appropriate congressional committees a report which describes—

(1) the information provided by the Peace Corps to its volunteers and to applicants for volunteer service in the Peace Corps regarding the benefits to and services to which Peace Corps volunteers or trainees may be entitled or for which they may be eligible in the event that they sustain injuries or become disabled during their service, or their training for service, with the Peace Corps;

(2) the efforts by the Peace Corps and the Department of Labor to coordinate the provision of such information to Peace Corps volunteer-applicants and volunteers and the processing of claims by Peace Corps volunteers under the Federal Employees Compensation Act (FECA);

(3) the number of Peace Corps volunteers and volunteer-applicants who have filed claims under the Federal Employees Compensation Act (FECA) and the percentage of the claims that have been approved; and

(4) the timeliness of approvals or denials of claims of Peace Corps volunteers and volunteer-applicants under the Federal Employees Compensation Act (FECA).

(b) RECOMMENDATIONS.—The report required by subsection (a) shall also include such recommendations as the Director of the Peace Corps and the Secretary of Labor may determine necessary to facilitate the filing and processing of claims by Peace Corps volunteers regarding the benefits described in that subsection.

(c) DEFINITIONS.—For purposes of this section—

(1) the term "appropriate congressional committees" means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives; and

(2) the term "Federal Employees Compensation Act (FECA)" means chapter 81 of title 5, United States Code.

SEC. 1205. PEACE CORPS PROGRAMS IN THE SOVIET UNION.

Up to $6,000,000 of the funds made available to carry out the Peace Corps Act for each of fiscal years 1992 and 1993 shall be made available for establishing Small Business Development Programs in the Soviet Union or any successor entity or entities. The program shall include the promotion of local economic development by providing technical assistance and training in municipal restructuring and financing, privatization, valuation of state owned enterprises, business association development and promotion, and identification of investment opportunities and requirements.

TITLE XIII—INTERNATIONAL DEVELOPMENT AND FINANCE

CHAPTER 1—INTERNATIONAL MONETARY FUND

SEC. 1301. UNITED STATES QUOTA INCREASE; AMENDMENTS TO ARTICLES OF AGREEMENT; APPROVAL OF PLEDGE TO SELL GOLD.

The Bretton Woods Agreements Act (22 U.S.C. 286-286kk) is amended by adding at the end thereof the following new sections:

"SEC. 56. QUOTA INCREASE.

"The United States Governor of the Fund is authorized to consent to an increase in the quota of the United States in the Fund equivalent to 8,608,500,000 Special Drawing Rights, limited to such amounts as are appropriated in advance in appropriation Acts.

"SEC. 57. ACCEPTANCE OF AMENDMENTS TO THE ARTICLES OF AGREEMENT OF THE FUND.

"The United States Governor of the Fund is authorized to consent to the amendments to the Articles of Agreement of the Fund approved in resolution numbered 45–3 of the Board of Governors of the Fund.

"SEC. 58. APPROVAL OF FUND PLEDGE TO SELL GOLD TO PROVIDE RESOURCES FOR THE RESERVE ACCOUNT OF THE ENHANCED STRUCTURAL ADJUSTMENT FACILITY TRUST.

"The Secretary of the Treasury is authorized to instruct the United States Executive Director of the Fund to vote to approve the Fund's pledge to sell, if needed, up to 3,000,000 ounces of the Fund's gold, to restore the resources of the Reserve Account of the Enhanced Structural Adjustment Facility Trust to a level that would be sufficient to meet obligations of the Trust payable to lenders which have made loans to the Loan Account of the Trust that have been used for the purpose of financing programs of Fund members previously in arrears to the Fund.".

SEC. 1302. SOVIET ACCESS TO THE FINANCIAL RESOURCES OF INTERNATIONAL FINANCIAL INSTITUTIONS.

(a) FINDINGS.—The Congress finds that—

(1) it is in the interest of the United States to encourage emerging democracies and market oriented economies in the territory of the former Union of Soviet Socialist Republics;

(2) at the same time, the course of internal politics and economic developments in the Soviet Union has been changing rapidly making the situation unclear;

(3) the Soviet Union is rapidly changing its aid and trade relationships with various repressive regimes, but this is still a cause for serious concern;

(4) it is in the interest of the United States to encourage Soviet cooperation on international problems, to foster the transition towards open market economies, and to promote private and entrepreneurial initiatives, while supporting the principles of multiparty democracy and pluralism;

(5) expanded economic ties to the West can advance these processes and would help to stabilize international economic and political conditions;

(6) however, Western financial assistance also carries substantial risks and could result in unacceptable financial losses; and

(7) given these views, concerns, and the rapidly evolving internal and international political situation, the United States should follow policies of caution, balance, and flexibility which are most appropriate to achieve United States foreign policy objectives, and which should serve as a guide to the relationship of the Soviet Union to international financial institutions.

(b) SOVIET ACCESS TO THE RESOURCES OF THE INTERNATIONAL MONETARY FUND.—The Secretary of the Treasury may instruct the United States Executive Director of the International Monetary Fund to support Soviet membership in the Fund only after the President has certified, with at least 30 days notification to the Congress, the following:

(1) ECONOMIC REFORM.—That, as an indication that the Government of the Soviet Union is implementing free market economic policies, the following actions are being taken:

(A) the right to own private property and engage freely in commerce is being established, and progress towards the creation of a legal and administrative framework to permit the free exercise of such rights is being made;

(B) progress toward the implementation of procedures for privatization of government enterprises is being made;

(C) significant progress in dismantling central planning mechanisms, in eliminating price controls, and in establishing a market-based pricing system is being made; and

(D) progress in adopting international norms regarding trade, protection of foreign investors, and protection of intellectual property rights is being made.

(2) ROLE OF THE CENTRAL GOVERNMENT.—That, as an indication that the Soviet Union is reducing the size and scope of government expenditures, especially categories of expenditure that threaten world security and divert resources from market-based economic reform, the following actions have been taken:

(A) progress toward significantly reducing the Soviet defense budget as a percentage of gross domestic product, including reducing strategic nuclear weapons arsenals and other weapons of mass destruction, with the objective of reducing such percentage to levels approximating those of the Western democracies; and

(B) substantial progress toward the termination of economic subsidies and military assistance, including an end to transfers of destabalizing missiles, other sophisticated weapons systems, and nuclear technology to countries that have supported international terrorism, such as Syria, Libya, and Iraq, or that have participated in efforts to destabilize neighboring states, such as Cuba, North Korea, and Vietnam.

(3) POLITICAL REFORM.—That, as an indication that the Soviet Union has embraced democratic processes upon which successful economic development is predicated, the following actions are being undertaken:

(A) free and fair multiparty elections for the national parliament and leadership;

(B) good faith negotiations between the Government of the Soviet Union and leaders of the Baltic states and other republics that have elected to become independent of the Soviet Union; and

(C) sustained commitment to peaceful resolution of disputes with republican governments and democratic movements.

(c) EXPANDED SOVIET ACCESS TO THE RESOURCES OF THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT.—The Secretary of the Treasury may instruct the United States Executive Director of the European Bank for Reconstruction and Development to use the voice and vote of the United States to support the expansion of access by the Soviet Union to the resources of the Bank pursuant to paragraph 4 of Article 8 of the Bank's Articles of Agreement only after the President has made the certification and report required under subsection (b).

(d) DEFINITIONS.—For purposes of this section:

(1) The term "Soviet membership" includes any association with the Fund involving contribution or borrowing of Fund resources, but excludes associated status with the Fund.

(2) The term "Soviet Union" includes all successor states (other than the Baltic states) to the Soviet Union.

SEC. 1303. SENSE OF THE CONGRESS RELATING TO THE PROBLEMS OF NATIONS MAKING THE TRANSITIONS TO MORE OPEN POLITICAL AND ECONOMIC SYSTEMS.

(a) FINDINGS.—The Congress finds that—

(1) in many areas of the world, nations may be experiencing substantial difficulties in making the transitions to more open political and economic systems;

(2) as an example, the study, entitled "The Economy of the U.S.S.R.", which was prepared jointly by the International Monetary Fund, the International Bank for Reconstruction and Development, the Organization for European Cooperation and Development, and the European Bank for Reconstruction and Development, found that substantial changes need to be made in the Soviet economy to provide a viable basis for monetary stability, economic growth, and development, and such finding applies to other nations making the transitions to more open political and economic systems; and

(3) these nations may be experiencing special difficulties in making such transitions.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) encouragement should be given to the efforts being made to address the political and economic problems of nations making the transitions to more open political and economic systems; and

(2) consideration should be given to developing relationships between such nations, the International Monetary Fund, the International Bank for Reconstruction and Development, and the other international financial institutions, as part of the process of assisting such nations in making such transitions.

SEC. 1304. PUBLICATION OF REPORTS ON ECONOMIES OF MAJOR INDUSTRIALIZED NATIONS.

The Bretton Woods Agreements Act (22 U.S.C. 286-286kk) is amended by adding after the sections added by section 1301 of this Act the following:

"SEC. 59. PUBLICATION OF REPORTS ON ECONOMIES OF MAJOR INDUSTRIALIZED NATIONS.

"The Secretary of the Treasury shall instruct the United States Executive Director of the Fund to encourage the Fund to adopt procedures for the publication of the economic reviews of the major industrialized nations and such other commentary as may be appropriate.".

SEC. 1305. SENSE OF THE CONGRESS RELATING TO COORDINATION OF DEVELOPMENT ACTIVITIES OF INTERNATIONAL FINANCIAL INSTITUTIONS.

It is the sense of the Congress that procedures should be instituted to review the activities of the International Monetary Fund and the International Bank for Reconstruction and Development, for the purpose of coordinating the international economic activities of international financial institutions at the Board level, the managerial level, and the staff level.

SEC. 1306. COOPERATION WITH INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT IN EFFORTS TO ALLEVIATE POVERTY AND REDUCE BARRIERS TO ECONOMIC AND SOCIAL PROGRESS.

The Bretton Woods Agreements Act (22 U.S.C. 286-286kk) is amended by adding after the sections added by sections 1301 and 1304 of this Act the following:

"SEC. 60. EFFORTS OF THE FUND TO ALLEVIATE POVERTY AND REDUCE BARRIERS TO ECONOMIC AND SOCIAL PROGRESS.

"(a) FINDINGS.—The Congress finds that—

"(1) compatible with the primary purpose of the international financial institutions and with development, growth, and reduction of poverty, is improving the lives of the people of the nations that borrow from such institutions, improving their access to economic opportunity, and reducing barriers to their economic and social progress;

"(2) the Bank has recently reaffirmed the central priority of poverty reduction in its mission, in the World Development Report 1990;

"(3) the Bank has committed itself to the integration of poverty strategies into country assistance strategies;

"(4) there is increasing cooperation between the Fund, the Bank, and borrowing countries in the preparation of Policy Framework Papers as a joint framework for adjustment policies and measures; and

"(5) there is movement toward developing social safety nets and other practical mechanisms to alleviate negative impacts of structural adjustment on the most vulnerable sectors of the population of borrowing countries.

"(b) EFFORTS OF THE FUND TO ALLEVIATE POVERTY AND REDUCE BARRIERS TO ECONOMIC AND SOCIAL PROGRESS.—The Secretary of the Treasury shall instruct the United States Executive Director of the Fund to advocate vigorously and continually, through formal initiatives in the Board and in discussion with other directors of the Fund, the following:

"(1) Considerations of poverty alleviation and the reduction of barriers to economic and social progress (as set forth in section 64(a)) should be incorporated into all Fund programs and all consultations under article IV of the Articles of Agreement of the Fund.

"(2) Preparation of Policy Framework Papers should be extended to all nations which have Fund programs and active Bank or International Development Association lending programs, and existence of a Policy Framework Paper should be a precondition for new lending to such nations by the Fund.

"(3) All Policy Framework Papers should articulate the principal poverty, economic, and social measures that the borrowing nation needs to address, and this portion of the Policy Framework Paper (or a summary thereof that includes specific measures and timing) should be made available when the Policy Framework Paper is submitted to the Executive Directors of the Bank and of the Fund or consideration.

"(4) In considering whether to allocate resources of the Fund to a borrower, the Fund should take into consideration the nature of the program and commitment of the borrower to address the issues referred to in paragraph (2).

"(5) The Fund should establish procedures to enable the Fund to cooperate with the Bank in evaluating the effectiveness of such measures, at the levels of policy, project design, monitoring, and reporting, in the international financial institutions and in the borrowing nations.".

SEC. 1307. DEBT AND DEBT SERVICE REDUCTION PROGRAMS.

The Bretton Woods Agreements Act (22 U.S.C. 286-286kk) is amended by adding after the sections added by sections 1301, 1304, and 1306 of this Act the following:

"SEC. 61. DEBT AND DEBT SERVICE REDUCTION PROGRAMS OF THE FUND.

"(a) FINDINGS.—The Congress finds that—

"(1) in May 1989, the Fund approved the use of its resources to support debt and debt service reduction operations for highly indebted countries;

"(2) at that time, it was estimated that approximately $30,000,000,000 should be made available from official sources over a 3-year period, approximately $20,000,000,000 of which was expected to be furnished by the Fund and the Bank combined;

"(3) the objectives of this program were to assist debtor nations to resolve problems of excessive debt, restore creditworthiness, and diminish the systemic threat to world financial institutions posed by developing country debt;

"(4) as of February 1991, after 2 years of the program, approximately $5,700,000,000 had been committed by the Fund and the Bank for these purposes;

"(5) according to findings of the Fund in February 1991, the program and strategy adopted in 1989 has generally fulfilled these objectives, at that time 5 nations had concluded debt and debt service reduction agreements and a number of

other developing nations were presently negotiating debt relief inside and outside of the 1989 framework;

"(6) the Fund's assessment emphasized the importance of the voluntary case-by-case approach taken by the program, the innovations required to satisfy the parties, and the remaining problems in concluding such agreements;

"(7) these debt and debt service reduction programs, which have been encouraged by the Congress and the Executive Branch, have made progress; and

"(8) these debt and debt service reduction programs are material to the development and growth of, and the reduction of economic and social barriers in, borrowing countries.

"(b) URGE RENEWAL OF DEBT AND DEBT SERVICE REDUCTION PROGRAMS WITH MODIFICATIONS.—The Secretary of the Treasury shall instruct the United States Executive Director of the Fund to use the voice and vote of the United States to urge—

"(1) the Fund to renew, for another 3-year period, the arrangements described in subsection (a)(1), subject to appropriate modifications;

"(2) that reductions in commercial debt and debt service should be comparable to, and in concert with, reductions in official debt and debt service; and

"(3) that the renewal of such arrangements, and such reductions in debt and debt service, should not result in an excessive shift in the proportion of debt or risk assumed by public sector institutions.

"(c) REPORT ON SOVIET UNION DEBT HELD BY COMMERCIAL BANKS.—The Secretary of the Treasury shall, using resources of the Fund, the Bank, and other appropriate international financial institutions, gather information upon, and report, not later than December 31, 1991, to the Congress on, the debt of the Soviet Union held by commercial banks outside the Soviet Union, and the prospects for the repayment of such debt.".

SEC. 1308. ENVIRONMENTAL CONSIDERATIONS IN FUND PROGRAMS.

(a) FINDING.—The Congress finds that the International Monetary Fund has created an environmental unit.

(b) ENVIRONMENTAL CONSIDERATIONS IN FUND PROGRAMS.—The Bretton Woods Agreements Act (22 U.S.C. 286-286kk) is amended by adding after the sections added by sections 1301, 1304, 1306, and 1307 of this Act the following:

"SEC. 62. ENVIRONMENTAL CONSIDERATIONS IN FUND PROGRAMS.

"The Secretary of the Treasury shall instruct the United States Executive Director of the Fund to—

"(1) encourage the Fund to make further progress toward environmentally sound policies and programs;

"(2) incorporate environmental considerations into all Fund programs, including consultations under article IV of the Articles of Agreement of the Fund;

"(3) encourage the Fund to support the efforts of nations to implement systems of natural resource accounting in their national income accounts;

"(4) encourage the Fund to assist and cooperate fully with the statistical research being undertaken by the Organization for Economic Cooperation and Development and by the United Nations in order to facilitate development and adoption of a generally applicable system for taking account of the depletion or degradation of natural resources in national income accounts; and

"(5) encourage the Fund to consider and implement, as appropriate, revisions in its national income reporting systems consistent with such new systems as are of general applicability.".

SEC. 1309. CRITERIA FOR ASSESSING DEFENSE EXPENDITURES.

The Bretton Woods Agreements Act (22 U.S.C. 286-286kk) is amended by adding after the sections added by sections 1301, 1304, 1306, 1307, and 1308(b) of this Act the following:

"SEC. 63. CRITERIA FOR ASSESSING DEFENSE EXPENDITURES.

"(a) IN GENERAL.—The Secretary of the Treasury shall instruct the United States Executive Director of the Fund and the United States Executive Director of the Bank to urge the Fund and the Bank, respectively, to develop, and report to the member nations, criteria for determining whether a nation seeking a loan from the Fund or the Bank, as the case may be, is engaged in arms and weapons expenditures that are—

"(1) appropriate to its national circumstances; or

"(2) an impediment to sound management of its economy and achievement of sustained long-term growth.

"(b) REPORTS TO THE CONGRESS.—Not later than 1 year after the date of the enactment of this section, the Secretary of the Treasury shall submit to the Congress a report containing—

"(1) the criteria developed pursuant to subsection (a); and

"(2) a discussion of how such criteria may be appropriately applied in United States decisions on loans by the Fund or the Bank.".

SEC. 1310. HUMAN RIGHTS.

Section 701(a) of the International Financial Institutions Act (22 U.S.C. 262d(a)) is amended by striking "and the African Development Bank" and inserting "the African Development Bank, and the International Monetary Fund".

CHAPTER 2—INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND AFFILIATES

Subchapter A—International Finance Corporation

SEC. 1311. CAPITAL INCREASE.

The International Finance Corporation Act (22 U.S.C. 282-282k) is amended by adding at the end the following:

"SEC. 14. CAPITAL STOCK INCREASE.

"(a) SUBSCRIPTION AUTHORIZED.—

"(1) IN GENERAL.—The United States Governor of the Corporation may—

"(A) vote for an increase of 1,000,000 shares in the authorized capital stock of the Corporation; and

"(B) subscribe on behalf of the United States to 250,000 additional shares of the capital stock of the Corporation.

"(2) PRIOR APPROPRIATION REQUIRED.—The subscription authority provided in paragraph (1) shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts.

"(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—In order to pay for the subscription authorized in subsection (a), there are authorized to be appropriated, without fiscal year limitation, $250,000,000 for payment by the Secretary of the Treasury.".

Subchapter B—International Bank for Reconstruction and Development

SEC. 1321. EFFORTS TO ALLEVIATE POVERTY AND REDUCE BARRIERS TO ECONOMIC AND SOCIAL PROGRESS.

(a) IN GENERAL.—The Bretton Woods Agreements Act (22 U.S.C. 286-286kk) is amended by adding after the sections added by sections 1301, 1304, 1306, 1307, 1308(b), and 1309 of this Act the following:

"SEC. 64. EFFORTS OF THE BANK TO ALLEVIATE POVERTY AND REDUCE BARRIERS TO ECONOMIC AND SOCIAL PROGRESS.

"(a) IN GENERAL.—The Secretary of the Treasury shall instruct the United States Executive Director of the Bank to advocate, in replenishment negotiations and in discussion with the other directors of the Bank and with the Bank the following:

"(1) The Bank should enhance its abilities to alleviate poverty and reduce economic and social barriers to sustainable economic growth, and to measure progress toward such goals.

"(2) The Bank should adopt a process to assess periodically and systematically the degree to which each borrowing nation's policies, programs, and institutions are consistent with the reduction of poverty. Such process should be reviewed in connection with the process of developing Policy Framework Papers with the borrowing country and the Fund, and, unless clearly inappropriate, at the time of the evaluation of long term lending projects.

"(3) The Bank should provide recommendations to governments on their policies and programs related to the matters described in paragraph (2).

"(4) The Bank should ensure that the volume and composition of assistance from the Bank supports and complements the efforts of the borrowing nation to alleviate poverty and reduce barriers to economic and social progress.

"(5) The Bank should work to improve the use of its methodologies for such indicators as were set forth in the World Development Report 1990 and other appropriate statistical data as a means of assessing the effectiveness of strategies for alleviating poverty and reducing barriers to economic and social progress.

"(6) The Bank should cooperate with and provide technical assistance and financial support, as necessary, to governments of borrowing nations to improve their statistical data so that progress toward the goals set forth in this subsection can be better monitored.

"(7) The Bank should improve the use of such indicators and methodologies to evaluate the effectiveness of its country assistance policies and strategies related to these matters.

"(b) PROGRESS REPORT.—Not later than 1 year after the date of the enactment of this section, the Secretary of the Treasury shall report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the appropriate committees of the Senate a description of the progress made in implementing subsection (a) of this section and section 1613(c) of the International Financial Institutions Act.".

(b) SENSE OF THE CONGRESS ON GIVING GREATER PRIORITY TO CHILD SURVIVAL AND DEVELOPMENT.—It is the sense of the Congress that the International Bank for Reconstruction and Development and the International Development Association each should—

(1) give greater programmatic and budgetary priority to the survival and development of children, including support of basic education activities; and

(2) make a commitment to devoting 5 percent or more of the amount of the annual lending of the International Bank for Reconstruction and Development and of the International Development Association to primary health and 5 percent of such amount to basic education.

SEC. 1322. DEBT AND DEBT SERVICE REDUCTION PROGRAMS.

The Bretton Woods Agreements Act (22 U.S.C. 286-286kk) is amended by adding after the sections added by sections 1301, 1304, 1306, 1307, 1308(b), 1309, and 1321(a) of this Act the following:

"SEC. 65. DEBT AND DEBT SERVICE REDUCTION PROGRAMS OF THE BANK.

"(a) FINDINGS.—The Congress finds that—

"(1) in May 1989, the Bank approved the use of its resources to support debt and debt service reduction operations for highly indebted countries;

"(2) at that time, it was estimated that approximately $30,000,000,000 should be made available from official sources over a 3-year period, approximately $20,000,000,000 of which was expected to be furnished by the Fund and the Bank combined;

"(3) the objectives of this program were to assist debtor nations to resolve problems of excessive debt, restore creditworthiness, and diminish the systemic threat to world financial institutions posed by developing country debt;

"(4) as of February 1991, after 2 years of the program, approximately $5,700,000,000 had been committed by the Fund and the Bank for these purposes;

"(5) according to findings of the Bank in February 1991, the program and strategy adopted in 1989 has generally fulfilled these objectives, at that time 5 nations had concluded debt and debt service reduction agreements and a number of other developing nations were presently negotiating debt relief inside and outside of the 1989 framework;

"(6) the Bank's assessment emphasized the importance of the voluntary case-by-case approach taken by the program, the innovations required to satisfy the parties, and the remaining problems in concluding such agreements;

"(7) these debt and debt service reduction programs, which have been encouraged by the Congress and the Executive Branch, have made progress; and

"(8) these debt and debt service reduction programs are material to the development and growth of, and the reduction of economic and social barriers in, borrowing countries.

"(b) URGE RENEWAL OF DEBT AND DEBT SERVICE REDUCTION PROGRAMS WITH MODIFICATIONS.—The Secretary of the Treasury shall instruct the United States Executive Director of the Bank to use the voice and vote of the United States to urge—

"(1) the Bank to renew, for another 3-year period, the arrangements described in subsection (a)(1), subject to appropriate modifications;

"(2) that reductions in commercial debt and debt service should be comparable to, and in concert with, reductions in official debt and debt service; and

"(3) that the renewal of such arrangements, and such reductions in debt and debt service, should not result in an excessive shift in the proportion of debt or risk assumed by public sector institutions.".

SEC. 1323. TECHNICAL ASSISTANCE FOR THE BALTIC STATES AND THE SOVIET UNION.

The Bretton Woods Agreements Act (22 U.S.C. 286–286kk) is amended by adding after the sections added by sections 1301, 1304, 1306, 1307, 1308(b), 1309, 1321(a), and 1322 of this Act the following:

"SEC. 66. TECHNICAL ASSISTANCE BY THE BANK FOR THE BALTIC STATES AND THE SOVIET UNION.

"(a) FINDINGS.—The Congress finds that—

"(1) at the Houston Economic Summit in July 1990, the heads of State and Government of the 7 major industrial democracies and the President of the Commission of the European Communities requested that the Fund, the Bank, the Organization for Economic Cooperation and Development, and the designated president of the European Bank for Reconstruction and Development, in close consultation with the Commission of the European Communities, undertake a detailed study of the Soviet economy, make recommendations for its reform, and establish the criteria under which Western economic assistance could effectively support such reforms;

"(2) in the resulting report, the organizations concluded that timely technical assistance can play a major role in easing the transition to a market economy, and that such technical assistance could be particularly helpful in the fields of fiscal and monetary policies, foreign exchange and banking, and the development of statistical and accounting systems;

"(3) technical assistance provided by the Bank should be coordinated with the technical assistance provided by the private sectors of Western countries so that technical assistance provided by the Bank complements and enhances technical assistance provided by the private sector, and other international donors;

"(4) the provision of timely technical assistance can greatly facilitate trade with and direct investment in the Baltic states and the Soviet Union; and

"(5) the provision of timely technical assistance by the Bank to the Baltic states and the Soviet Union can support democratic reforms, respect for human rights, and the rule of law.

"(b) URGE ESTABLISHMENT OF TECHNICAL ASSISTANCE PROGRAMS BY THE BANK TO THE BALTIC STATES AND THE SOVIET UNION.—The Secretary of the Treasury shall instruct the United States Executive Director of the Bank to use the voice and vote of the United States to urge—

"(1) the Bank to establish a program to provide technical assistance to the Baltic states and the Soviet Union in support of democratic reforms, human rights, the rule of law, and market-oriented reforms; and

"(2) the Bank to endeavor to coordinate its technical assistance to the Baltic states and to the Soviet Union so that technical assistance provided by the Bank complements and enhances technical assistance provided by the private sector, and other international donors.

"(c) REPORT ON TECHNICAL ASSISTANCE BY THE BANK.—Not later than May 1, 1992, the Secretary of the Treasury shall, using resources of the Bank, report to the Congress on technical assistance by the Bank for the Baltic states and the Soviet Union, and on the progress made by such states toward implementing democratic reforms, respect for human rights, the rule of law, and market-oriented reforms.

"(d) SOVIET UNION DEFINED.—As used in this section, the term 'Soviet Union' includes all successor states (other than the Baltic states) to the Soviet Union.".

Subchapter C—Financial Assistance for Global Environmental Protection

SEC. 1331. SHORT TITLE.

This subtitle may be cited as the "Global Environmental Protection Assistance Act of 1991".

SEC. 1332. FINDINGS.

The Congress finds that—

(1) the Global Environmental Facility (which was established in November 1990) has as its goal the raising and expending of $1,500,000,000 to address 4 worldwide environmental concerns, namely, reduction of global warming, preservation of biological diversity, protection of international waters, and prevention of further depletion of the planet's ozone layer;

(2) more than 20 nations, 8 of which are in the developing world, have contributed a total of approximately $800,000,000 to the Global Environmental Facility for these purposes;

(3) the United States should be a participant and a leader in accomplishing the worthwhile missions of the Global Environmental Facility;

(4) the International Bank for Reconstruction and Development has been given the responsibility for administering the Global Environmental Facility Trust Fund, the United Nations Development Programme has been given the responsibility for the preparation of projects and the provision of technical assistance through its 113 resident representative offices throughout the world, and the United Nations Environment Programme has been given the responsibility for providing scientific and technological guidance in the selection of projects;

(5) the United States should make a direct contribution to financing the international activities of the Global Environmental Facility with the understanding that—

(A) clear guidelines must be established for the selection of projects;

(B) a balance must be struck among the objectives of the Facility;

(C) interested governmental and nongovernmental parties must be accorded appropriate opportunities for input into the processes of the Facility;

(D) the funds of the Facility must be used with maximum leverage to attain the objectives of the Facility;

(E) the Facility will consult with the Organization for Economic Coordination and Development to obtain the benefit of efforts undertaken pursuant to part B of title VII of the International Development and Finance Act of 1989;

(F) the Facility will fund innovative projects that would not have been funded in the absence of the Facility, and the results of successful innovative measures will be introduced into mainstream lending activities of bilateral and multilateral donors, including the multilateral development banks;

(G) the Facility governance process will provide for contributor country oversight of individual projects in the work program, and specific provisions will be established for the participation of nongovernmental organizations in all phases of the project cycle, including identification, appraisal, implementation, and evaluation; and

(H) the Scientific and Technical Advisory Panel will play a prominent role in programs of the Facility, developing guidelines for Facility activities in key areas and providing guidance on scientific and technical aspects of individual projects and on the composition of the Facility's portfolio of projects; and

(6) the extent to which progress is made toward realization of these understandings will be a major factor in future consideration of these matters.

SEC. 1333. UNITED STATES CONTRIBUTION.

(a) CONTRIBUTION AUTHORIZED.—The Secretary of the Treasury may contribute on behalf of the United States $50,000,000 to the Global Environmental Facility of the International Bank for Reconstruction and Development if the Secretary has certified to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and to the Committee on Banking, Finance and Urban Affairs and the Committee on Appropriations of the House of Representatives that the Global Environmental Facility has made significant progress toward implementing the understandings set forth in section 1332(5).

(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For the contribution authorized by subsection (a), there are authorized to be appropriated to the Secretary of the Treasury $50,000,000 for fiscal year 1992, which shall remain available until expended.

SEC. 1334. REPORT ON INTERNATIONAL DEBT EXCHANGES AND THE ENVIRONMENT.

Title XVII of the International Financial Institutions Act (22 U.S.C. 262r–262r-2) is amended by adding at the end the following:

"SEC. 1704. REPORT ON INTERNATIONAL DEBT EXCHANGES AND THE ENVIRONMENT.

"Not later than 6 months after the date of the enactment of this section, the Secretary of the Treasury shall report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate regarding the progress made by the multilateral development banks (within the meaning of title XVI) in achieving the objectives of sections 1614, 1615, and 1616.".

CHAPTER 3—ASIAN DEVELOPMENT BANK

SEC. 1341. UNITED STATES SUBSCRIPTION TO SPECIAL CAPITAL INCREASE.

The Asian Development Bank Act (22 U.S.C. 285–285z) is amended by adding at the end the following:

"SEC. 30. CAPITAL INCREASE.

"(a) SUBSCRIPTION AUTHORIZED.—

"(1) The United States Governor of the Bank is authorized to subscribe on behalf of the United States to 35,230 additional shares of the capital stock of the Bank.

"(2) Any subscription by the United States to the capital stock of the Bank shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—In order to pay for the increase in the United States subscription to the Bank provided for in subsection (a), there are authorized to be appropriated, without fiscal year limitation, $424,997,105 for payment by the Secretary of the Treasury.".

CHAPTER 4—AFRICAN DEVELOPMENT FUND

SEC. 1351. UNITED STATES CONTRIBUTION.

The African Development Fund Act (22 U.S.C. 290g-290g-14) is amended by adding at the end the following:

"SEC. 216. SIXTH REPLENISHMENT.

"(a) CONTRIBUTION AUTHORIZED.—The United States Governor of the Fund is authorized to contribute $405,000,000 to the sixth replenishment of the resources of the Fund, except that such authority shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts.

"(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—In order to pay for the United States contribution provided for in this section, there are authorized to be appropriated, without fiscal year limitation, $405,000,000 for payment by the Secretary of the Treasury.".

CHAPTER 5—EXPORT-IMPORT BANK

SEC. 1361. REPEAL OF INADVERTENTLY INSERTED MATERIAL.

Paragraph (7) of section 101(b) of the International Development and Finance Act of 1989 (Public Law 101–240), and the amendment made thereby, are hereby repealed, and the Export-Import Bank Act of 1945 shall be applied and administered as if such paragraph had never been enacted.

SEC. 1362. APPOINTMENT AND COMPENSATION OF BANK PERSONNEL.

Section 3(c) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(c)) is amended by adding at the end the following:

"(9) PERSONNEL.—

"(A) APPOINTMENT AND COMPENSATION.—The Board of Directors shall fix the compensation of, and appoint and direct, employees of the Bank other than the directors. The Board may set and adjust rates of basic pay for such employees without regard to the provisions of chapter 51, or subchapter III of chapter 53, of title 5, United States Code. The Board of Directors may provide additional compensation and benefits to employees of the Bank if the same type of compensation or benefits are then being provided by any Federal bank regulatory agency or, if not then being so provided, could be provided by such an agency under applicable provisions of law, rule, or regulation. In setting and adjusting the total amount of compensation and benefits for employees of the Bank, the Board of Directors shall, in consultation with the Federal bank regulatory agencies, seek to maintain comparability with the total amount of compensation and benefits provided by such agencies to employees of such agencies, except that the Board shall not apply this sentence to reduce the total amount of compensation and benefits provided to any employee as of the date of the enactment of this paragraph.

"(B) FUNDING.—The salaries, expenses, and benefits of the officers and employees of the Bank shall continue to be paid from earnings of the Bank and repayments of loans and from borrowings.".

SEC. 1363. INCREASE IN MEMBERSHIP OF ADVISORY COMMITTEE.

Section 3(d)(1)(A) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(d)(1)(A)) is amended by striking "twelve" and inserting "15".

SEC. 1364. WAIVER OF LIMITATIONS ON FINANCING FOR EXPORTS TO THE SOVIET UNION.

(a) IN GENERAL.—Section 7(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635e(b)) is amended—

(1) by inserting "(1)" before "After the date"; and

(2) by adding at the end the following:

"(2) The President may waive any limitation of this subsection if the President determines that it is important to the national interest of the United States.".

(b) CONFORMING AMENDMENT.—Section 613 of the Trade Act of 1974 (19 U.S.C. 2487) is amended by adding at the end the following: "The President may waive any limitation of this section if the President determines that such action is in the national interest of the United States.".

SEC. 1365. FINANCING OF HIGH TECHNOLOGY EXPORTS TO EMERGING DEMOCRACIES.

Section 2(b)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)) is amended by adding at the end the following:

"(H)(i) It is further the policy of the United States to foster the development of democratic institutions and market economies in countries seeking such development, and to assist the export of high technology items to such countries.

"(ii) In exercising its authority, the Bank shall develop a program for providing guarantees and insurance with respect to the export of high technology items primarily to SEED program countries (as defined in section 303(c) of the Support for Eastern European Democracy (SEED) Act of 1989).

"(iii) As part of the ongoing marketing and outreach efforts of the Bank, the Bank shall, to the maximum extent practicable, inform high technology companies, particularly small business concerns (as defined in section 3 of the Small Business Act), about the programs of the Bank for United States companies interested in exporting high technology goods to any SEED program country (as defined in section 303(c) of the Support for Eastern European Democracy (SEED) Act of 1989).

"(iv) In carrying out clause (iii), the Bank shall—

"(I) work with other agencies involved in export promotion and finance; and

"(II) invite State and local governments, trade centers, commercial banks, and other appropriate public and private organizations to serve as intermediaries for the outreach efforts.".

SEC. 1366. PROMOTION OF COMPETITIVE OPPORTUNITIES FOR UNITED STATES INSURANCE COMPANIES.

Section 2(d) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(d)) is amended by striking paragraphs (2) and (3) and inserting the following:

"(2) In the case of any long-term loan or guarantee of at least $10,000,000, the Bank shall seek to ensure that United States insurance companies are accorded a fair and open competitive opportunity to provide insurance against risk of loss in connection with any transaction with respect to which such loan or guarantee is provided.

"(3) In any case in which the Bank becomes aware that a fair and open competitive opportunity is not available to any United States insurance company in a country with respect to which the Bank is considering a loan or guarantee, the Bank—

"(A) may approve or deny the loan or guarantee after considering whether such a denial would be likely to achieve competitive access for United States insurance companies; and

"(B) shall forward information regarding any country that denies United States insurance companies a fair and open competitive opportunity to the Secretary of Commerce who shall determine whether to—

"(i) refer such trade barrier to the Trade Policy Committee created pursuant to the Trade Expansion Act of 1962 (19 U.S.C. 1872); or

"(ii) bring the matter before the existing interagency coordinating mechanism for consideration of a recommendation to the President that access by such country to export credit of the United States be restricted.

"(4) In any case in which the Bank approves a loan or guarantee notwithstanding information regarding denial of competitive opportunities for United States insurance companies, the Bank shall include notice of such approval and the reason for such approval in the report on competition in officially supported export credit required by subsection (b)(1)(A).

"(5) For purposes of this section:

"(A) The term 'United States insurance company'—

"(i) includes an individual, partnership, corporation, holding company, or other legal entity which is authorized (or in the case of a holding company, subsidiaries of which are authorized) by a State to engage in the business of issuing insurance contracts or reinsuring the risk underwritten by insurance companies; and

"(ii) includes foreign operations, branches, agencies, subsidiaries, affiliates, or joint ventures of any entity described in clause (i).

"(B) The term 'fair and open competitive opportunity' means, with respect to the provision of insurance by a United States insurance company, that the company—

"(i) has received notice of the opportunity to provide such insurance; and

"(ii) has been evaluated for such opportunity on a nondiscriminatory basis.".

SEC. 1367. REPORT ON DEMAND FOR TRADE FINANCE FOR THE BALTIC STATES, AND FOR THE SOVIET UNION AND ITS SUCCESSOR STATES.

Not later than May 1, 1992, the Export-Import Bank of the United States shall transmit to the Congress a report analyzing the demand for loans, guarantees, and insurance for trade between the United States and the Baltic states, and between the United States and the Soviet Union, and shall make recommendations for the promotion of trade between the United States and such countries. As used in this section, the term "Soviet Union" includes all successor states (other than the Baltic states) to the Soviet Union.

SEC. 1368. SENSE OF THE CONGRESS THAT THE PRESIDENT SHOULD GRANT WAIVERS FOR ESTONIA, LATVIA, AND LITHUANIA.

It is the sense of the Congress that the President should make the determination that Estonia, Latvia, and Lithuania each have ceased to be a Marxist-Leninist country for purposes of section 2(b)(2) of the Export-Import Bank Act of 1945.

SEC. 1369. EFFECTIVE DATE.

The amendments and repeals made by this title shall take effect on October 1, 1991.

CHAPTER 6—MULTILATERAL DEVELOPMENT BANKS

Subchapter A—Energy Efficiency

SEC. 1371. SHORT TITLE.

This subchapter may be cited as the "International Energy Efficiency Financing Act of 1991".

SEC. 1372. ADVANCING THE BENEFITS OF ENERGY EFFICIENCY THROUGH MULTILATERAL DEVELOPMENT BANKS.

(a) FINDINGS.—The Congress finds that—

(1) between one-sixth and one-fifth of the total loans of the multilateral development banks have been for energy supply;

(2) since 1980, less than 1 percent of energy-related spending has been for end-use energy efficiency improvements;

(3) per capita energy use in developing countries is at 5 to 10 percent of the level of per capita energy use in countries of the Organization for Economic Cooperation and Development

(4) from 1973 to 1988, energy use in developing countries has increased rapidly, from 14 to 23 percent of world energy consumption;

(5) energy consumption in developing countries over the past 30 years has quadrupled, and if present population and energy use trends continue, in approximately 20 years developing countries could be consuming as much energy as industrialized countries;

(6) the capital required to finance the growth in energy supply at current levels of energy efficiency has been estimated at $1,000,000,000,000 over the next decade by the International Bank for Reconstruction and Development, increasing to between $145,000,000,000 to $200,000,000,000 per year during the first quarter of the next century, making the range of capital expenditures for energy purposes in developing countries approximately $4,300,000,000,000 for the next 35 years;

(7) careful studies by agencies of the international financial institutions, agencies of the United States, and private nonprofit organizations estimate that 20 to 25 percent of energy costs could be avoided over the near term by using commercially available technologies, and that perhaps 30 to 60 percent of such costs could be avoided over the long term as capital investments are made in generation and transmission equipment, new buildings, appliances, and industrial processes;

(8) every possible effort should be made to realize as much of these potential capital savings as possible in the interest of optimizing the deployment by developing nations of their development funds, conserving the capital of international financial institutions and their donor nations, restraining environmental degradation, improving the debt situation of energy importers, and constraining the demand for energy imports for national security purposes; and

(9) the United States should take the lead in advocating programs at the multinational financial institutions that have the best prospects of maximizing potential savings from energy efficiency over the near- and long-term periods.

(b) ADVANCING THE BENEFITS OF ENERGY EFFICIENCY THROUGH MULTILATERAL DEVELOPMENT BANKS.—Title XIII of the International Financial Institutions Act (22 U.S.C. 262m-262m-7) is amended by adding at the end the following:

"SEC. 1308. ADVANCING THE BENEFITS OF ENERGY EFFICIENCY THROUGH MULTILATERAL DEVELOPMENT BANKS.

"(a) DEMONSTRATION OF BENEFITS OF ENERGY EFFICIENCY.—The Secretary of the Treasury shall instruct the United States Executive Director of each multilateral development bank to use the voice and vote of the United States to take the lead in demonstrating to the respective bank and potential borrowers programs for measuring the efficacy of the application of systems energy efficiency planning and techniques, in energy supply matters and in such areas as affordable shelter, the built environment and urban development generally, transportation of persons and freight and related land use, and agricultural and industrial processes.

"(b) INCENTIVES FOR ENERGY EFFICIENCY PROGRAMS.—The Secretary of the Treasury shall instruct the United States Executive Director of each multilateral development bank to use the voice and vote of the United States to take a leadership position in devising a system of incentives, for adoption by the respective bank, that would promote the application of cost effective energy efficiency programs.

"(c) AVAILABILITY OF ASSESSMENTS BEFORE VOTE ON ACTION SIGNIFICANTLY AFFECTING ENERGY EFFICIENCY.—

"(1) IN GENERAL.—The Secretary of the Treasury shall instruct the United States Executive Director of each multilateral development bank to use the voice and vote of the United States to advocate that, beginning 2 years after the date of the enactment of this section, the respective bank establish procedures to ensure that, at the time of any vote in favor of any action proposed to be taken by the respective bank which would have a significant effect on energy efficiency—

"(A) assessments analyzing the impacts on energy efficiency of the proposed action and of alternatives to the proposed action have been completed by the borrowing country and the institution, and have been made available to the board of directors of the institution for at least 120 days before the date of the vote; and

"(B) except as provided in paragraph (2), such assessments or a comprehensive summary of such assessments have been made available to the multilateral development bank, affected groups, and nongovernmental organizations.

"(2) EXCEPTIONS AND REPORTS.—

"(A) EXCEPTIONS.—The requirement of paragraph (1)(B) shall not apply where the Secretary finds compelling reasons to believe that disclosure in any case described in paragraph (1) would jeopardize the confidential relationship between the borrower country and the respective bank.

"(B) REPORTS BY SECRETARY.—The Secretary shall submit an annual report in writing to the Committees specified in subsection (h)(1) of the findings described in subparagraph (A).

"(d) ACCESS TO ASSESSMENTS IN ALL MEMBER COUNTRIES.—The Secretary of the Treasury shall seek the adoption of policies and procedures, through discussions and negotiations with the other member countries of the multilateral development banks and with the management of such banks, which result in access by governmental agencies and interested members of the public of such member countries to energy efficiency assessments by the borrowing country and the lending institution or documentary information containing comprehensive summaries of such assessments which discuss the impact on energy efficiency of prospective projects and programs being considered by such banks. Such assessments or summaries should be made available to such governmental agencies and interested members of the public at least 120 days before scheduled board action, and public participation in review of the relevant energy efficiency information should be encouraged.

"(e) CONSIDERATION OF ASSESSMENTS.—The Secretary of the Treasury shall—

"(1) ensure that an energy efficiency impact assessment prepared by the borrowing nation or a comprehensive summary of such assessment as described in subsection (c), and a reviewing assessment by the lending institution, accompanies loan proposals through the agency review process; and

"(2) take into consideration recommendations from all other interested Federal agencies and interested members of the public.

"(f) DEVELOPMENT OF PROCEDURES FOR SYSTEMATIC ENERGY EFFICIENCY ASSESSMENTS.—The Secretary of the Treasury, in consultation with other appropriate Federal agencies, shall—

"(1) instruct the United States Executive Director of each multilateral development bank to initiate discussions with the other executive directors of the respective bank and to propose that the respective bank develop and make available to member governments of, and borrowers from, the respective bank, within 12 months after the date of the enactment of this section, a procedure for the systematic assessment of the energy efficiency aspects of development projects and other activities for which the respective bank provides financial or technical assistance, taking into consideration general professional standards for assessing energy efficiency matters, and bilateral or multilateral assessment procedures; and

"(2) in determining the position of the United States on any action proposed to be taken by a multilateral development bank, develop and prescribe procedures for the consideration of, among other things—

"(A) the energy efficiency impact assessments of the action described in subsection (c);

"(B) interagency and public review of such assessments; and

"(C) other energy efficiency review and consultation of such actions that is required by other law.

"(g) USE OF UNITED STATES PERSONNEL.—The Secretary of the Treasury, in consultation with other appropriate Federal agencies, shall—

"(1) make available to the multilateral development banks, without charge, appropriate United States Government personnel to assist in—

"(A) training staff of the bank and appropriate personnel of borrowing countries in energy efficiency impact assessment procedures;

"(B) providing advice on energy efficiency issues;

"(C) preparing energy efficiency studies for projects with potentially significant energy efficiency impacts; and

"(D) preparing documents for public release, and developing procedures to provide for the inclusion of interested nongovernmental organization in the energy efficiency review process; and

"(2) encourage other member countries to such banks to provide similar assistance.

"(h) REPORTS.—

"(1) IN GENERAL.—The Secretary of the Treasury shall submit to the Committee on Banking, Finance and Urban Affairs of the House of Representatives—

"(A) not later than the end of the 2-year period beginning on the date of the enactment of this section, a progress report on the efficacy of efforts by the United States to encourage consistent and timely energy efficiency impact assessment of actions proposed to be taken by the multilateral development banks and on the progress made by the multilateral development banks in developing and instituting energy efficiency assessment policies and procedures; and

"(B) not later than the end of the 3-year period beginning on the date of the enactment of this section, a detailed report on the matters described in subparagraph (A).

"(2) AVAILABILITY OF REPORTS.—The reports required by paragraph (1) shall be made available to the member governments of, and the borrowers from, the multilateral development banks, and to the public.

"(i) MULTILATERAL DEVELOPMENT BANK DEFINED.—As used in this section, the term 'multilateral development bank' has the meaning given such term in section 1701(c)(4).

"(j) SCOPE OF ENERGY EFFICIENCY.—For purposes of the assessments referred to in this section, energy efficiency shall be measured by the

general principle of increased output per unit of input, and such assessments shall consider such concepts and techniques as systems energy efficiency, energy conservation, reduction of energy waste, end use energy efficiency, integrated resource planning, least cost planning, and alternative and renewable sources of energy.".

Subchapter B—Alleviation of Poverty, Reduction of Barriers to Economic and Social Progress, and Other Provisions

SEC. 1381. EFFORTS TO ALLEVIATE POVERTY AND REDUCE BARRIERS TO ECONOMIC AND SOCIAL PROGRESS.

Section 1613 of the International Financial Institutions Act (22 U.S.C. 262p-4h) is amended by adding at the end the following:

"(c) EFFORTS OF REGIONAL MULTILATERAL DEVELOPMENT BANKS TO ALLEVIATE POVERTY AND REDUCE BARRIERS TO ECONOMIC AND SOCIAL PROGRESS.—The Secretary of the Treasury shall instruct the United States Executive Director of each regional multilateral development bank to advocate in discussion with the other directors of the respective bank and with the respective bank that the respective bank should, in pursuing the objectives described in section 64(a) of the Bretton Woods Agreements Act, establish an organizational unit to aid the management of the respective bank in developing and monitoring policies and strategies for the sustained reduction of poverty and for the reduction of legal, regulatory, and policy barriers to economic and social progress and equity, including land reform, tax policy, and access to credit and social services, especially for women.".

SEC. 1382. UNITED STATES POLICY REGARDING DEBT RESTRUCTURING.

Title XV of the International Financial Institutions Act (22 U.S.C. 262o) is amended by adding at the end the following:

"SEC. 1502. UNITED STATES POLICY REGARDING DEBT RESTRUCTURING.

"The Secretary of the Treasury shall instruct the United States Executive Director of each multilateral development bank that, notwithstanding the need of the respective bank to assess country creditworthiness in extending loans, it is against the policy of the United States for the respective bank to impose, as a condition of approving a loan or releasing funds under any loan that has been approved by the bank, that the borrowing country reach an agreement on debt reduction with its commercial bank creditors.".

SEC. 1383. PARTICIPATION OF WOMEN IN DEVELOPMENT ACTIVITIES.

Title XIX of the International Financial Institutions Act (22 U.S.C. 262t) is amended by adding at the end the following:

"SEC. 1902. PARTICIPATION OF WOMEN IN DEVELOPMENT ACTIVITIES.

"The Secretary of the Treasury shall instruct the United States Executive Director of each international financial institution to use the voice and the vote of the United States—

"(1) to continue to advance policies that provide for the participation of women in economic, social, and policy development activities; and

"(3) to encourage borrowing countries to fully involve women in the identification, planning, implementation, and evaluation of mainstream development activities financed by the respective institution.".

SEC. 1384. EMPLOYMENT OPPORTUNITIES AND COMPARABLE PAY.

Title XIX of the International Financial Institutions Act (22 U.S.C. 262t) is amended by adding after the section added by section 1383 of this Act the following:

"SEC. 1903. EMPLOYMENT OPPORTUNITIES AND COMPARABLE PAY.

"The Secretary of the Treasury shall instruct the United States Executive Director of each international financial institution to use the voice and the vote of the United States—

"(1) to urge the respective institution to reflect the diversity of the population in its hiring practices;

"(2) to encourage the respective institution to be attentive to, and to strengthen and expand, its policies on employment opportunities in recruiting, hiring, promoting, and compensating minorities and women; and

"(3) to encourage the respective institution to adopt compensation policies and programs to ensure that in the institution comparable pay is provided for people in comparable jobs.".

SEC. 1385. DIRECTIVE RELATING TO MULTILATERAL AID TO THE HORN OF AFRICA.

Title XV of the International Financial Institutions Act (22 U.S.C. 262o) is amended by adding after the section added by section 1382 of this Act the following:

"SEC. 1503. DIRECTIVE RELATING TO MULTILATERAL AID TO THE HORN OF AFRICA.

"(a) INSTRUCTIONS TO UNITED STATES EXECUTIVE DIRECTORS.—The Secretary of the Treasury shall instruct the United States Executive Director of each multilateral development bank to use the voice and vote of the United States to oppose any loan, except to meet basic human needs, of the respective institution to Ethiopia, Somalia, or Sudan, until the President makes the certification described in subsection (b) for the country.

"(b) CERTIFICATION.—The certification referred to in subsection (a) for a country is a certification by the President to the Committee on Foreign Relations of the Senate, and the Committee on Banking, Finance and Urban Affairs and the Committee on Foreign Affairs of the House of Representatives, that the government of the country—

"(1) has begun to implement peace agreements, national reconciliation agreements, or both;

"(2) has demonstrated a commitment to human rights (within the meaning of sections 283 and 691(a)(2) of the Foreign Assistance Act of 1961);

"(3) has manifested a commitment to democracy, has held or scheduled free and fair elections, and has agreed to implement the results of those elections; and

"(4) has agreed to distribute developmental assistance on the basis of need without regard to political affiliation, geographic location, or the ethnic, tribal, or religious identity of the recipient.

"(c) DEFINITION.—For purposes of this section, the term 'multilateral development bank' includes the International Bank for Reconstruction and Development, the International Development Association, the African Development Bank, and the African Development Fund.".

SEC. 1386. ENCOURAGEMENT OF FAIR LABOR PRACTICES.

Title XIX of the International Financial Institutions Act (22 U.S.C. 262t) is amended by adding after the sections added by sections 1383 and 1384 of this Act the following:

"SEC. 1904. ENCOURAGEMENT OF FAIR LABOR PRACTICES.

"The Secretary of the Treasury shall instruct the United States Executive Director of each international financial institution—

"(1) to use the voice and vote of the United States to urge such institution to encourage borrowing countries, as an instrument of economic development, to engage in fair labor practices consistent with internationally recognized worker rights, within the context of their own level of economic development; and

"(2) to report to the Secretary of the Treasury, on a regular basis, on actions taken by such institution to promote the goal of fair labor practices referred to in paragraph (1).".

Subchapter C—Financial Integrity

SEC. 1391. ESTABLISHMENT OF PROCEDURES FOR INTERNAL AUDITS AND INVESTIGATIONS.

Title XV of the International Financial Institutions Act (22 U.S.C. 262o) is amended by adding after the sections added by sections 1382 and 1385 of this Act the following:

"SEC. 1504. ESTABLISHMENT OF PROCEDURES FOR INTERNAL AUDITS AND INVESTIGATIONS.

"(a) PROPOSE ESTABLISHMENT OF OFFICE OF INSPECTOR GENERAL IN EACH MULTILATERAL FINANCIAL INSTITUTION.—The Secretary of the Treasury shall instruct the United States Executive Director of each international financial institution (as defined in section 1701(c)(2)) to use the voice and vote of the United States to ensure that within their respective institutions an office of Inspector General or the equivalent thereof is established that undertakes the activities described in subsection (b).

"(b) ACTIVITIES.—The purposes of such office must be—

"(1) to conduct and supervise audits and investigations relating to the programs and operations of the institution;

"(2) to provide recommendations for economy, efficiency, and effectiveness in the administration of such programs and operations;

"(3) to prevent and detect fraud and abuse in such programs and operations; and

"(4) to provide a means for keeping the chief executive officer and the board of directors of the institution fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.

"(c) SUPERVISION AND OTHER ADMINISTRATIVE PROVISIONS.—

"(1) APPOINTMENT OF HEAD OF OFFICE.—The chief executive officer of the institution should appoint the head of such office, without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations.

"(2) INDEPENDENCE OF HEAD OF OFFICE.—The head of such office should report to and be under the general supervision of the chief executive officer of the institution, or to the extent such authority is delegated, the officer next in rank below the chief executive officer, but must not report to, and be subject to the supervision of, any other officer of the institution. The head of such office should not be prevented or prohibited from initiating, carrying out, or completing any audit or investigation.

"(3) REMOVAL OF HEAD OF OFFICE.—The head of such office should be removable from such position only by the chief executive officer of the institution who must communicate the reasons for any such removal to the board of directors of the institution.

"(d) DUTIES AND RESPONSIBILITIES OF THE HEAD OF SUCH OFFICE.—The head of such office should have duties substantially equivalent to the following:

"(1) To provide policy direction for the audit and investigative functions of the office, and conduct, supervise, and coordinate audits and investigations relating to the programs and operations of the institution.

"(2) To recommend policies for, and to conduct, supervise, and coordinate relationships between the institution and other international financial institutions with respect to audit and investigative functions.

The head of such office should conduct, supervise, and coordinate audits relating to the programs and operations of the institution in accordance with appropriate accounting and auditing principles.

"(e) TERM OF OFFICE OF HEAD OF SUCH OFFICE.—The head of such office should be appointed for a term that is of sufficient duration to ensure the independence of such official.

"(f) PROVISION OF RESOURCES.—Such office should be provided with sufficient resources relating to staff to enable the office to carry out its duties.

"(g) REPORTS.—The head of such office should prepare detailed annual reports summarizing the activities of such office during the immediately preceding 12-month period, and should submit such reports simultaneously to—

"(1) the officer of the institution with general supervisory authority over the head of such office; and

"(2) the Chairman of the Board of Directors of the institution, or a committee of the board duly constituted for such purpose.".

CHAPTER 7—CONSOLIDATION OF REPORTS

SEC. 1399. CONSOLIDATION OF CERTAIN REPORTS.

Section 1701(b) of the International Financial Institutions Act (22 U.S.C. 262r(b)) is amended—

(1) by striking "and" at the end of paragraph (10);

(2) by striking the period at the end of paragraph (11) and inserting "; and"; and

(3) by adding at the end the following:

"(12) a compilation of the text or summary of, or references to, any other reports required by the Bretton Woods Agreements Act or this Act.".

TITLE XIV—MISCELLANEOUS

SEC. 1401. FOOD AS A HUMAN RIGHT.

(a) THE RIGHT TO FOOD AND UNITED STATES FOREIGN POLICY.—

(1) IN GENERAL.—The United States shall, in accordance with its international obligations and in keeping with the longstanding humanitarian tradition of the United States, promote increased respect internationally for the rights to food and to medical care, including the protection of these rights with respect to civilians and noncombatants during times of armed conflict (such as through ensuring safe passage of relief supplies and access to impartial humanitarian relief organizations providing relief assistance).

(2) RESPONSIBILITIES OF THE ASSISTANT SECRETARY OF STATE FOR HUMAN RIGHTS AND HUMANITARIAN AFFAIRS.—The responsibilities of the Assistant Secretary of State for Human Rights and Humanitarian Affairs shall include promoting increased respect internationally for the rights to food and to medical care in accordance with paragraph (1).

(b) UNITED NATIONS CONVENTION ON THE RIGHT TO FOOD.—It is the sense of the Congress that a major effort should be made to strengthen the rights to food in international law to assure the access of all persons to adequate food supplies. Toward that end, the Secretary of State, through the United States Representative to the United Nations, should propose to the United Nations General Assembly that a Declaration and a Convention concerning the right to food be adopted and submitted to the countries of the world for ratification.

SEC. 1402. ENVIRONMENTAL SECURITY AND FOREIGN POLICY.

(a) SHORT TITLE.—This section may be cited as the "United States Environmental Security and Foreign Policy Act of 1991".

(b) FINDINGS.—The Congress makes the following findings:

(1) Environmental protection must play a pivotal role in United States foreign policy, especially in light of rapidly increased understanding of the pervasive nature of global environmental problems.

(2) Transnational environmental threats to the economic and social well-being of individuals, nations, and the global community and the means to adequately address such problems are likely to pose an increasing challenge in the formulation of United States foreign policy, and international diplomacy on environmental issues must constitute a high priority in the conduct of United States foreign policy.

(3) If sustainable economic development is to be achieved, protection of the environment, especially through prevention of environmental degradation, must be a major goal of United States foreign policy.

(c) CONGRESSIONAL DECLARATION OF ENVIRONMENTAL SECURITY AND FOREIGN POLICY.—In order to encourage the establishment of global environmental security, the Congress declares the following to be the policy of the United States:

(1) Current and potential threats to the global environment shall be assessed, and appropriate measures shall be taken to obtain international cooperation on environmental protection.

(2) United States foreign policy to achieve global environmental security shall be based on the following fundamental principles:

(A) Protection of human life from the adverse effects of environmental degradation.

(B) Protection of the atmosphere from degradation or adverse changes arising from human activity.

(C) Protection of biological diversity.

(D) Protection of the world's forest cover.

(E) Protection of the oceans from human induced pollution and from misuse of living marine resources.

(F) Broad-based environmentally sustainable development as a basic objective of United States foreign assistance.

(G) Integration of economic and environmental decisionmaking processes.

(3) In recognition of the environmental factors that affect relations among countries, the President, in consultation with appropriate government agencies, shall—

(A) identify and evaluate elements of environmental programs of the United States Government with significant international implications or applications;

(B) identify and evaluate international environmental developments with significant implications for or applications in the United States; and

(C) initiate and participate in international environmental activities directed to the identification and resolution of international environmental problems and issues.

(4) In order to implement the policies set forth in this section, the Secretary of State shall have primary responsibility, subject to and in accordance with other applicable provision of law, to coordinate and oversee all major environmental agreements and activities between the United States and foreign countries, international organizations, and commissions of which the United States and one or more foreign countries are members.

(d) REPORT TO CONGRESS.—On May 1, 1992, and biennially thereafter, the Secretary of State shall submit a report to the Congress containing information and recommendations with respect to the following:

(1) Major multilateral environmental initiatives and negotiations concluded or in process, including identification of key issues and United States positions.

(2) Bilateral agreements on the environment in effect, by issue.

(3) United States participation in and support of environment programs in international organizations and multilateral development banks, including policies on environment protection encouraged by the United States and actions taken with regard to the policies by such institutions.

(4) International cooperation activities with respect to research and monitoring of environmental and natural resource conditions, including identification of United States funding levels and in-kind participation.

(5) Environmental policies and activities of the United States in providing foreign assistance.

SEC. 1403. REFORMING THE UNITED NATIONS RESPONSE TO INTERNATIONAL DISASTERS.

It is the sense of the Congress that a major effort should be made to reform and restructure the United Nations mechanism for responding to international disasters and other humanitarian emergencies. Toward that end, the Secretary of State, through the United States Representative to the United Nations, shall evaluate the role of the United Nations Disaster Relief Organization (UNDRO) and shall develop a proposal for strengthening the United Nations response to such emergencies. In formulating such proposal, the Secretary of State and the United States Representative to the United Nations shall give strong consideration to proposals that have been made for strengthening the United Nations responsiveness to disasters, including the following:

(1) The appointment by the Secretary General of a senior representative to be responsible for humanitarian affairs (including disaster response), whose office would be vested with sufficient authority, support, and resources to develop new procedures and coordination mechanisms to become the United Nations lead agency in international disaster relief matters.

(2) Creation of a standing interagency group, consisting of all United Nations agencies involved in disaster assistance, with a secretariat based in the office referred to in paragraph (1).

SEC. 1404. NUCLEAR NONPROLIFERATION REGIMES IN SOUTH ASIA AND OTHER REGIONS.

(a) POLICY.—It is the sense of the Congress that—

(1) the problems of halting international commerce in nuclear-weapons-related technology, of prohibiting the development, acquisition, or use of nuclear weapons, and of responding to the effects of nuclear war are global in nature;

(2) progress toward resolving these problems requires the agreement of all countries to undertake binding, universal, and nondiscriminatory commitments to global principles represented by the Treaty on the Non-Proliferation of Nuclear Weapons and the safeguards system implemented pursuant to that Treaty by the International Atomic Energy Agency;

(3) the design, negotiation, and development of regional nuclear nonproliferation regimes in South America, the Middle East, South Asia, East Asia, and in other regions can serve the global interest by reinforcing the universal standards and principles of the Treaty on the Non-Proliferation of Nuclear Weapons and the safeguards verification system of that Treaty, as implemented by the International Atomic Energy Agency;

(4) agreements among countries promising not to attack one another's nuclear facilities are useful measures that can contribute to the creation of nuclear nonproliferation regimes;

(5) timely information about the progress of these nonproliferation regimes toward achievement of these global nonproliferation objectives is essential to the Congress in the deliberation, formulation, and oversight of United States nuclear nonproliferation policy; and

(6) the President should pursue a regional negotiated solution to the issue of nuclear nonproliferation in the countries of South Asia, including at least the countries of the People's Republic of China, India, and Pakistan, and the President should seek an accord to be signed by

all nuclear weapon states in the Asian region which would prohibit nuclear attacks or the threat to use nuclear weapons by nuclear weapon states on countries in South Asia.

(b) REPORT.—The President shall submit to the Congress in January of 1992, and in January of each year thereafter, a report describing the progress made and obstacles encountered in establishing regional nuclear nonproliferation regimes in South America, the Middle East, South Asia, East Asia, and other regions. Each such report shall include a description of—

(1) any new regional agreements, treaties, or institutions that are created to advance global nuclear nonproliferation objectives;

(2) any new regional verification procedures and sanctions mechanisms to ensure progress toward achieving global nuclear nonproliferation objectives;

(3) any new proposals from countries in these regions to foster the development of regional regimes that promote global nuclear nonproliferation objectives; and

(4) a classified evaluation of any evidence that any country has engaged in the previous year in activities described in subparagraphs (A) through (D) of section 601(a)(3) of the Nuclear Non-Proliferation Act of 1978 or any other nuclear-weapon-related activity described in section 669 or 670 of the Foreign Assistance Act of 1961, together with an unclassified summary of this evidence.

And the Senate agree to the same.

From the Committee on Foreign Affairs, for consideration of the House bill, and the Senate amendment (except title IX), and modifications committed to conference:

DANTE B. FASCELL,
LEE H. HAMILTON,
GUS YATRON,
STEPHEN J. SOLARZ,
SAM GEJDENSON,
MERVYN M. DYMALLY,
ROBERT G. TORRICELLI,
BEN GILMAN,

As additional conferees from the Committee on Foreign Affairs, for consideration of title IX of the Senate amendment, and modifications committed to conference:

SAM GEJDENSON,

As additional conferees from the Committee on Agriculture, for consideration of section 502 of the House bill, and section 516 of the Senate amendment, and modifications committed to conference:

E DE LA GARZA,
CHARLIE ROSE,
DAN GLICKMAN,
PAT ROBERTS,
SID MORRISON,

As additional conferees from the Committee on Banking, Finance and Urban Affairs, for consideration of sections 401, 403, 644(g), 844(b), and 846(b) of the House bill, and sections 515–16, 520(B), 606, 721–23, 731, 741–42, 771– 74, and titles IX and XVIII of the Senate amendment, and modifications committed to conference:

MARY ROSE OAKAR,
STEVE NEAL,
JOHN J. LAFALCE,
ESTEBAN EDWARD TORRES,

Signature only for those provisions under the jurisdiction of the Banking Committee.

JIM LEACH,

As additional conferees from the Committee on Energy and Commerce, for consideration of sections 848(b) and 1104 of the House bill, and title XVI of the Senate amendment, and modifications committed to conference:

JOHN D. DINGELL,
AL SWIFT,
DENNIS E. ECKART,
NORMAN F. LENT,
DON RITTER,

As additional conferees from the Committee on the Judiciary, for consideration of that portion of section 621 which adds a section 7202(f) to the Foreign Assistance Act and section 642(b) of the House bill, and modifications committed to conference:

JACK BROOKS,
ROMANO L. MAZZOLI,
MIKE KOPETSKI,
BILL MCCOLLUM,
LAMAR SMITH,

As additional conferees from the Committee on Merchant Marine and Fisheries, for consideration of that portion of section 101 which adds a section 1303 to the Foreign Assistance Act of 1961, and that portion of section 621 which adds a section 7403 to the Foreign Assistance Act of the House bill, and sections 305 and 680A of the Senate amendment, and modifications committed to conference:

WALTER B. JONES,
GERRY E. STUDDS,
BILLY TAUZIN,
BOB DAVIS,
NORMAN F. LENT,

As additional conferees from the Committee on Public Works and Transportation, for consideration of sections 848(b) of the House bill, and title XVI of the Senate amendment, and modifications committed to conference:

ROBERT A. ROE,
HENRY J. NOWAK,
JAMES A. HAYES,
JOHN PAUL HAMMERSCHMIDT,
THOMAS E. PETRI,

As additional conferees from the Committee on Ways and Means, for consideration of sections 642(c), 901, and 1071 of the House bill, and sections 514–16, 607A and 690 of the Senate amendment, and modifications committed to conference:

DAN ROSTENKOWSKI,
SAM GIBBONS,
ED JENKINS,
BILL ARCHER,
PHIL CRANE,

Managers on the Part of the House.

CLAIBORNE PELL,
PAUL SARBANES,
JOE BIDEN,
ALAN CRANSTON,
CHRISTOPHER J. DODD,
HARRIS WOFFORD,
NANCY LANDON KASSEBAUM,
FRANK H. MURKOWSKI,
MITCH MCCONNELL,

Solely for chapter 7 of title VII and chapter 1 of title IX:

DON RIEGLE,
PAUL S. SARBANES,
JAKE GARN,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2508) to amend the Foreign Assistance Act of 1961 to rewrite the authorities of that Act in order to establish more effective assistance programs and eliminate obsolete and inconsistent provisions, to amend the Arms Export Control Act and to redesignate that Act as the Defense Trade and Export Control Act, to authorize appropriations for foreign assistance programs for fiscal years 1992 and 1993, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

INTRODUCTION

The House bill (titles I–VI) undertakes to rewrite entirely the Foreign Assistance Act of 1961, as amended, in order to revise and streamline the authorities and requirements of that act and to delete obsolete provisions which have accumulated over the last 30 years. The Senate amendment does not rewrite the entire Foreign Assistance Act; however, it does streamline the former authorities governing development assistance and deletes many obsolete provisions of law. In cases where the Senate agreed with the consolidation or policy change of the House rewrite, the Senate amendment amends current law.

The committee of conference, during consideration of the House bill and the Senate amendment thereto, accepted the Senate approach of amending the current Foreign Assistance Act rather than rewriting the Act. Therefore, the provisions of the conference substitute, where appropriate, are written as amendments to the Foreign Assistance Act.

The committee of conference notes that, in cases where the Senate amendment does not contain provisions comparable to the rewritten Foreign Assistance Act provision of the House bill, current law is retained unless specifically noted. The committee of conference also notes that repeals of specific provisions of the Foreign Assistance Act and other legislation authorizing foreign assistance programs are primarily listed in section 645 of the conference report.

EARMARKS

Since the enactment of the last foreign assistance authorization bill, the principle has been established clearly in the Senate that authorizing legislation is not to contain floors of funds for specific purposes. The House bill contains numerous earmarks; the Senate amendment is written with specific line item authorizations or ceilings instead. In order to facilitate consideration of the conference report, the committee of conference adopted the Senate approach of line item authorizations and ceilings instead of earmarks.

AUTHORIZATIONS

The following table shows the authorizations of appropriations agreed to in the conference substitute:

AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEARS 1992 AND 1993

[In thousands of dollars]

	Fiscal year 1992—				Plus or minus House	Conference agreement fiscal year 1993
	Request (reestimate)	House-passed H.R. 2508	Senate-passed S. 1435	Conference agreement		
Development assistance (151):						
Int'l. organizations	250,212	300,612	311,280	310,410	9,798	310,410
Bilateral DA	1,277,000	1,077,000	1,310,736	1,380,000	3,000	1,380,000
Agriculture (AG/SDA)	.....	.....	463,051	614,000	.....	614,000
Population	.....	300,000	257,688	300,000	.....	300,000
Health (HEALTH/ED/CSF/AIDS)	.....	(327,000)	301,291	466,000	.....	466,000
(Child survival)	.....	(130,000)	.....	.....	.....	.....
(AIDS)	.....	(62,000)	.....	.....	.....	.....
Education	.....	.....	126,355	.....	.....	.....
Private sector	.....	.....	162,351	.....	.....	.....
Fund for Africa	800,000	1,000,000	800,000	1,000,000	0	1,000,000
Special assist. initiative	560,000	548,500	560,000	575,000	26,500	575,000
Philippines	160,000	160,000	160,000	160,000	0	160,000
SEED	.....	388,500	400,000	415,000	26,500	415,000
Enter. for the Amer. Initiative	285,000	242,356	409,748	285,000	42,644	285,000
ASHA	30,000	35,000	35,000	35,000	0	35,000
Disaster assistance	40,000	70,000	40,000	70,000	0	70,000
AID operating expenses	483,300	483,300	483,300	483,300	0	483,300
AID IG	37,739	37,739	37,739	37,739	0	37,739
Housing guaranties	15,900	2,000	9,500	15,900	13,900	10,000
HIG admin. expenses	8,500	8,500	.....	8,500	0	8,500
TDP	35,000	55,700	40,000	55,000	(700)	75,000
OPIC	10,649	12,300	0	12,300	0	12,300
Priv. Sec. Loan Prog.	1,500	1,500	1,367	1,500	0	1,500
Peace Corps	200,000	200,000	207,000	200,000	0	200,000
IAF	28,794	28,800	28,794	28,800	.....	31,000
ADF	14,950	14,950	14,950	14,950	0	14,950
Narcotics control	171,500	171,500	171,500	171,500	0	171,500
Sov-E.E. research	0	5,000	0	5,000	0	5,000
Pres. contingencies	20,000	0	10,000	10,000	10,000	10,000
Subtotal	4,270,044	4,594,757	4,470,914	4,699,899	105,142	4,716,199
Security assistance (152)						
FMF unallocated	.....	718,000	560,500	512,000	(206,000)	512,000
FMF Buydown	.....	270,000	0	.....	.....	.....
Israel FMF	.....	(1,800,000)	1,800,000	1,800,000	.....	1,800,000
Egypt FMF	.....	(1,300,000)	1,300,000	1,300,000	.....	1,300,000
Greece FMF	.....	65,000	350,000	[1]350,000	.....	[1]350,000
Turkey FMF	.....	(500,000)	500,000	500,000	.....	500,000
FMF, Total	4,640,000	4,386,444	4,510,500	4,462,000	75,556	4,462,000
ESF unallocated	.....	1,175,200	966,000	966,000	(209,200)	966,000
Israel ESF	.....	(1,200,000)	1,200,000	1,200,000	.....	1,200,000
Egypt ESF	.....	(815,000)	815,000	815,000	.....	815,000
Regional ME ESF	.....	(7,000)	7,000	7,000	.....	7,000
Cyprus ESF	.....	(15,000)	15,000	15,000	.....	15,000
Ireland ESF	.....	(20,000)	25,000	22,500	.....	22,500
Turkey ESF	.....	(190,000)	175,000	190,000	.....	190,000
S. Pacific ESF	.....	(10,000)	.....	10,000	.....	10,000
Nepal ESF	.....	(10,000)	.....	10,000	.....	10,000
ESF, Total	3,228,000	3,322,500	3,203,000	3,235,500	(87,000)	3,235,500
MAP	10,000	0	.....	.....	.....	.....
Peacekeeping	28,000	28,000	28,000	28,000	0	28,000
IMET	52,500	52,500	47,196	50,500	(2,000)	50,500
Anti-terrorism,	15,000	15,000	15,000	15,000	0	15,000
Subtotal	8,243,500	7,804,444	7,803,696	7,791,000	(13,444)	7,791,000
U.S.-Mexico Env. Fund	.....	.....	10,000	0	.....	0
Advisory Committee	.....	.....	500	0	.....	0
Int'l. Bound/Water Fund	.....	.....	5,000	0	.....	0
Project EDEN	.....	.....	10,000	0	.....	0
Total (151 & 152)	12,513,544	12,399,201	12,300,110	12,490,899	[2]91,698	12,507,199

[1] Program authority level.
[2] This amount is more than offset by savings in the FMFP program pursuant to credit reform.

TITLE I—ECONOMIC ASSISTANCE

REVISION OF ECONOMIC ASSISTANCE PROGRAMS

The House bill revises, consolidates, and streamlines existing development, economic support fund (ESF), and other economic and humanitarian assistance programs authorized under the Foreign Assistance Act and other legislation authorizing and appropriating foreign assistance.

The Senate amendment amends current law, consolidating and streamlining development assistance policies under the Foreign Assistance Act.

The conference substitute reflects the Senate approach.

FINDINGS

The House bill (sec. 1101) sets forth findings regarding the reasons for providing economic assistance and the need for coordination.

The Senate amendment (sec. 101) contains a policy statement which defines five goals for U.S. foreign assistance programs as follows:

(1) promoting and consolidating democratic values and institutions:

(2) promoting U.S. national security interests and securing peace;

(3) promoting economic growth through competitive markets with equitable distribution of benefits;

(4) promoting human resource development and meeting urgent humanitarian needs; and

(5) protecting against transnational threats including environmental degradation, narcotics trafficking, and terrorism.

The conference substitute (sec. 3) sets forth five general goals for U.S. foreign policy and foreign assistance programs. The conference substitute (sec. 101) also amends section 101 of the Foreign Assistance Act of 1961 (hereafter referred to as the Foreign Assistance Act) to enunciate reasons for economic assistance and the need for the coordinated application of resources.

OBJECTIVES

The House bill (sec. 1102 (a)–(e)) defines the four basic objectives of U.S. economic assistance programs as sustainable economic growth, sustainable resource management poverty alleviation, and democracy.

The Senate amendment (sec. 102 (a) and (b)) sets forth similar goals without elaborating on each objective.

The conference substitute (sec. 101) rewrites section 102(a)–(e) of the Foreign Assistance Act to set forth four basic objectives of economic assistance programs and U.S. development cooperation policy: poverty alleviation, sustainable economic growth, sustainable resource management, and democracy. In listing poverty alleviation as the first objective, it is the intention of the committee of conference to emphasize that poverty alleviation remain the

central focus of all U.S. development assistance activities.

CROSS-CUTTING ELEMENTS

The House bill (sec. 1102(f)) identifies participation and consultation, women in development, nongovernmental cooperation in development, appropriate technology, utilization of U.S. institutional capabilities, and human rights as cross-cutting elements of all U.S. economic assistance activities.

The Senate amendment (sec. 101) amends section 102 of the Foreign Assistance Act to set forth involvement of socially disadvantaged populations, contributions of U.S. scientific and research capabilities, use of U.S. technology, utilization of nongovernmental organizations, and promotion of human rights as cross-cutting elements.

The conference substitute (sec. 101) amends section 102(f) of the Foreign Assistance Act to include the House provision.

EFFECTIVE USE OF ASSISTANCE

The House bill (sec. 1102(g)(1–3)) sets forth requirements for the effective use of assistance.

The Senate amendment (sec. 102(d)) contains a similar provision.

The conference substitute (sec. 101) amends section 102(g) of the Foreign Assistance Act to include the House provision.

CHILD SURVIVAL AND BASIC EDUCATION PRIORITY COUNTRIES

The House bill (sec. 1102(g)(4) and (5)) directs the President to establish child survival and basic education programs in priority countries.

The Senate amendment contains no comparable provisions.

The conference substitute is the same as the Senate position. However, the committee on conference intends that the Agency for International Development (AID) should support child survival and basic education programs in all appropriate countries, recognizing that in some instances AOD assistance in these program areas may be inappropriate for various reasons such as the activities of other donors in those sectors, a lack of necessary infrastructure, or inadequate domestic policy.

DEVELOPMENT ASSISTANCE AUTHORITIES

The House bill (sec. 1201) authorizes the provision of development assistance and lists 19 functions for which development assistance may be provided.

The Senate amendment does not contain a comparable provision, although various Senate provisions, referenced separately below, provide new or revised development assistance authorities in addition to the authorities contained in sections 103, 104, 105 and 106 of the Foreign Assistance Act.

The conference substitute is the same as the Senate position.

DEVELOPMENT ASSISTANCE AUTHORIZATIONS

The House bill (sec. 1202) authorizes $1.077 billion in each of the fiscal years 1992 and 1993 to carry out the development assistance programs authorized under the Foreign Assistance Act. The House bill (sec. 1204 (a) and (b)) also authorizes $300 million in fiscal year 1992 and $350 million in fiscal year 1993 for assistance for voluntary population planning.

The Senate amendment (secs. 102–105) makes the following authorizations for each of the fiscal years 1992 and 1993:

	Millions
Agriculture, rural development and nutrition	$463.051
Population assistance	300
Health programs, (including child survival and AIDS activities)	345
Education and human resources development	126.355
Private sector, environment, energy, and other development assistance	161.351

The conference substitute (sec. 102) creates a new section 102A of the Foreign Assistance Act which authorizes $614 million in each of fiscal years 1992 and 1993 for activities to promote sustainable economic base, and $766 million in each of fiscal years 1992 and 1993 for activities to promote sustainable human resource development.

The sustainable economic base authorization provides funding for agriculture, rural development, and nutrition activities authorized in section 103 of the Foreign Assistance Act, and private sector, environment, energy, and other development assistance authorized in section 106 of the Foreign Assistance Act, with a target of $465 million for section 103 activities. The issues of food and agriculture, and related natural resource concerns, continue to be basic to the economic growth of developing countries. In consolidating the funding for the agriculture, rural development, and nutrition account with the private sector, environment, energy and other development assistance account, the committee of conference emphasizes its intention that the critical importance of food and agriculture as a central element in long-term development assistance not be diminished. Accordingly, the legislation establishes a target, which equals approximately 75 percent of this authorization, for agriculture-related activities.

The sustainable human resource development authorization includes $300 million in each of fiscal years 1992 and 1993 specifically for population activities, and $466 million in each fiscal year for health assistance, including child survival and AIDS prevention, and education and other human resource development activities. The committee of conference intends that AID establish funding targets of $140 million for child survival activities and $65 million for AIDS prevention and control activities in each of fiscal years 1992 and 1993. The committee of conference intends that for each of fiscal years 1992 and 1993, 45 percent of the amount made available in each year for AIDS prevention control should be provided directly to the World Health Organization Global Program on AIDS, including activities implemented by the Pan American Health Organization.

EARMARKS FOR HEALTH, CHILD SURVIVAL, AIDS, VITAMIN A DEFICIENCY, AND BASIC EDUCATION ACTIVITIES

The House bill (sec. 1203(a)) earmarks $327 million of the development assistance total in each of fiscal years 1992 and 1993 to carry out health, child survival, and AIDS prevention and control activities and directs the AID Administrator to target $135 million for health, $130 million for child survival activities, and $62 million for AIDS prevention and control in each fiscal year. The section also earmarks $275 million for child survival activities in fiscal year 1992 and $335 million in fiscal year 1993 from development assistance, the Development Fund for Africa, and economic support fund (ESF) assistance. Section 1203(b) earmarks $12 million in fiscal year 1992 and $15 million in fiscal year 1993 from development assistance funds for activities to reduce vitamin A deficiency. Section 1203(c) earmarks $135 million in fiscal year 1992 and $175 million in fiscal year 1993 from development assistance, the Development Fund for Africa, and economic support assistance programs in support of basic education.

The Senate amendment (sec. 103(c)) provides specific authorization for AIDS prevention and control and state that 45 percent of health funds should be provided directly to the World Health Organization Global Program on AIDS.

The Senate amendment (sec. 103(d)) calls on AID to establish a goal of reducing under 5 mortality rates by at least one-third by the year 2000.

The conference substitute (sec. 102) includes in new section 102A of the Foreign Assistance Act targets for child survival and AIDS prevention and control programs as outlined above. The committee of conference urges AID to attempt to allocate for each fiscal year from all economic assistance sources the following: $275 million for child survival programs; $135 million for basic education activities, including early childhood education, primary education, teacher training, and other necessary activities in support of early childhood and primary education, and literacy training for adults; and $12 million for programs to reduce Vitamin A and other micro-nutrient deficiencies. The conference substitute (sec. 106) also amends section 104(c) of the Foreign Assistance Act to authorize AIDS prevention and control programs.

POPULATION POLICY

The House bill (sec. 1204(c)) provides that the amounts available for population assistance shall not be reduced by a greater proportion than other development activities in order to meet other earmarks. The House bill (sec. 6205(b)) also requires that funding be available only for voluntary family planning projects which offer information or referral to a broad range of family planning methods and services.

The Senate amendment contains no comparable provisions.

The conference substitute (sec. 105) amends section 104(b) of the Foreign Assistance Act to reflect the House provisions.

MEXICO CITY POLICY

The House bill (sec. 1204(d)) provides that funds made available to carry out economic assistance programs shall not be denied to nongovernmental organizations (NGOs) or multilateral organizations on the basis of any criterion that is not applicable to foreign governments that receive such funds.

The Senate amendment (sec. 103(a)) amends sec. 104 of the FAA to provide that in determining eligibility for population assistance, the AID Administrator shall not subject NGOs and multilateral organizations to requirements more restrictive than requirements applicable to foreign governments for such assistance.

The conference substitute is the same as the Senate provision.

UNITED NATIONS POPULATION FUND

The House bill (sec. 1205) earmarks $20 million or 16 percent of total population assistance, whichever is less, for the United Nations Population Fund (UNFPA), provided that: the UNFPA be required to maintain these funds in a separate account; that none of these funds be available for programs for the People's Republic of China; that an agreement between the United States and the UNFPA obligating these funds include a provision expressly stating that the full amount of the U.S. contribution will be refunded if any U.S. funds are use for any family planning programs in the People's Republic of China or for abortions in any country; and the agreement between the United

States and the UNFPA also state that the full amount granted by such agreement be refunded to the United States if, during the period 1990–94, the UNFPA provides more than $57 million for planning programs in the People's Republic of China.

The Senate amendment (sec. 103(e)(D)) provides that up to $20 million may be made available to the UNFPA for the provision of contraceptives and related logistics, subject to conditions similar to those in the House bill.

The conference substitute (sec. 105) amends section 104(b) of the Foreign Assistance Act with language which is essentially the same as the Senate provision with additional requirements that the separate account for the U.S. contribution to the UNFPA be administered jointly by the UNFPA and the U.S. Permanent Representative to the U.N. General Assembly, and that disbursement be made to UNFPA projects only subject to the approval of the U.S. Permanent Representative. The committee of conference intends that the Office of Population at AID advise the U.S. Permanent Representative regarding the disbursement of funds.

ASSISTANCE FOR INDIVIDUALS WITH DISABILITIES AND FOR DISPLACED CHILDREN

The House bill (sec. 1201(d)(6)) provides authority to address the health, education, nutrition, and other special needs of displaced children.

The Senate amendment (sec. 217) mandates the establishment of an Office of and an Advisory Board for International Rehabilitation and Therapy in AID and authorizes $20 million in ESF.

The conference substitute (sec. 103) creates a new section 102B of the Foreign Assistance Act which provides that funds available for human resource development under the health and education authorities may be used for assistance to meet the needs of individuals with disabilities, and to assist displaced children who have been abandoned or orphaned as a result of poverty or man-made or natural disaster.

The committee of conference notes that the conference substitute includes an authorization of funds under section 102A(b)(2) for assistance for individuals with disabilities and for displaced children. The committee of conference intends that this provision reflect the U.S. commitment, as demonstrated by the recent enactment of the Americas with Disabilities Act, to assisting persons with disabilities to become independent and productive members of their society.

MARINE FISHERIES AND AQUACULTURE PROGRAMS

The Senate amendment (sec. 102(b)) amends section 103 of the Foreign Assistance Act with findings and a directive that in the allocation of agriculture, rural development, and nutrition funds, special attention be given to strengthening and expanding marine fisheries and aquaculture programs and projects.

The House bill contains no comparable provision.

The conference substitute (sec. 104) amends section 103 of the Foreign Assistant Act to include the directive contained in the Senate provision. Marine fisheries/aquaculture production and living aquatic resources are increasingly important to economic development and to the diets of people around the world. Therefore, the committee of conference directs the AID Administrator to review the proposed elimination of marine fisheries and aquaculture programs and projects in the Bureau for Science and Technology and to report to the Senate Committee on Foreign Relations within 60 days on the status of all projects, including all those supported over the past two years. The report should also include proposals for potential expansion of existing programs or projects and a discussion of new opportunities in aquaculture and marine fisheries. The committee of conference urges the Administrator to ensure that no reductions are made in support for the marine fisheries and aquaculture programs.

PRIVATE SECTOR, ENVIRONMENT, ENERGY, AND OTHER DEVELOPMENT ASSISTANCE

The Senate amendment (sec. 105) revises section 106 of the Foreign Assistance Act to place greater emphasis on environmental and private sector development programs to help developing countries support sustainable management of their resources.

The House bill contains no comparable provision

The conference substitute (sec. 107) generally reflects the Senate provision.

COST SHARING

The House bill (sec. 1242) revises section 110 of the Foreign Assistant Act to provide that the recipient country should bear an appropriate share of the cost of a program or project for which assistance is furnished. A country must bear such costs on an "in kind" basis.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 110) amends section 110 of the Foreign Assistance Act to reflect the House provision.

WOMEN IN DEVELOPMENT

The Senate amendment (sec. 111) sets forth findings on the vital role of women in development and amends section 113 of the Foreign Assistance Act to seek to ensure: the involvement of women in AID projects; the use of sex-disaggregated data; An increase in women's participation in sectors supported by AID; that country development strategy statements identify by sector the obstacles to increasing the levels of participation of women; and inclusion of assessments of impact of AID-assisted activities on women's participation in AID evaluations and assessments. The Senate amendment also authorizes up to $3 million for matching funds to support AID mission women in development (WID) programs and requires a biennial report from AID on the activities under this section.

The House bill contains no comparable provision.

The conference substitute (sec. 111) is similar to the Senate provision except that it does not include the findings and provides up to $6 million for matching funds for AID mission WID programs.

DEVELOPMENT EDUCATION

The House bill (sec. 12220 rewrites section 316 of the International Security and Development Cooperation Act of 1980, generally referred to as the "Biden-Pell" development education provision, to authorize the use of development assistance, ESF, and Development Fund for Africa assistance to support development education in the United States.

The Senate amendment (sec. 109(c)) contains a similar provision.

The conference substitute (sec. 113(b)) conforms generally to the senate provision, amending section 123 of the Foreign Assistance Act to direct the AID Administrator to support fully and encourage development education programs, and repeals section 316 of the International Security and Development Cooperation Act of 1980. It is the intention of the committee of conference that such programs create a broad global consciousness and awareness of transnational problems; promote values and attitudes which encourage a feeling of responsibility to correct injustices; and engage citizens in activities which lead to the improvement of the quality of life for all people.

STRENGTHENING NONGOVERNMENTAL ORGANIZATIONS

The House bill (sec. 1223) restates authorities in section 1229d) and 123 of the Foreign Assistance Act to use economic assistance to strengthen the capacity of NGOs, including research and educational institutions.

The Senate bill contains no comparable provision, retaining current law.

The conference substitute reflects the Senate position.

MICROENTERPRISE DEVELOPMENT

The House bill (sec. 1224) authorizes a program to support microenterprise development and earmarks $85 million in each of fiscal years 1992 and 1993 for microenterprise assistance, of which $20 million in fiscal year 1992 and $30 million in fiscal year 1993 shall be used to support loans which have a purchasing power of $300 or less, of which initial loans should be $150 or less.

The Senate amendment (title XVII) is essentially the same as the House provision except that it provides a line item authorization of $20 million in fiscal year 1992 and $30 million in fiscal year 1993 for programs of poverty lending.

The conference substitute (sec. 118) adds a new title VI to chapter 2 of part I of the Foreign Assistance Act which authorizes a program of microenterprise development. The conference substitute is essentially the same as the House provision except that it does not include the findings, provides that the AID Administrator should use not less than $85 million in each of the fiscal years 1992 and 1993 for micreoenterprise development, of which $20 million in fiscal year 1992 and $30 million in fiscal year 1993 should be used to support loans of $300 or less, and deletes the requirement concerning initial loans of $150 or less.

ASSISTANCE FOR HUMAN RIGHTS AND DEMOCRATIC INITIATIVES

The House bill (sec. 12210 establishes the framework by which the United States may provide assistance to governments and NGOs to promote democracy and respect for human rights. The House bill authorizes the President to use funds available for development assistance, ESF, and the Development Fund for Africa for programs and activities to promote increased respect for internationally-recognized human rights and improve the performance of institutions of democracy. The programs and activities under this section are a consolidation and expansion of current law including section 116(e) (the human rights fund) and section 534 (the administration of justice program) of the Foreign Assistance Act.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 119), which is similar to the House provision, creates a new section 281 of the Foreign Assistance Act. The conference substitute contains an elaboration of the specific programs and activities that are authorized, describes the eligible recipients of assistance, and continues the current prohibition on assistance to influence the outcome of any election.

The committee of conference emphasizes that this language prohibits the financing of

campaigns or candidates for public office. This prohibition does not preclude efforts to ensure free, fair, and open electoral and political processes. Assistance may be provided to register voters and ensure voter participation in elections, develop democratic election laws, monitor elections, ensure equitable access to media outlets during elections, strengthen the capabilities of political parties and institutions to compete effectively, and support other efforts to "level the playing field" in those countries where democratic political forces are at a distinct disadvantage in relation to the government.

The committee of conference notes that AID this year declared the promotion of democracy to be one of its primary functions and endorses the use of foreign assistance for this purpose. However, it is the intent of the committee of conference that AID's traditional function of promoting development will not be diminished as a result of the burgeoning democratic initiative.

The committee of conference believes that great care must be taken to structure U.S. democracy programs so as to minimize, if not eliminate, political and diplomatic interference. It is essential to effective programs aimed at strengthening democratic institutions that they not be subject to political pressures emanating from the United States or other governments. In many countries, strengthening democracy will mean supporting organizations and activities intended to place limits on government authority or to assure accountability of government agencies. Many political organizations, by their very nature, will be involved in trying to replace a particular government. Effective programs aimed at strengthening democratic institutions inevitably will create tensions with governments. U.S. diplomatic personnel and AID officials will have to maintain their focus on the long-term importance of these programs and resist allowing other considerations to undermine their effectiveness. AID will face unique management challenges to maintain an appropriate distance between it and those implementing activities to strengthen democracy while assuring appropriate oversight.

The committee of conference believes that AID should not be involved in directly assisting political parties or groups in civil society that have explicitly or potentially political missions and that risks coming into conflict with their governments. The committee of conference, therefore, fully expects AID to use other appropriate institutions such as the National Endowment for Democracy (NED), a non-governmental entity which has a proven track record of grant-giving to private, politically active organizations, parties, institutions, or media whose independence from government is essential to their work, in the planning and implementation of this type of program.

The committee of conference is further concerned that AID also proposes to involve itself in activities within the traditional purview of the United States Information Agency (USIA) and by the apparent lack of executive branch coordination in devising and structuring, as well as funding, U.S. support for democracy abroad. There appears to be significant overlap and fragmentation among the various U.S. Government-funded agencies involved in the promotion of democracy, namely the Department of State, USIA, NED, and AID. The committee of conference shares the views regarding the roles of each of these agencies expressed in the report accompanying the House bill and expects AID to fully utilize the experience and expertise of USIA and NED in the planning and implementation of programs authorized under this section. The committee of conference intends that AID provide funding for appropriate projects of USIA and NED to further the purposes of this section.

Because of the aforementioned concerns and because the committee of conference notes a lack of coordination within AID, the conference substitute requires advance congressional notification, pursuant to the procedures applicable to reprogramming contained in section 634A of the Foreign Assistance Act, of all projects under this section.

The committee of conference also expects greater overall coordination by the executive branch and, to this end, the conference substitute (sec. 119(b)) requires the President to submit a report, not later than six months after the date of enactment, to the appropriate congressional committees on the role and responsibilities of each of the abovementioned agencies in the promotion of democracy, including budget allocations. The report should include specific recommendations for improving coordination and the delineation of responsibilities among agencies.

PRIVATE VOLUNTARY ORGANIZATION ACTIVITIES

The House bill (sec. 1225) earmarks $275.4 million in each fiscal years 1992 and 1993 to support activities of private voluntary organizations (PVOs).

The Senate amendment (sec. 109(b)) amends section 123(h) of the Foreign Assistance Act to raise the PVO funding floor for development assistance and ESF from 13.5 percent to 18 percent, and raises the PVO funding target from 16 to 25 percent.

The conference substitute (sec. 113) adopts the Senate provision as section 123(f) of the Foreign Assistance Act.

ENVIRONMENTAL ASSESSMENT

The House bill (sec. 1241) restates existing section 117(c) of the Foreign Assistance Act and adds new language directing the President to prepare and take into account an initial environmental examination or review of all development assistance projects and programs.

The Senate amendment (sec. 107) amends section 117(c) with a similar provision and adds a new section 117(d) requiring that no funds be obligated or expended for any project or program requiring an environmental impact statement, assessment, or analysis until any options under consideration with respect to a project or program have been considered and received public comment.

The conference substitute (sec. 112) contains the Senate provision amending section 117(c) of the Foreign Assistance Act and adopts the Senate position with regard to a new section 117(d).

TROPICAL FORESTS

The Senate amendment (sec. 108) amends section 118 of the Foreign Assistance Act to provide that no funds be used for any project that would result in any significant loss of primary tropical forests.

The House bill contains no comparable provision.

The conference substitute reflects the House position. However, the committee of conference believes that AID should make every effort to prevent loss of primary tropical forests.

ECONOMIC REFORM AND ENVIRONMENTAL PROTECTION

The Senate amendment (sec. 112) adds a new section 130 to the Foreign Assistance Act requiring that economic policy reforms undertaken under the act include provisions to protect long-term environmental interest from possible negative consequences of reforms.

The House bill (sec. 1102) provides that economic assistance programs should assist countries to adopt policies and programs that promote ecologically sound patterns of growth.

The conference substitute (sec. 102(d)) reflects the House provision.

ASSISTANCE LIMITED TO ECONOMIC PROGRAMS

The House bill (sec. 1243) restates section 531(e) of the Foreign Assistance Act. It prohibits the use of development assistance, economic support fund assistance, and the Development Fund for Africa for military or paramilitary purposes.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

INTERNATIONAL TRAINING ASSISTANCE

The Senate amendment (sec. 216) encourages AID to maintain current funding or increase funding for international training programs and establishes criteria and authorizes funding for administration of coordinating offices.

The House bill contains no comparable provision.

The conference substitute is the same as the House position.

POLICY ON DEVELOPING NATION GROWTH

The Senate amendment (sec. 2006) expresses the sense of Congress that the United States should urge developing countries to pursue policies conducive to growth through private direct investment and to adopt "national treatment" for private direct investors and should urge industrial countries not to erect trade barriers.

The House bill contains no comparable provision.

The conference substitute is the same as the House position. However, the committee of conference notes that section 102(c) of the conference substitute links the objective of sustainable economic growth to support for free market principles, economic reforms such as deregulation and privatization, and adherence by governments to international economic agreements, particularly those relating to free and fair trade practices.

ECONOMIC SUPPORT FUND OBJECTIVES

The House bill (sec. 1301) restates section 531(a) of the Foreign Assistance Act which authorizes use of ESF to promote economic or political stability.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

ECONOMIC SUPPORT FUND AUTHORIZATIONS

The House bill (sec. 1302) authorizes $3.3225 billion for each of fiscal years 1992 and 1993 for the economic support fund. (Authorization of ESF funds for specific countries and programs are found as earmarks in the regional titles of the House bill rather than in this section).

The Senate amendment (sec. 301) provides a total of $3.203 billion in ESF assistance for each of fiscal years 1992 and 1993. The Senate amendment makes the following authorizations for each of the fiscal years 1992 and 1993: $1.2 billion in each fiscal year for Israel, to be made available on an expedited basis; $815 million for Egypt, which may include sector grants subject to certain conditions and may include certain support for Egyptian civilian law enforcement personnel; $7

million for cooperative scientific and technological projects involving Israel, Egypt, and other Middle Eastern countries, and, where appropriate, the United States; $15 million for Cyprus, for scholarships and other activities; $25 million for the U.S. contribution to the International Fund for Ireland; $75 million for Turkey; and $966 million for those countries and programs not specifically authorized.

The conference substitute (sec. 123) provides a total of $3.235 billion in ESF assistance for each of the fiscal years 1992 and 1993. The conference substitute makes the following authorizations for each of the fiscal years 1992 and 1993: $1.2 billion for Israel; with provisions relating to the terms for such assistance in section 601 of the conference substitute; $815 million for Egypt, with provisions relating to the terms of such assistance in section 602 of the conference substitute; $190 million for Turkey; $22.5 million for the U.S. contributions to the International Fund for Ireland; $15 million for Cyprus for scholarships and other activities; $10 million for Nepal; $10 million for the South Pacific regional program, of which $2 million is authorized each year for scholarships for postsecondary study in the United States; $7 million for cooperative scientific and technological projects involving Israel, Egypt, and other Middle Eastern countries, and, where appropriate, the United States; and $966 million for countries and purposes not specifically authorized.

ADMINISTRATION OF JUSTICE PROGRAM FOR THE PHILIPPINES

The Senate amendment (sec. 302) contains a provision which designates the Philippines as an eligible country to receive assistance under section 534(a) of the Foreign Assistance Act (relating to the administration of justice program).

The House bill contains no comparable provision.

The conference substitute deletes the authority in section 534(a) of the Foreign Assistance Act to conduct programs to strengthen the administration of justice in Latin America and the Caribbean and consolidates it with the worldwide authority (contained in the conference substitute section 119) to conduct programs and activities to promote respect for internationally recognized human rights and improve the performance of institutions of democracy, including judicial institutions.

The committee of conference urges the President to exercise this authority to carry out programs and activities designed to strengthen respect for the rule of law and improve the independence and effectiveness of judicial institutions in the Philippines.

RESTRICTIONS OF USE OF FUNDS FOR NUCLEAR FACILITIES

The Senate amendment (sec. 304) prohibits the use of ESF for costs related to nuclear facilities unless the President certifies that the recipient country is a signatory to the Nuclear Nonproliferation Treaty or the Treaty for the Prohibition of Nuclear Weapons in Latin America, cooperates fully with the International Atomic Energy Agency, and pursues nonproliferation policies.

The House bill contains no comparable provision.

The conference substitute is the same as the House position. The committee of conference notes that sec. 741 of the bill contains provisions related to Argentina's and Brazil's common nuclear policy.

PURCHASE OF U.S. GOODS AND SERVICES

The House bill (sec. 1303) generally requires that governments receiving cash transfer assistance enter into agreements to spend an amount equal to 100 percent of that cash transfer assistance on U.S. goods and services. The goods are required to be shipped as though furnished by the U.S. Government (which language brings into effect section 901 of the Merchant Marine Act of 1936); directs the President to ensure the equal distribution of ports of departure and that goods are available at fair prices; and requires that the General Accounting Office have access to the records and personnel necessary to carry out monitoring and auditing as appropriate. The House bill exempts from the application of this provision any country (1) that receives such transfers of less than $25 million in a fiscal year: (2) that, as of April 1, 1989, was receiving cash transfer, and as of the time of cash transfer, has an agreement (a) to spend an amount equal to the cash transfer on purchases of U.S. goods and services; (b) to carry 50 percent of all bulk shipments on U.S. grain on privately owned U.S.-flag commercial vessels, to the extent such vessels are available at fair and reasonable rates; and (c) to purchase U.S. grain at levels comparable to those purchased in prior years, except only if the country continues to agree to those conditions; or, (3) that, as of the effective date of this section, has an agreement requiring that country to spend an amount equal to the cash transfer to purchase U.S. goods and services, except only if the country continues to agree to that condition. The President may waive the requirements of this provision with respect to a country if he determines that it is important to the national interest. Any such waiver shall be reported to the appropriate congressional committees.

The Senate amendment (sec. 305) contains a similar provision. The differences are that the Senate amendment: requires the country rather than the recipient government to purchase U.S. goods and services; restricts the reimbursement for the costs of U.S. vessels to no more than 30 percent of international rates; and, applies the exemption from the provision to a country (a) that receives ESF cash transfers of less than $10 million or (b) that agrees to spend an equal amount on U.S. goods and services and to ship 50 percent of all bulk shipments of U.S. grain on privately owned U.S.-flag commercial vessels, but only as long as the country continues to agree to those conditions.

The conference substitute (sec. 124) which creates a new section 533 of the Foreign Assistance Act provides that:

(A) effective fiscal year 1993, ESF cash transfers may be provided only pursuant to an agreement under which the recipient government spend an amount equal to not less than 75 percent of the cash transfer on U.S. goods and services, except that the requirement shall be phased in over a period of four years, so that the minimum amount of ESF which must be spent on U.S. goods and services is equal to 15 percent of ESF cash transfer payments in fiscal year 1993, 35 percent in fiscal year 1994, 55 percent in fiscal year 1995, and 75 percent in fiscal year 1996;

(B) the President ensure that the purchase of U.S. goods and ports of departure be equitably distributed throughout the United States;

(C) access be available for the GAO to records and personnel necessary to monitor and audit cash transfer assistance;

(D) nothing in this provision shall prevent a recipient government from purchasing with the cash transfer assistance goods or services produced in that country; U.S. goods purchased shall be those available at fair prices; and U.S. goods purchased shall be deemed to have been furnished in connection with funds advanced by the United States (which language brings into effect cargo preference law);

(E) the requirements of paragraphs (B) and (C) do not apply to a foreign government that, prior to October 1, 1992, enters into an agreement whereby the government agrees to spend no less than the amounts set forth above for the purchase of U.S. goods and services;

(F) exempted from the requirements of this provision is any government: (1) that receives cash transfer assistance of less than $25 million in a fiscal year; or, (2) that, as of April, 1989, was receiving cash transfer and had an agreement (a) to spend an amount equal to the cash transfer on purchases of U.S. goods and services, (b) to carry 50 percent of all bulk shipments of U.S. grain on privately owned U.S.-flag commercial vessels, to the extent such vessels are available at fair and reasonable rates, and (c) to purchase U.S. grain at levels comparable to those purchased in prior years, but only if within thirty days of the date of enactment the country agrees to continue in effect these conditions and continues to agree to comply. The second exemption is available only to the Government of Israel which last had a qualifying agreement for fiscal year 1989 governing the provision of cash transfer assistance. Many purchases of U.S. grain and associated grain shipping services are made by private entities involved in privatization efforts rather than the Israeli Government itself. The Israeli Government is responsible for ensuring that these privatized purchases are made in accordance with the U.S. purchase and shipping requirements provided in the exemption, and these purchases count towards the requirement; and

(G) the President may waive the requirements of this provision with respect to a foreign government to the extent that he determines it is important to the national interest to do so. Any such waiver shall be reported to the appropriate congressional committees.

The conference substitute eliminates as ambiguity in both the House bill and the Senate amendment by clarifying that U.S. purchase and shipping requirements do not apply to purely private commercial purchases. However, recipient governments remain responsible for ensuring full compliance with the provisions of this section even if the entity that actually purchases the commodities may be a private entity.

ECONOMIC SUPPORT FUND REPORT

The Senate amendment (sec. 513) requires a report on the extent to which ESF greater than $10 million provided to any country in any of the fiscal years 1987–1991 has contributed to economic reform along market principles.

The House bill contains no comparable provision.

The conference substitute (sec. 114) requires that the annual evaluation report required by section 125 of the Foreign Assistance Act identifies economic policy reforms along market economic principles that were promoted by U.S. economic assistance.

VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND PROGRAMS

The House bill (sec. 1401) restates section 301(a) of the Foreign Assistance Act concerning authority to provide assistance to international organizations and programs.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

AUTHORIZATIONS FOR INTERNATIONAL ORGANIZATIONS AND PROGRAMS

The House bill (sec. 1402) authorizes $300.612 million for fiscal year 1992 and $318.712 million for fiscal year 1993 for U.S. voluntary contributions to international organizations and programs. The House bill also includes the following earmarks: $125 million in fiscal year 1992 and $135 million in fiscal year 1993 for the U.N. Development Program (UNDP); $83 million in each fiscal year for the U.N. Fund for Children (UNICEF); $18 million in fiscal year 1992 and $25 million in fiscal year 1993 for the U.N. Environment Program (UNEP); $18.362 million in each fiscal year for the International Fund for Agricultural Development (IFAD); $4 million in each fiscal year for the IFAD Special Program for Africa (IFAD/SPA); $500,000 in fiscal year 1992 and $1 million in fiscal year 1993 for the U.N. University (UNU); and $600,000 in fiscal year 1993 for an additional contribution to the Organization of American States (OAS) to establish an electronic network.

The Senate amendment (sec. 205) provides a total of $311.280 million for U.S. voluntary contributions to international organizations and programs. The Senate amendment amends section 302(a) of the Foreign Assistant Act to make the following authorizations for each of the fiscal years 1992 and 1993: $120 million for the UNDP; $85 million for UNICEF; $1 million for the U.N. Development Fund for Women (UNIFEM); $1.2 million for the Intergovernmental Oceanographic Commission (IOC); $12 million for the OAS development assistance programs; and $83.08 million for international organizations and programs other than the organizations listed above. The Senate amendment also creates a new section 304 of the Foreign Assistance Act which authorizes $1 million for the UNU Endowment Fund.

The conference substitute (sec. 120) provides a total of $310.410 million for U.S. voluntary contributions to international organizations and programs in each fiscal year. The conference substitute amends section 302(a) of the Foreign Assistance Act to make the following authorizations for each of fiscal years 1992 and 1993: $125 million for UNDP; $85 million for UNICEF; $19 million for UNEP; $11.5 million for the OAS, of which $600,000 for fiscal year 1993 should be used to establish an electronic network; $5 million for the IFAD/SPA; $1 million for UNIFEM; $1 million for the IOC; and $62.410 million for international organizations and programs other than those specified. $1 million is authorized for the UNU endowment fund without fiscal year limitation.

The committee of conference expects that $200,000 of the amount authorized for UNIFEM should be provided to carry out the important and complementary work of the International Research and Training institute for the Advancement of Women (INSTRAW). Both of these U.N. agencies strengthen a weak link in the development process by promoting the vital role of women.

The committee of conference recommends that the funding for the OAS be utilized for programs that, to the maximum extent possible, encompass all member states. In particular, these activities would include support for the Foreign Trade Information Service (SICE) of at least $1 million, the University Information Interchange, which are also supported by NASA and NSF, of $600,000, travel for on-site case reviews by the Inter-American Human Rights Commission of $300,000, interparliamentary meetings to follow up on democracy initiatives of $200,000 and in support for education programs through the Inter-American Children's Institute.

AUTHORIZATION OF U.S. PARTICIPATION IN IFAD

The Senate amendment (sec. 205(a)) amends section 301(h) of the Foreign Assistance Act to authorize continued U.S. participation in the International Fund for Agricultural Development.

The House bill contains no comparable provision.

The conference substitute (sec. 120) is the same as the Senate amendment.

PARTICIPATION BY ISRAEL IN THE UNITED NATIONS

The House bill (sec. 1403) provides that the United States may contribute to the International Atomic Energy Agency (IAEA) only if the Secretary of State determines and certifies to Congress that Israel is not being denied its right to participate in that organization.

The Senate amendment (sec. 205(d)) amends the Foreign Assistance Act to add a new section 308 which provides that the United States shall suspend contributions to any United Nations organization in which Israel is illegally expelled, suspended, denied its credentials, or in any other manner denied its right to participate.

The conference substitute (sec. 120(e)) is the same as the Senate provision.

WITHHOLDING OF U.S. PROPORTIONAL SHARE FOR CERTAIN PROGRAMS OF INTERNATIONAL ORGANIZATIONS

The House bill (sec. 1404) reflects section 307 of the Foreign Assistance Act, which provides that no U.S. funds shall be available for the U.S. proportionate share for programs for Libya, Iran, Cuba, or the Palestine Liberation Organization (PLO) or entities associated with it.

The Senate amendment (sec. 522) amends section 307 of the Foreign Assistance Act with a provision essentially the same as the House bill except that it adds Iraq, North Korea, Yemen, and Syria.

The conference substitute (sec. 120(d)) is an amendment to section 307 of the Foreign Assistance Act that is identical to the House provision.

RESTRICTION OF CONTRIBUTIONS TO THE U.N. RELIEF AND WORKS AGENCY (UNRWA)

The House bill (sec. 1405) restates section 301(c) of the Foreign Assistance Act prohibiting U.S. assistance to UNRWA unless UNRWA takes all possible measures to prevent U.S. funds form going to any refugee receiving training by the PLO or engaged in terrorism.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

ANNUAL REPORTS ON VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS BY ALL U.S. GOVERNMENT AGENCIES

The House bill (sec. 1406(b)) rewrites section 306 of current law. The House bill requires an annual report on all U.S. voluntary contributions to international organizations during the previous fiscal year from all sources, including cash and "in kind" contributions, and requires U.S. Government agencies to report promptly to the Office of Management and Budget (OMB) on their voluntary contributions to international organizations.

The Senate amendment (sec. 521) amends to section 306 of the Foreign Assistance Act with a provision similar to the House bill except that agencies are required to report to OMB on a quarterly basis.

The conference substitute (sec. 120(c)) is the same as the Senate provision.

AUDITING OF ACCOUNTS OF INTERNATIONAL ORGANIZATIONS

The House bill (sec. 1407) restates section 301 (d) and (e) of current law to direct the President to support the establishment of independent audit capabilities in the United Nations and its affiliated organizations and in the multilateral development banks (MDBs).

The Senate amendment (sec. 520) is similar to the House provision but is expressed as a sense of Congress provision.

The conference substitute (sec. 120(b)) amends section 301(e) of the Foreign Assistance Act to reflect the House bill.

INTEGRATION OF WOMEN

The House bill (sec. 1408) rewrites section 305 of the Foreign Assistance Act to require the President to instruct U.S. representatives to international organizations to encourage and promote the integration of women into the national economies of member or recipient countries and into professional and policymaking positions within these organizations.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

HOUSING AND URBAN DEVELOPMENT GUARANTEES

The House bill (sec. 1501) updates and rewrites the Housing and Investment Guarantee Authority (sec. 221–223 of the Foreign Assistance Act) to reflect compliance with the Federal Credit Reform Act of 1990 and to expand the authority to include urban infrastructure. The House bill also increases the annual country guarantee ceiling to $50 million, limits the average project guarantee level to $25 million, and raises the aggregate ceiling level to $3.4 billion. The House bill also provides an $8.5 million authorization for administrative expenses in each of the fiscal years 1992 and 1993, and authorizes $2 million in fiscal year 1992 and $8.1 million in fiscal year 1993 for the estimated subsidy cost of an annual program level of $150 million.

The Senate amendment (sec. 204), although not a rewrite of the existing HIG authorities, is similar to the House bill. The Senate amendment expands the authority of the program to include urban infrastructure and compliance with credit reform. The Senate amendment also includes language authorizing the issuance of guarantees for housing and infrastructure in Israel for Soviet refugees. Finally, the Senate amendment authorizes $2.5 million in each of the fiscal years 1992 and 1993 for the estimated subsidy cost of an annual program level of $100 million and authorizes $7 million in each fiscal year for administrative expenses.

The conference substitute (sec. 116) retains the legislative language in section 221 of the Foreign Assistance Act, amends section 222 of the Foreign Assistance Act by adding urban infrastructure, deletes section 222A, and substitutes language in the House bill for section 223 of the Foreign Assistance Act (regarding fee collection). The conference substitute also retains the Senate language regarding guarantees for fair housing and infrastructure in Israel for Soviet refugees. Finally, the conference substitute authorizes $15.9 million for fiscal year 1992 and $10.1 million for fiscal year 1993 for the estimated

subsidy cost of an annual program level of $125 million and $8.5 million for administrative expenses for each fiscal year.

OVERSEAS PRIVATE INVESTMENT CORPORATION

The House bill (sec. 3102) rewrites sections 231–240A of the Foreign Assistance Act to update OPIC's original legislation and eliminate outdated programs. The House bill also eliminates the language restricting OPIC's equity finance program to Sub-Saharan Africa and the Caribbean, deletes language restricting OPIC activities in the PRC (since similar restrictions exist in Public Law 101–246), and removes language restricting loans for mineral extraction. The House bill also raises the ceiling to $7.5 billion on maximum contingent insurance liability and $2.5 billion on maximum contingent guarantee liability, and authorizes funding for a $375 million guarantee program, a $50 million direct loan program, and $12 million for administrative expenses. The remaining changes are technical and reflect compliance with the Federal Credit Reform Act of 1990.

The Senate amendment (sec. 514) contains a provision which requires an investor obtaining insurance, reinsurance, guaranties or other financing from OPIC to certify to the Corporation that any contract for the export of goods contain a clause requiring U.S. insurance companies to have a fair and open competitive opportunity to provide insurance against the risk of loss on such exports.

The conference substitute (sec. 117) amends current law, title IV of chapter 2 of part I of the Foreign Assistance Act, by inserting the funding authorization levels contained in the House bill as well as the technical language reflecting compliance with the Credit Reform Act of 1990. The conference substitute also retains two substantive changes from the House bill: the elimination of some restrictions on the equity finance program and the removal of language restricting loans for mineral extraction. The conference substitute retains language contained in the Senate amendment with respect to insurance, but states that the certification requirement does not apply to investors who do not have controlling interest in fact in the project in question.

PRIVATE SECTOR GUARANTEE PROGRAM

The House bill (sec. 1502) rewrites section 108 of the Foreign Assistance Act which provides the authority for the Private Sector Revolving Fund. The House bill authorizes activities to address credit imperfections and states that the activities should be primarily directed toward providing to small business enterprises and cooperatives credit and support services that are not otherwise available. The House bill sets the terms by which a guarantee may be issued, authorizes a pilot direct loan program not to exceed $10 million, and directs the President to maintain a data system which includes information on the beneficiaries of each project. Finally, the House bill establishes a ceiling of $57 million for fiscal year 1992 and $75 million for fiscal year 1993 for contingent liabilities for guarantees, and authorizes $1.5 million for each of the fiscal years 1992 and 1993 for administrative expenses.

The Senate amendment (sec. 203) amends section 108 of the Foreign Assistance Act to reflect credit reform. The Senate amendment also sets a ceiling on guarantees at $57 million for each of the fiscal years 1992 and 1993 and authorizes $1.37 million for administrative costs for each of the fiscal years 1992 and 1993.

The conference substitute (sec. 109) amends section 108 of the Foreign Assistance Act to include the House findings and adds cooperatives to the list of private enterprises that may be assisted. The conference substitute also retains the House restrictions on the issuance of loans and guarantees and retains the Senate ceilings for guarantees. Finally, the conference substitute authorizes $1.5 million for administrative expenses in each of the fiscal years 1992 and 1993.

TRADE AND DEVELOPMENT AGENCY

The House bill (sec. 3107) is similar to section 661 of the Foreign Assistance Act. The House bill renames the Trade and Development Program as the Trade and Development Agency, which will be an independent Agency under the foreign policy guidance of the Department of State. The House bill expands the mandate of the Agency to cover the preliminary stages of engineering design, requires the Director to work with the Office of Major Projects of the Department of Commerce, permits the Director to appoint four officers and employees without regard to the provisions of USC title V (relating to personnel matters), establishes authorities for the Inspector General, and provides an authorization of $55.7 million in fiscal year 1992 and $70 million in fiscal year 1993 for the activities of the TDP.

The Senate amendment (sec. 209) amends section 661 of the Foreign Assistance Act with language similar to the House bill except it does not include language for engineering design, permits the Agency to appoint only 2 individuals without regard to USC title V, and authorizes $40 million for fiscal 1992 only.

The conference substitute (sec. 125) is similar to Senate amendment, amending section 661 of the Foreign Assistance Act, but it includes language authorizing engineering design and provides an authorization of $55 million for each of the fiscal years 1992 and 1993.

DISASTER ASSISTANCE POLICIES

The House bill (secs. 1601) reflects sections 491(a) and (c) of current law to affirm U.S. willingness to provide assistance for disaster relief and rehabilitation abroad and direct the President to assure, to the maximum extent possible, that this assistance reaches those most in need.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

AUTHORITY TO PROVIDE DISASTER ASSISTANCE

The House bill (sec. 1602) revises section 491(b) of the Foreign Assistance Act to authorize the President, notwithstanding any other provision of law, to furnish disaster assistance related to disaster preparedness, prevention, mitigation, prediction, and contingency planning.

The Senate amendment (sec. 206) amends section 491(b) of the Foreign Assistance Act to extend disaster assistance authority to the prevention and mitigation of disasters.

The conference substitute (sec. 122) is the same as the Senate amendment.

AUTHORIZATION FOR DISASTER ASSISTANCE

The House bill (sec. 1603) authorizes $70 million in each of the fiscal years 1992 and 1993 for the provision of disaster assistance.

The Senate amendment (sec. 206) amends section 492(a) of the Foreign Assistance Act to authorize $40 million in each of the fiscal years 1992 and 1993 for the provision of disaster assistance.

The conference substitute (sec. 122) amends section 492(a) of the Foreign Assistance Act to authorize $70 million in each of the fiscal years 1992 and 1993 for the provision of disaster assistance.

BORROWING AUTHORITY FOR DISASTER ASSISTANCE

The House bill (sec. 1604) revises section 492(b) of current law to increase to $100 million the amount that may be transferred in any fiscal year from all accounts in this act for international disaster assistance and provides that no more than 30 percent of the amount "transferred" in any fiscal year under this section may be from development assistance and the Development Fund for Africa.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 122) amends section 492(b) of the Foreign Assistance Act to provide that up to $70 million in any fiscal year may be transferred from other accounts in this act to be used for disaster assistance. No more than $30 million in any fiscal year may be transferred from the development assistance and Development Fund for Africa accounts.

AMERICAN SCHOOLS AND HOSPITALS ABROAD (ASHA) AUTHORITIES

The House bill (sec. 1701) reflects section 214(a) of the Foreign Assistance Act which authorizes assistance for schools, libraries, and hospitals outside the United States which are founded or sponsored by U.S. citizens and which serve as study and demonstration centers for U.S. ideas and practices.

The Senate amendment (sec. 201) amends section 214(a) of the Foreign Assistance Act to define the term "school" to include any institution for the mentally retarded.

The conference substitute adopts neither the House bill nor the Senate amendment, but retains section 214(a) of the Foreign Assistance Act. The committee of conference notes that it supports the additional guidelines recommended in the report of the House Committee on Foreign Affairs accompanying H.R. 2508.

DEBT EXCHANGE

The House bill (sec. 1721) authorizes the use of economic assistance funds for grants to NGOs to purchase debt obligations owed by a developing country to any commercial lending institution or other private party and to cancel such debt in exchange for that country making available assets or policy commitments to promote the four basic objectives set forth in section 1102 of the House bill. Grantees are authorized to retain any interest received on such funds.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 121) amends section 471 of the Foreign Assistance Act to incorporate the House provision, except that reference is made to the four basic objectives contained in section 102 of the conference substitute.

APPROPRIATE TECHNOLOGY INTERNATIONAL

The House bill (sec. 1731) provides that Appropriate Technology International (ATI) qualifies for development assistance as a PVO and earmarks $2 million in ESF for fiscal year 1992 in addition to the $3 million made available to ATI under its cooperative agreement with AID.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 108) amends section 107 of the Foreign Assistance Act to provide that ATI qualifies as a PVO and to direct that $2 million in ESF for fiscal year 1992 should be made available to ATI to en-

able it to emphasize large-scale replication of successful projects and partnerships with major development and financial institutions.

EVALUATION AND ACCOUNTABILITY/INDEX OF ECONOMIC FREEDOM

The House bill (sec. 1921) revises and expands the authorities contained in sections 125 and 128 of the Foreign Assistance Act. The House bill: Sets forth the rationale for an objective, strategically focused evaluation system competent to assess AID's progress toward the achievement of specific results; directs AID to take specific actions to fulfill these requirements, including development of a program performance information system, better dissemination of evaluation reports, improved use of evaluation as a management tool, and effective coordination with the Inspector General; requires the President to ensure that AID is carrying out its mandated evaluation responsibilities; and requires an annual report to inform the Congress of AID's progress toward achieving the four basic objectives contained in section 1102 of the House bill based on evaluation studies and other empirical information as necessary.

The Senate amendment (title XVIII) requires AID to develop for every country receiving development assistance a system of determining and evaluating the progress being made to increase the freedom and opportunity of individuals to participate in economic growth; lists the factors to be evaluated by this index, including issues of property rights, regulations, the informal sector, wage and price controls, taxation, trade policy, restrictions on investment and capital flows, size of state sector, and banking; requires an annual report; and directs that the index should be taken into consideration in providing U.S. development assistance and assistance through the MDBs.

The conference substitute (sec. 114) amends section 125 of the Foreign Assistance Act. It generally reflects the House provision, with the following exceptions; references are corrected to apply to the Foreign Assistance Act as amended by this act; section 114(d)(2)(B), dealing with periodic country reports, directs the identification of economic policy reforms conducive to sustainable economic growth, in particular reforms along market economic principles, that were promoted by U.S. economic assistance and requires an analysis of the progress being made by countries receiving economic assistance in adopting economic policies that foster and enhance the freedom and opportunity of individuals to participate in and promote economic growth in that country, including the development of a series of factors that provide a common standard by which such programs can be evaluated and compared between countries and within countries over time. The committee of conference urges AID to review such factors as property rights, government regulations, activities of the so-called informal sector, wage and price controls, tax and trade policy, restrictions on investment and capital flows, the size of the state sector, and banking regulations and policies.

CENTER FOR UNIVERSITY COOPERATION IN DEVELOPMENT

The House bill (sec. 1941) directs the President to maintain within AID a Center for University Cooperation in Development to strengthen the partnership for development among the U.S. Government and public and private institutions of higher education. The House bill also repeals Title XII of chapter 2 of part I of the Foreign Assistance Act, which establishes the Board for International Food and Agricultural Development (BIFAD).

The Senate amendment (sec. 213), which amends chapter 2 of part III of the Foreign Assistance Act to add a new section 640D, is essentially identical to the House bill, except that it adds a provision dealing with source of funds for the Center. The Senate amendment does not repeal Title XII of the Foreign Assistance Act.

The conference substitute (sec. 127) adds to part III of the Foreign Assistance Act new sections 681 and 682 and deletes Title XII. Section 681 is identical to the House bill. Section 682 establishes a permanent advisory committee on university cooperation in development. The members of the advisory committee are to be appointed by the AID Administrator and will consist primarily of individuals who are from institutions of higher education eligible to participate in development assistance and ESF programs and who have expertise and administrative experience in education, research, and public service relevant to the development needs of developing countries. The committee of conference expects that the Board's chairperson will be a representative of the higher education community. The committee's function is to advise the administrator regarding AID programs carried out with or through institutions of higher education. The committee of conference expects the Board to facilitate involvement of U.S. institutions of higher education in AID programs, including regional and country-level programs.

The Center and the advisory committee are expected to carry forward BIFAD's existing activities and to expand AID cooperation with universities in areas in addition to agriculture, such as health, family planning, and the environment.

Institutions of higher education are important national assets which can be of significant benefit to international development efforts. AID, through the Center and Advisory Board should take full advantage of development resources available in U.S. institutions of higher education. Many U.S. colleges and universities have on-going efforts to internationalize their programs, which present opportunities for increased collaboration between AID and these institutions.

Under the former authorities of title XII of the Foreign Assistance Act, U.S. institutions of higher education have played an integral role in many AID programs, particularly in the agriculture sector and many institutions have received significant strengthening from AID to provide technical resources in agriculture and related fields to meet the needs of developing countries. Agricultural research programs have been initiated which benefit both developing countries and the U.S. agricultural economy, and institutional relationships have been established between U.S. colleges and universities and counterpart institutions in the developing world. This legacy should be an important asset for the University Center.

It is the expectation of the committee of conference that the new University Center will build on these experiences, broadening AID's partnerships with U.S. colleges and universities and deepening cooperative relationships between U.S. institutions of higher education and comparable educational institutions in the developing countries. The participation of U.S. colleges and universities in the economic development programs of poor countries and the building of educational institutions that support the educational, research, and service needs of their societies in a variety of social and economic sections is vital to the achievement of sustainable economic growth and building democratic political systems. The University Center and Advisory Board can play an innovative role, serving as a catalyst for the initiation of sustainable partnerships between U.S. institutions of higher education and colleges and universities in developing countries.

CENTER FOR VOLUNTARY COOPERATION IN DEVELOPMENT

The House bill (secs. 1942 and 1943) directs the President to maintain within AID a Center for Voluntary Cooperation in Development to strengthen the partnership for development among the U.S. government and U.S. PVOs, cooperatives, and credit unions and requires the creation of a permanent Advisory Committee on Voluntary Cooperation in Development.

The Senate amendment (sec. 213), which amends chapter 2 of part III of the Foreign Assistance Act to add new sections 640E and 640F, is essentially identical to the House language, except that it adds a provision dealing with the source of funds for the Center.

The conference substitute (sec. 127) adds to part III of the Foreign Assistance Act new sections 683 and 684, which are identical to the House bill.

In creating the Center for Voluntary Cooperation, the committee of conference reaffirms its strong support for the international development work of PVOs, cooperatives, and credit unions. These nonprofit organizations provide high quality services to the U.S. Government at less cost (about half the cost of AID professional staff or for-profit-contractors) with more sustainable results. PVOs build independent sectors in developing countries which promote more equitable development, pluralism, and democracy. In addition, they promote international voluntarism and express the best humanitarian spirit of the American public.

The committee of conference share a long-standing commitment to the work of PVOs. On May 2, 1989, then AID Administrator Alan Woods testified to the Committee on Foreign Relations of the Senate that "[AID] could not operate without private and voluntary organizations. They are our hands and arms in so many places in the world . . . and it is terribly important that the Agency have a very intimate relationship with private and voluntary organizations."

The role of the Center is to assure that these organizations and indigenous PVOs, cooperatives, and credit unions are appropriately utilized in meeting the objectives of the Foreign Assistance Act. The committee of conference believes that the Center, and its advisory board, should work closely with AID's regional bureaus in order to encourage and facilitate appreciation of the contributions of NGOs. The committee of conference expects that all current programs within the Office of Private Voluntary Cooperation will be made part of the Center, including administration of the farmer-to-farmer program and development education programs as authorized under section 113 of the conference substitute. The committee of conference supports funding for worldwide programs of U.S. PVOs, cooperatives, and credit unions at $60 million in fiscal year 1992, consistent with directives from the Committees on Appropriations of the House of Representatives and the Senate in prior years.

POLICY AND REPORT ON FURTHER MANAGEMENT REFORM

The Senate bill (sec. 512) contains a sense of Congress provision that the President should continue to make efforts to improve the management of the foreign economic assistance program and lists a number of areas in which such efforts should be made. It requires that the AID Administrator prepare a report describing the actions the agency has taken to improve AID management and directs the President to conduct a study on the implications of reducing the number of countries receiving U.S. economic assistance and on the feasibility of incorporating AID into the Department of States.

The House bill contains no comparable provision.

The conference substitute (sec. 128) reflects the Senate provision. Section 128(a) lists areas in which reform of the management of foreign economic assistance programs can be made, including: (1) streamlining the project development process; (2) increasing AID's decentralization; (3) reducing the number of projects and increasing their duration; (4) decreasing recurring costs; (5) expanding overseas tours and streamlining mid-level management; (6) streamlining the contract process; (7) improving the coordination of U.S. economic assistance; and (8) reviewing multidonor coordination practices. It requires the President, within 6 months of enactment of this Act, to report to the Congress on the feasibility of reducing the number of countries receiving economic assistance, on ways to improve coordination for economic assistance within the U.S. government and with other governments, and on ways to improve management of U.S. economic assistance programs, including several specific options for reorganization of the U.S. government with regard to provision of foreign economic assistance.

TITLE II—MILITARY ASSISTANCE SALES AND RELATED PROGRAMS

STATEMENT OF POLICY AND OBJECTIVES

The House bill (sec. 2101) establishes a number of findings and includes a statement of policy on military assistance designed to serve as general policy guidance to enhance program implementation and oversight of military assistance programs in foreign countries.

The Senate amendment (sec. 401) contains a similar provision.

The conference substitute (sec. 201(a)) amends section 501 of the Foreign Assistance Act, combining major elements from the House bill and the Senate amendment.

The committee of conference expects the provision of military assistance to be consistent with the achievement of economic assistance objectives. Military assistance should not be provided if such assistance would hinder the achievement of the overall objectives of the Foreign Assistance Act such as sustainable economic growth, poverty alleviation, and democracy.

OBJECTIVES OF MILITARY ASSISTANCE

The House bill (sec. 2102) contains nine objectives concerning military assistance.

The Senate amendment (sec. 401) contains a similar provision.

The conference substitute (sec. 201(b)) is the same as the Senate amendment except that it includes the House objective addressing the importance of increasing the awareness of nationals of friendly countries of basic issues involving democratic values and institutions, especially respect for internationally recognized human rights.

The committee of conference emphasizes that military assistance programs should support the establishment in friendly foreign countries of a relationship between civilian and military sectors appropriate to a democratic system of government.

FOREIGN MILITARY FINANCING

The House bill (sec. 2201(a)) restates section 503(a) of the Foreign Assistance Act to provide general authority to the President to furnish military assistance by: (1) acquiring from any source and providing by grant, credit financing, or loan any defense article or defense service; (2) financing the sale of defense articles or defense services; and (3) financing the procurement for commercial leasing in the case of major non-NATO allies.

The Senate amendment (sec. 402(a)) amends section 503(a) of the Foreign Assistance Act to provide general authority for the President to furnish military assistance by: (1) acquiring from any source and providing only by grant any defense article or defense service; and (2) financing the procurement for commercial leasing for Israel and Egypt. The Senate amendment is identical to the all grant military assistance authority adopted by the Senate Committee on Foreign Relations in 1989, at the request of the executive branch.

The conference substitute (sec. 202(a)) is the same as the House bill, except it provides that no country can receive more than 60 percent in fiscal year 1992 and 30 percent in fiscal year 1993 of its FMF assistance in the form of concessional interest rate loans. This provision moves toward the trend repeatedly advocated by the executive branch to move the FMF financing program to an all grant program. As the executive branch stated in its budget submission to Congress for fiscal year 1991, "The Administration believes that grant FMF is fully justified because, by enhancing the economic value of U.S. military assistance, many countries are better able to devote more of their scarce financial resources to economic development activities."

FINANCING PROCUREMENT IN COMMERCIAL LEASING

The House bill (sec. 2201(b)) restates section 23 of the Arms Export Control Act to provide that FMF assistance may be provided to any NATO member country or any major non-NATO ally for the procurement of defense articles by leasing from commercial sources subject to a Presidential determination and congressional notification procedures.

The Senate amendment (sec. 402(b)) states that FMF assistance may be provided to Israel and Egypt for the procurement of defense articles by leasing from commercial sources, excluding Major Defense Equipment (other than helicopters and other types of aircraft having possible civilian application), subject to a Presidential determination and congressional notification procedures. The Senate amendment also provides that the leasing authority is subject to specific amounts provided in advance in an appropriation act.

The conference substitute (202(c)) is the same as the Senate amendment.

OBLIGATION OF FUNDS

The House bill (sec. 2201(c)) provides limited authority for FMF assistance to be considered obligated upon apportionment of funds by the Office of Management and Budget without a signed bilateral agreement with the recipient. The House bill also states that any agreement to provide FMF assistance must expressly grant the U.S. Government the right to deobligate uncommitted funds after three years.

The Senate amendment (sec. 402(d)) is similar to the House bill except that it does not contain a deobligation provision.

The conference substitute (sec. 202(c)) is the same as the House bill except that it deletes the provision which requires the U.S. Government to obtain the right to deobligate uncommitted FMF funds after three years. However, the committee of conference believes that the executive branch should insist on the inclusion of deobligation authority in all bilateral agreements.

The House bill (sec. 2201(d)) restates sections 505(b) and 505(c) of the Foreign Assistance Act to state the conditions under which defense articles can be provided on a loan basis.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute, (sec. 202(b)) amends section 505(c) of the Foreign Assistance Act to provide for the value of defense articles to be counted against limitations in section 506(a)(1) of the Foreign Assistance Act.

EXCLUSION OF CERTAIN COSTS FROM CERTAIN SALES

The House bill (sec. 2201(e)) restates section 503(a)(3)) of the Foreign Assistance Act provides that military sales financed by the grant MAP or the grant FMS financing programs not include the cost of salaries of members of the U.S. Armed Forces (other than the Coast Guard) and the unfunded estimated costs of civilian retirement and other benefits.

The Senate amendment (sec. 402(c)) contains a similar provision and amends section 503 of the Foreign Assistance Act to require grant military sales to include the unfunded estimated costs of civilian retirement and other benefits.

The conference substitute (sec. 202(c)) is the same as the Senate amendment.

FINANCING FOR COPRODUCTION AND LICENSED PRODUCTION

The House bill (sec. 2201(f)) restates sections 42 (b) and (c) of the Arms Export Control Act to prohibit the use of military assistance funds for coproduction or licensed production of defense articles outside the United States unless the President provides full information on the proposed transaction.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 202(c)) creates a new section 503(h) of the Foreign Assistance Act which is the same as the House bill. The committee of conference notes that the provision applies to agreements and arrangements approved, with respect to those entered into, by the U.S. Government.

PROCUREMENT INVOLVING CERTAIN VESSELS OF WAR

The House bill (sec. 2201(g)) establishes discretionary authority for the President to prohibit FMF and prior year FMS and MAP from being used to procure certain vessels of war and associated systems subject to certain exceptions.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 202(c)) is similar to the House bill but adds an additional exception for maintenance and repair of weapons systems.

CIVIC ACTION IN AFRICA

The House bill (sec. 2201(h)) specifies that funds made available in title II of the House bill may be used for civic action programs in Africa. The House bill also waives section 6204 of the House bill, the "Brooke-Alexan-

der" amendment, which prohibits countries more than one year in arrears on payments on past U.S. Government loans from receiving additional funds.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate provision.

TERMS OF FINANCING MILITARY ASSISTANCE

The House bill (sec. 2202) stipulates that military financing assistance may be provided on a grant or credit basis, or as guaranties, subject to the Federal Credit Reform Act of 1990 and certain foreign policy and economic criteria and includes a provision enabling military assistance to be used for debt repayment.

The Senate amendment (sec. 402(e)) authorizes the financing of military assistance only on a grant basis. The Senate amendment also includes an amendment to section 503 of the Foreign Assistance Act permitting military assistance to be used for debt repayment.

The conference substitute (sec. 202(c)) is the same as the Senate amendment.

CONDITIONS OF ELIGIBILITY

The House bill (sec. 2203) restates 502 and 505 of the Foreign Assistance Act concerning the eligibility provisions for foreign military assistance.

The Senate amendment (sec. 404) amends section 505 of the Foreign Assistance Act to encourage the President to consider the practice of a country with respect to the law of war as a condition of eligibility in furnishing military assistance under the Foreign Assistance Act or authorizing sales under the Arms Export Control Act.

The conference substitute (sec. 201(b)) amends section 502 of the Foreign Assistance Act to state the purposes for which military assistance may be furnished to a foreign country. The conference substitute (sec. 204) also amends section 505 of the Foreign Assistance Act to include a provision from the House bill which places restrictions on financing to procure defense articles and services consistent with those restrictions presently applicable under the Arms Export Control Act.

APPROVAL OF THIRD COUNTRY TRANSFERS

The House bill (sec. 2204) restates section 505(e) of the Foreign Assistance Act to establish controls and limits on the transfer of such defense articles services to a third country.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate provision.

IMPROVED ACCOUNTABILITY WITH RESPECT TO FINANCED COMMERCIAL ARMS SALES

The House bill (sec. 2205) requires the establishment of new fiscal and accounting controls on financed commercial arms sales comparable to current standards on government-to-government arms sales.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 206) adds a new section 507 of the Foreign Assistance Act, which is similar to the House provision, requires the establishment of controls that are no less stringent in terms of accountability relating to improper business practices and personal conflict of interest than those requirements of the Federal Acquisition Regulation that are applicable to sales under the Arms Export Control Act.

The committee of conference notes that in establishing this requirement the Defense Security Assistance Agency should improve its access to records concerning fiscal and accounting controls to improve monitoring of the implementation of these controls on all government-financed commercial arms sales.

CONSIDERATIONS IN FURNISHING ASSISTANCE

The House bill (sec. 2206) restates section 511 of the Foreign Assistance Act which requires that decisions to furnish military assistance be made in coordination with the U.S. Arms Control and Disarmament Agency.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

AUTHORIZATIONS OF APPROPRIATIONS

The House bill (sec. 2207) authorizes $4,411,444,000 for fiscal year 1992 and $4,840,000,000 for fiscal year 1993 for the FMF program. This section also includes a provision that requires two percent of the aggregate amount of financing provided for the FMF program for each fiscal year be available only for assistance to non-earmarked countries.

The Senate amendment (sec. 403) authorizes $4,510,500,000 for the FMF program for each of the fiscal years 1992 and 1993.

The conference substitute (sec. 203) amends section 504(a) of the Foreign Assistance Act to authorize $1.8 billion for Israel, $1.3 billion for Egypt, $500 million for Turkey, $350 million for Greece, and $512 million unallocated FMF for each of the fiscal years 1992 and 1993, for a total FMF program of $4.462 billion. The conference substitute does not retain the two percent fund for non-earmarked countries.

COMMITMENT OF PRIOR YEAR MILITARY ASSISTANCE FUNDS

The House bill (sec. 2208) provides that if the President determines that no further sales will be made pursuant to the Arms Export Control Act to a specified country, prior year FMS and MAP funds which have been allocated to that country but remain uncommitted may be recommitted to other eligible countries to finance sales under the Arms Export Control Act subject to 15-day advance notification procedures.

The Senate amendment (sec. 413(b)) contains a similar provision except that it also states the authority is subject to specific amounts provided in advance in an appropriation act.

The conference substitute (sec. 202(c)) is the same as the Senate amendment.

MODERNIZATION OF DEFENSE CAPABILITIES

The House bill (sec. 2301) provides that during fiscal years 1992–96 the President may transfer excess defense articles for purposes of modernization to NATO southern flank countries, major non-NATO allies on the southern and southeastern flank, and countries which received FMF assistance in fiscal year 1990 and which, as of October 1, 1990, contributed armed forces to deter Iraqi aggression in the Persian Gulf. Further, the House bill provides that excess defense articles may be transferred without cost to the recipient country and requires that at least 15 days prior to the designation of a country as an eligible country to receive excess defense articles and prior to the transfer of excess defense articles the President must notify the relevant congressional committees. The House bill also establishes that excess defense articles be made available to Greece and Turkey consistent with the policy contained in section 5501 of the House bill and also be made available in approximately the same ratio that FMF is provided to the two countries.

The Senate amendment (sec. 407) amends section 516 of the Foreign Assistance Act for each of the fiscal years 1992 and 1993 to include Coast Guard property as eligible for the purpose of this section.

The conference substitute (sec. 209(a)) is similar to the Senate amendment but extends the authority to the transfer of excess defense articles to fiscal years 1992–1996 and requires that excess defense articles to Greece and Turkey shall be made available in approximately the same ratio as FMF is provided over the 3-year period beginning on October 1, 1992. The conference substitute also makes a technical correction.

The committee of conference notes that section 411 of the conference substitute extends the prohibition contained in section 660 of the Foreign Assistance Act (relating to training of host country law enforcement officials) to this provision.

MODERNIZATION OF COUNTERNARCOTICS CAPABILITIES

The House bill (sec. 2302) authorizes the President to transfer excess defense articles to eligible drug producing countries only for the purpose of encouraging military forces and law enforcement agencies of those countries to participate cooperatively in a comprehensive national counternarcotics program conceived and developed by the government of that country, and only if that country ensures that those excess defense articles will be used primarily in support of counternarcotics activities. The Secretary of State is authorized to determine the eligibility of countries to receive excess defense articles under this section, and is directed to ensure that the transfer of excess defense articles under this section is coordinated with other counternarcotics programs assisted by the U.S. Government. The value of excess defense articles transferred under this section is limited to $10 million per country. The same conditions contained in section 2301 (relating to transfers of excess defense articles for modernization purposes) are applied to transfers under section 2302, including advance notification to relevant congressional committees. The House bill (sec. 2302) further defines an eligible drug producing country as a major illicit drug producing country in Latin America and the Caribbean that has a democratic government, and whose security forces do not engage in a consistent pattern of gross violations of internationally recognized human rights, and that is eligible for foreign military financing assistance at the time the excess defense articles are transferred. Finally, the House bill (sec. 2303) further defines the term excess defense articles to include excess property of the Coast Guard, and for the purposes of this section defines the term "Department of Defense", with respect to such excess property, to include the Coast Guard and clarifies that the purpose of this section is the modernization of counternarcotics capabilities of major illicit drug producing countries, instead of the modernization of military capabilities of these countries (as suggested in section 517 of the Foreign Assistance Act).

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 209(b)) which is essentially the same as the House bill, amends section 517 of the Foreign Assistance Act to reduce advance notification to congressional committees from 30 days to 15 days, and clarify that major drug transit countries as well as major drug producing countries are eligible recipients.

The committee of conference notes that although section 411 of the conference substitute extends the prohibition contained in section 660 of the Foreign Assistance Act to excess defense articles transferred under section 517, this prohibition is waived for fiscal years 1992 and 1993 in section 305 of the conference substitute, subject to the same limitations on host country police force recipients as those on assistance to military forces, including the requirement for democratic governments and respect for human rights.

NATURAL RESOURCES AND WILDLIFE MANAGEMENT

The House bill (sec. 2303) restates section 518 of the Foreign Assistance Act to provide the authority to transfer nonlethal excess defense articles and small arms to friendly countries and to international organizations and private and voluntary organizations for natural resource and wildlife management purposes subject to certain limitations and advance notification requirements.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

ADDITIONAL AUTHORITIES RELATING TO MODERNIZATION OF MILITARY CAPABILITIES

The House bill (sec. 2304) revises section 519 of the Foreign Assistance Act to establish a number of controls and limits on the transfer of non-lethal excess defense articles to foreign countries.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position. The committee of conference notes that section 411 of the conference substitute extends the prohibition contained in section 660 of the Foreign Assistance Act (relating to training of host country law enforcement officials) to this section.

ANNUAL CEILING ON THE TRANSFERS OF EXCESS DEFENSE ARTICLES

The House bill (sec. 2305) establishes an annual ceiling of $250 million on the value of excess defense articles as determined by the aggregate acquisition cost.

The Senate amendment (sec. 411) amends section 37 of the Arms Export Control Act to establish an annual ceiling of $500 million on the value of excess defense articles as determined by the aggregate acquisition cost.

The conference substitute (sec. 209(c)) is the same as the Senate amendment.

ANNUAL REPORT ON TRANSFERS OF EXCESS DEFENSE ARTICLES

The House bill (sec. 2306) requires that the annual congressional presentation document for security assistance programs include a listing by country of the total value of all excess defense articles transferred during the preceding fiscal year, including the acquisition cost of each transfer and the value at the time of delivery.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 209(d)), which amends section 31 of the Arms Export Control Act, is similar to the House bill, but repeals an obsolete reporting requirement. The committee of conference notes that the reporting requirements formerly contained in section 519(e) of the Foreign Assistance Act are incorporated in section 209 of the conference substitute.

DEFINITION OF EXCESS DEFENSE ARTICLES

The House bill (sec. 7601(b)) defines excess defense articles as those defense articles, other than construction equipment (including, but not limited to, tractors, scrapers, loaders, graders, bulldozers, dump trucks, generators and compressors) owned by the U.S. Government, and not procured in anticipation of military assistance or sales requirements, or pursuant to a military assistance or sales order, which are in excess of the Approved Force Acquisition Objective and Approved Force Retention Stock of all Department of Defense (DOD) Components at the time such articles are dropped from inventory by the supplying agency for delivery to countries or international organizations under the Foreign Assistance Act.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 209(f)), which amends section 644(g) of the Foreign Assistance Act, is the same as the House bill.

OVERSEAS MANAGEMENT OF ASSISTANCE AND SALES PROGRAMS

AUTHORIZED FUNCTIONS

The House bill (sec. 2401) restates section 515 of the Foreign Assistance Act to provide that the President may assign members of the U.S. Armed Forces overseas to manage military assistance overseas programs. The House bill also provides advisory and training assistance but limits this function overseas. Further, the House bill provides that at least one member of the Armed Forces assigned to each country under this chapter be given responsibility primarily for monitoring the international security assistance and sales program in that country.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 208) is similar to the House bill but deletes the requirement that a member of the U.S. Armed Forces overseas assigned to a foreign country must monitor the international security assistance and sales program in that country. However, the committee of conference fully expects that one member of the U.S. Armed Forces assigned to a foreign country under this section will continue to monitor the international security assistance and sales program in that country.

LIMIT ON SIZE OF GROUPS

The House bill (sec. 2402) provides that the total number of members of U.S. Armed Forces assigned under this chapter to a foreign country in a fiscal year, may not exceed the number justified to the Congress for that fiscal year, unless the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified 30 days in advance of the introduction of the additional personnel.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 208(a)) is similar to the House bill.

COSTS

The House bill (sec. 2403) mandates that the entire costs (excluding salaries of members of the U.S. Armed Forces, other than the Coast Guard) of overseas management of military assistance and sales program be charged to or reimbursed from funds made available to carry out the FMF program, other than the costs which are either paid directly under a sale of services from the stocks of the Defense Department, or reimbursed from administrative services and other charges paid directly by foreign governments.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 208(b)) amends section 515(d) of the Foreign Assistance Act to add language which exempts Coast Guard salaries from costing provisions.

ROLE OF CHIEF OF MISSION

The House bill (sec. 2404) provides that members of the U.S. Armed Forces assigned to a foreign country under this chapter shall serve under the direction and supervision of the Chief of the United States Diplomatic Mission to that country.

The Senate amendment contains no comparable amendment, retaining current law.

The conference substitute is the same as the Senate position.

GENERAL AUTHORITIES FOR IMET

The House bill (sec. 2501) provides authority for the President to furnish international military education and training (IMET) assistance to military and related civilian personnel of foreign countries and allows IMET to be provided to civilians employed at ministries other than the defense ministry and to legislators of foreign countries under limited circumstances and purposes.

The Senate amendment contains no comparable provisions, retaining current law.

The conference substitute (sec. 210) amends section 541 of the Foreign Assistance Act to include authority to train legislators of foreign countries and add cooperation between military and law enforcement personnel with respect to counternarcotics law enforcement efforts as an objective of the program. Inclusion of the objective of cooperation between military and law enforcement personnel reflects the successful experience of the United States, particularly the essential distinction between internal security and national defense.

TERMS OF ASSISTANCE FOR IMET

The House bill (sec. 2502) restates section 543 of the Foreign Assistance Act to authorize military education and training on a grant basis and, whenever feasible, under the FMF program.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

EXCHANGE TRAINING

The House bill (sec. 2503) restates section 544 of the Foreign Assistance Act to authorize the President to provide for attendance of foreign military personnel at professional military education institutions other than service academies without charge, if such attendance is pursuant to a reciprocal agreement.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

TRAINING IN MARITIME SKILLS

The House bill (sec. 2504) restates section 545 of the Foreign Assistance Act to encourage the President to allocate a portion of IMET funds each fiscal year for use for education and training in maritime search and rescue, operation and maintenance of aids to navigation, port security, and other maritime skills.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

AUTHORIZATION OF APPROPRIATIONS FOR IMET

The House bill (sec. 2565) authorizes $52.5 million for each of the fiscal years 1992 and 1993 for the IMET program.

The Senate amendment (sec. 408) amends section 542 of the Foreign Assistance Act to

authorize $47.196 for each of the fiscal years 1992 and 1993 for the IMET program.

The conference substitute (sec. 210(b)) amends section 542 of the Foreign Assistance Act to authorize $50.5 million for each of the fiscal years 1992 and 1993 for the IMET program.

GENERAL AUTHORITY FOR PEACEKEEPING OPERATIONS

The House bill (sec. 2601) provides general authority for the President to furnish assistance to foreign countries and international organizations for peacekeeping operations and activities and related programs.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 211) amends section 551 of the Foreign Assistance Act with a technical modification which includes peacekeeping-related programs.

PEACEKEEPING DRAWDOWN AND TRANSFER AUTHORITIES

The House bill (sec. 2602) restates section 552(c) of the Foreign Assistance Act to provide the President with emergency drawdown authority for unforeseen emergencies requiring additional U.S. support for peacekeeping operations, as well as authority to make certain transfers from ESF.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

ADMINISTRATIVE AUTHORITIES

The House bill (sec. 2603) restates section 553 of the Foreign Assistance Act to that provide administrative authorities used to govern assistance under part I of the Foreign Assistance Act apply to peacekeeping operations assistance.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

RESTRICTIONS ON STOCKPILES

The House bill (sec. 2701) restates section 514 of the Foreign Assistance Act to set forth the restrictions under which certain U.S. stockpiles abroad may be established and further defines the value of stockpiled defense articles.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

LOCATION OF STOCKPILES

The House bill (sec. 2702(a)) limits the locations of a stockpile outside the boundaries of a U.S. military base or a military base used primarily by the United States. The House bill (sec. 2702(b)) further states that the prohibition detailed in section 2702(a) does not apply to stockpiles located in the Republic of Korea, Thailand, any country that is a member of NATO, any country that is a major non-NATO ally, or any other country the President may designate, subject to advance notification procedures.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 207(b)) amends section 514(a) of the Foreign Assistance Act to allow the President to designate other countries eligible for stockpiles subject to advance notification procedures.

ADDITIONS TO WAR RESERVE STOCKS

The House bill (sec. 2703 (a) and (b)) states that the value of additional defense articles, other than for NATO purposes, in certain stockpiles located in foreign countries, may not exceed in any fiscal year an amount specified in legislation authorizing military assistance programs for that fiscal year. The House bill (sec. 2703(b)) provides the value of additions to such stockpiles in foreign countries shall not exceed $429 million for each of the fiscal years 1992 and 1993.

The Senate amendment (sec. 406) amends section 514(b) of the Foreign Assistance Act with a provision similar to the House bill.

The conference substitute (sec. 207(a)) is the same as the Senate amendment but clarifies the limitation of additions to stockpiles.

COORDINATION OF ALL UNITED STATES TERRORISM-RELATED ASSISTANCE TO FOREIGN COUNTRIES

The House bill (sec. 2801) restates section 502 of the International Security and Development Cooperation Act of 1985 which designates the Secretary of State as coordinator of all terrorism assistance and requires an annual report not later than February 1 on the provision of such assistance provided in the preceding fiscal year. Such reports may be provided on a classified basis.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

CONSIDERATIONS IN PROVIDING ASSISTANCE

The House bill (sec 2802) revises section 571 of the Foreign Assistance Act to authorize the President to furnish antiterrorism assistance, including the provision of commodities, to foreign countries to enhance the ability of law enforcement personnel to deter terrorism and terrorist groups from engaging in acts of international terrorism. The House bill includes additional language concerning terrorism as a transnational threat which poses a danger to a stable world order and to the traveling public, and urging the President to take into account the cooperation provided by other countries in connection with matters related to international terrorism, including such matters as whether a country grants sanctuary from prosecution to individuals or groups that have engaged in international terrorism.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 212)(b)) amends section 620B of the Foreign Assistance Act to include consideration of cooperation regarding international terrorism.

ANTITERRORISM ASSISTANCE

The House bill (sec. 2803) restates section 572 of the Foreign Assistance Act regarding the purposes for which antiterrorism assistance may be provided.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

AUTHORITIES AND LIMITATIONS

The House bill (sec. 2804) restates section 573 of the Foreign Assistance Act which includes various authorities and limitations on providing antiterrorism assistance to eligible foreign countries.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

REPORTS TO CONGRESS

The House bill (sec. 2805) restates section 574 of the Foreign Assistance Act which requires an annual report on the antiterrorism assistance program and advance notification to Congress on the eligibility of foreign countries and the provision of assistance to such countries.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

ADMINISTRATIVE AUTHORITIES

The House bill (sec. 2806) restates section 576 of the Foreign Assistance Act to set forth various restrictions and administrative authorities of the aniterrorism assistance program.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

PROHIBITION ON ASSISTANCE TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM

The House bill (sec. 2808) restates section 620A of the Foreign Assistance Act which prohibits the provision of assistance to countries which the President has determined grant sanctuary from prosecution to any individual or group which has committed an act of international terrorism or otherwise supports international terrorism.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

SPECIAL DRAWDOWN AUTHORITIES

The House bill (sec. 2901) revises section 506 of the Foreign Assistance Act to provide that the President may drawdown defense articles from stocks or services from DOD for unforeseen emergencies requiring immediate military assistance to a foreign country or international organization; provide authority allowing the President to drawdown commodities from stocks or services from DOD for special circumstances requiring nonmilitary assistance for purposes of providing international narcotics control assistance, international disaster assistance or refugee assistance; include language mandating annual aggregate ceilings of $100 million for those defense articles and services provided for emergencies requiring military assistance and an annual aggregate ceiling of $75 million for those emergencies requiring non-military assistance; and include additional provisions regarding congressional notification procedures and costing issues.

The Senate amendment (sec. 405) amends section 506 of the Foreign Assistance Act to increase the ceilings for both military and non-military emergency drawdowns to $100 million and include various technical clarifications.

The conference substitute (sec. 205) is the same as the Senate amendment except that it places a sublimit of $75 million for any drawdowns of commodities of stocks or defense services from DOD in circumstances requiring non-military assistance for purposes of providing international narcotics control assistance. The conference substitute also includes a 15-day advance reprogramming notification to appropriate congressional committees if the President is to exercise the authority to drawdown non-military assistance for purposes of providing international narcotics assistance or refugee assistance.

RESPONSIBILITIES OF THE SECRETARY OF STATE

The House bill (sec. 2921) restates sec. 622(c) of the Foreign Assistance Act to set forth the responsibilities and functions of the Secretary of State in the case of assistance provided under title II.

The Senate amendment contains no comparable position, retaining current law.

The conference substitute is the same as the Senate position.

RESPONSIBILITIES OF THE SECRETARY OF DEFENSE FOR END-USE MONITORING

The House bill (sec. 2922) is similar to section 623 of the Foreign Assistance Act and sets forth the responsibilities and functions of the Secretary of Defense in the case of assistance provided under title II.

The Senate amendment (sec. 411) amends section 623 of the Foreign Assistance Act to clarify the Secretary of Defense's responsibility for monitoring end-item use by recipient countries.

The conference substitute (sec. 213) is the same as the Senate amendment. The committee of conference notes that in adopting the Senate amendment the Secretary of Defense should continue to monitor, to the extent possible, the end-item use of defense articles transferred to foreign countries.

QUARTERLY REPORTS ON PROCUREMENT OUTSIDE THE UNITED STATES

The Senate amendment (sec. 411) amends section 36(a) of the Arms Export Control Act to add a requirement for a listing by country of the estimated amount of funds which will be used for procurement of defense articles and services outside the United States as a result of any determination made pursuant to section 604 of the Foreign Assistance Act along with the reasons for any such determination

The House bill contains no comparable provision.

The conference substitute (sec. 214) is the same as the Senate amendment.

SECURITY ASSISTANCE COORDINATION

The House bill (sec. 2923) restates section 624(e) of the Foreign Assistance Act to provide for the appointment of a Security Assistance Coordinator. The section also requires the Chief of the U.S. diplomatic Mission abroad to coordinate military assistance recommendations with political and economic considerations.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

PERSONNEL LIMITED TO NONCOMBATANT DUTIES

The House bill (sec. 2941) restates section 21(c)(1) of Arms Export Control Act limiting the duties of U.S. personnel providing defense services by prohibiting duties of a combatant nature.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

CONFORMING AMENDMENTS TO ARMS EXPORT CONTROL ACT

The House bill (sec. 202) contains 15 conforming amendments required as a result of the consolidation of the MAP and FMS accounts into the new FMF program.

The Senate amendment (sec. 411) contains a similar provision.

The conference substitute (sec. 241) contains the following conforming amendments:

(1) An amendment to section (2)b of the Arms Export Control Act to strike the reference to military financing among the responsibilities delegated to the Secretary of State under the Arms Export Control Act since military financing is no longer authorized under that Act;

(2) An amendment to section 3(c) of the Arms Export Control Act striking a prohibition on credit sales to countries found to be ineligible for military financing;

(3) An amendment to section (5) of the Arms Export Control Act to remove a prohibition on the use of FMS credits to countries who discriminate against U.S. personnel on the basis of race, religion, national origin, or sex. The prohibition will apply only to military sales since military financing will no longer be authorized under the Arms Export Control Act as a result of the creation of the consolidated FMF program;

(4) An amendment to section 6 of the Arms Export Control Act to broaden the prohibition on the use of FMS credits to any country which engages in a consistent pattern of intimidation and harassment against individuals in the United States to include all foreign assistance as well as military sales;

(5) An amendment to section 21(c)(1) of the Arms Export Control Act to clarify that members of the U.S. Armed Forces assigned or detailed to provide defense services under the AECA may not perform duties of a combatant nature including any duty related to training and advising that may engage U.S. Armed Forces personnel in combat activities, outside the U.S. in connection with the performance of those defense services.

(6) An amendment to section 21(e)(1)(B) to insert language which exempts from nonrecurring costs equipment paid for on a grant basis.

(7) Repeal of section 23 of the Arms Export Control Act, the basic authority for FMS credit sales (this authority is superseded by the authority for the consolidated FMF program);

(8) An amendment to section 24 of the Arms Export Control Act to maintain authority to refinance and reschedule past debt incurred under the old FMS credit and guaranty programs in operation prior to the effective date of this legislation to make the exercise of the authority of this section subject to specific amounts provided in advance in an appropriations act;

(9) An amendment to section 25(a) of the Arms Export Control Act to conform reporting of dollar values of military assistance, countries eligible for cash flow financing, and credit and guaranty agreements with foreign countries under that section to the reporting requirements of the FMF program;

(10) An amendment to section 25(d) of the Arms Export Control Act to include the FMF program in the definition of funds affected by cash flow financing authorized for certain military assistance recipients;

(11) An amendment to section 37 of the Arms Export Control Act to include the FMF program in fiscal provisions for the military assistance and sales program; and

(12) An amendment to section 42 of the Arms Export Control Act to make technical corrections on reporting of coproduction agreements necessitated by new reporting provisions on such agreements mandated by the new FMF program.

TRANSITION RULE CONCERNING DISPOSITION OF CERTAIN PREVIOUSLY PROVIDED MILITARY EQUIPMENT

The House bill (sec. 203) restates section 505(a)(4) of the Foreign Assistance Act to provide that the President may waive the requirements which mandate the return of defense articles and services when they are no longer needed by foreign countries or the return of proceeds of sales of items required by section 505(f).

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 204(b)) is similar to the House bill. It allows the President to waive the former requirements of section 505(a)(4) of the Foreign Assistance Act with respect to items delivered prior to 1985 pursuant to MAP authorities.

ARMS TRANSFER POLICY

The House bill (sec. 221) identifies the primary policy objectives of U.S. foreign arms sales and transfers and changes the title, Arms Export Control Act, to the Defense Trade and Export Control Act.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 221) amends section 1 of the Arms Export Control Act to merge the House bill and the Senate amendment and clarifies the purposes for which transfers under the Arms Export Control Act can be made. The committee of conference retains the major policy objectives currently in the Arms Export Control Act and retains the title "Arms Export Control Act."

IMPROVED ACCOUNTING FOR FOREIGN MILITARY SALES

The House bill (sec. 222) adds a new requirement to section 37 of the Arms Export Control Act for the establishment of a new centralized accounting system for the military sales program.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 222) is similar to the House bill but makes the following changes: amends section 37 of the Arms Export Control Act to require that the President take the following steps to continue to improve the financial management problems with respect to payments on accounts of FMS sales: (1) certify that payments with respect to any FMS sale are properly recorded by case and country with regard to financial accounts for each customer; (2) improve the coordination and uniformity of the military services systems that are used to account for, control, and report upon the operation of FMS program; (3) reconcile the discrepancies between reported disbursements and reported performance for all uncompleted FMS sales agreements executed prior to March, 1989; (4) notify the Committees on Foreign Affairs and on Foreign Relations in writing of the reasons for such terminations of unreconciled accounts and provide a list of unreconciled balances by country which are to be uncollected; and (5) submit annual reports to the Congress on the status of the fiscal management of the foreign military sales program.

DESIGNATION OF MAJOR NON-NATO ALLIES

The House bill (sec. 223) adds a new section 48 to the Arms Export Control Act which designates Australia, Egypt, Israel, Japan and Korea as major non-NATO allies for purposes under the Defense Trade and Export Control Act and the Foreign Assistance Act and requires the President to notify the Congress 30 days before making additional designations or terminating designations under this authority.

The Senate amendment (sec. 412) adds a new section 48 to the Arms Export Control Act which designates Australia, New Zealand, Egypt, Israel, Japan, and the Philippines as major non-NATO allies.

The conference substitute (sec. 223) designates Australia, Egypt, Israel, Japan, New Zealand, and the Republic of Korea as major non-NATO allies and requires the President to provide 15-day advance notification to the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act if he designates a new non-NATO ally.

The committee of conference has agreed to language with respect to New Zealand which requires that for New Zealand to be designated as a major non-NATO ally the Presi-

dent would have to determine that it is in the national security interest of the United States. Special treatment of New Zealand is necessitated by the fact that country, although still a party to the Australia-New Zealand-United States (ANZUS) defense treaty, is not currently in an active military alliance with the United States. The U.S.-New Zealand defense relationship under ANZUS was suspended by the Reagan Administration in response to New Zealand's exclusion of U.S. naval vessels from its ports as part of that country's anti-nuclear policies. The committee of conference also notes that in response to New Zealand's actions, the Reagan administration also withdrew the special privileges available to New Zealand under the Arms Export Control Act, the Foreign Assistance Act, and other authorities. These actions, which reflect the suspension of the bilateral alliance relationship, by and large continue in effect today.

The committee of conference further notes that the designation of New Zealand as a major non-NATO ally reflects the hope and expectation that U.S.-New Zealand relations in the security area will be eventually restored. The exception limiting application of the related privileges pending a Presidential determination based on U.S. national security interests reflects that reestablishment of the various elements of U.S.-New Zealand defense cooperation will depend on continued improvements in bilateral and multilateral security relations. The exception is broadly drafted, however, to permit the President to make specific, and if desirable, case-by-case, determinations with respect to any proposed activity or to take other actions short of full restoration of New Zealand's privileges as an active major non-NATO ally of the United States.

CERTIFICATION THRESHOLDS

The House bill (sec. 224) amends the Arms Export Control Act to increase the dollar thresholds with respect to three separate classifications of military equipment and services: from $14 million to $18 million for major defense equipment; from $50 million to $75 million for defense articles and services; and from $200 million to $300 million for design and construction services. The House bill also stipulates that these changes apply only to those certifications required to be submitted on or after the effective date of the House bill.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 224) is the same as the House bill.

STANDARDIZING CONGRESSIONAL REVIEW PROCEDURES FOR ARMS TRANSFERS

The House bill (sec. 225) standardizes the period for prior congressional review and possible disapproval by joint resolution for the six types of arms transfers conducted under the Arms Export Control Act. This section eliminates conflicting and confusion review procedures and replaces them with standardized procedures for congressional review of arms transfers, thereby enhancing congressional oversight of those transfers.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 225), which amends section 3(d) of the Arms Export Control Act, is similar to the House bill but clarifies language with respect to New Zealand.

MEMORANDUM OF UNDERSTANDING

The Senate amendment (sec. 415) amends section 36 of the Arms Export Control Act to require the President to transmit the text of memoranda of understanding regarding government-to-government sales, commercial sales, and manufacturing licenses before notifications made pursuant to that section.

The House bill contains no comparable provision.

The conference substitute is the same as the House bill. The committee of conference notes its adoption of new quarterly reporting requirements on coproduction agreements to enhance congressional control and oversight of all future coproduction agreements in section 228 of the conference substitute.

FOREIGN AVAILABILITY

The House bill (sec. 226) restates sections 36 and 37 of the Arms Export Control Act which requires the President, in notifying the Congress of all government-to-government arms sales and commercial sales, to provide an analysis of the extent to which comparable kinds and amounts of defense articles, services or design and construction services are available to the proposed recipient of the arms sales.

The Senate amendment (sec. 411(12)) amends section 36 of the Arms Export Control Act with a similar provision.

The conference substitute (sec. 226) is similar to the Senate amendment except that it includes language which broadens the factors to include design and construction services.

ECONOMIC IMPACT ON THE UNITED STATES OF ARMS SALES

The House bill (sec. 227) amends section 25(a) of the Arms Export Control Act to require that congressional presentation documents and all arms sales notification requirements include an analysis of the economic benefits or disadvantages to the United States of arms sales and associated licenses commercial exports.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 227) is the same as the House bill.

COPRODUCTION AGREEMENTS

The House bill (sec. 228) amends section 36(a) of the Arms Export Control Act and adds a new section 31 to that act to require that a quarterly report under section 36(a) include new additional information on all concluded government-to-government agreements governing foreign coproduction of defense articles of U.S. origin, including memoranda of understanding or agreements that have not been previously reported under section 36(a). The House bill all provides for additional penalties on foreign governments or business entities that violate coproduction agreements.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 228) is the same as the House bill except that the penalties provision is contained in a new section 33 of the Arms Export Control Act.

The committee of conference adopts this provision with the expectation that the executive branch will provide Congress with greater information on a more timely and forthcoming basis on all future coproduction agreements. The committee of conference notes that adoption of this provision is aimed at enhancing congressional understanding and oversight of coproduction agreements. The committee of conference also notes that the reporting requirements apply to agreements entered into after the date of enactment of the conference substitute.

ENFORCEMENT OF ARMS EXPORT LICENSING REQUIREMENTS

The House bill (sec. 229) includes a number of new provisions regarding enforcement and processing of arms export licenses to provide for greater accountability, enforcement, and sanctions against illict or illegal arms export activities.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 229), which amends section 38 of the Arms Export Control Act, is the same as the House bill.

FAIR PRICING

The House bill (sec. 231) amends section 21(e) of the Arms Export Control Act to exempt non-recurring costs for research and development for non-major defense equipment.

The Senate amendment (sec. 411) is similar to the House bill but provides the President with discretionary authority to waive nonrecurring costs for research and development.

The conference substitute contains no provision. The committee of conference was advised by the Department of Defense that this exception would cause disproportionate administrative problems and expenses.

CONTRACT ADMINISTRATIVE SERVICE CHARGES FOR NATO SUBSIDIARY BODIES

The House bill (sec. 232) amends section 21(h) of the Arms Export Control Act to treat NATO subsidiary bodies, when acting on behalf of an identified NATO member government, the same as that member government for purposes of the reciprocal waiver of charges for contract administrative services.

The Senate contains no comparable provision, retaining current law.

The conference substitute (sec. 231) is the same as the House bill.

SALES OF DEPLETED URANIUM SHELLS

The House bill (sec. 241) specifies that none of the funds authorized to be appropriated by this act or any other act may be used to facilitate the sale of M-833 anti-tank shells or any comparable anti-tank shells containing depleted uranium warheads to any country other than a country that is a member of the North Atlantic Treaty Organization, or has been designated as a major non-NATO ally and includes a national security interest waiver.

The Senate amendment (sec. 413) contains a similar provision with no waiver authority granted to the President.

The conference substitute (sec. 232) is the same as the House bill.

AMENDMENTS TO ELIMINATE OBSOLETE AND INCONSISTENT PROVISIONS

The House bill (sec. 233) amends various sections of the Arms Export Control Act to repeal obsolete and inconsistent provisions.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 242) repeals the following provisions:

(a) Section 5(d) which required a report upon request of the Senate Foreign Relations Committee or House Foreign Affairs Committee on all available information about the discriminatory practices with respect to race, religion, national origin or sex, of countries receiving assistance;

(b) Section 25(a)(7), concerning the use of reserve funds, and section 25(a)(9), dealing with reports on the modernization of the armed forces of the Republic of Korea;

(c) Section 33, which expressed the sense of Congress that the President exercise restraint in providing military assistance to countries in sub-Saharan Africa;

(d) Section 34, which required the President to establish standards and criteria for military credit and guaranty transactions;

(e) Section 35, which terminated military assistance and sales to any country which is diverting development assistance provided by the United States to military expenditures or is diverting its own resources to unnecessary military expenditures;

(f) Sections 36(a) (5) and (6), which required reports on cumulative dollars amounts of military assistance by foreign country or international organization, projections of dollar amounts of sales expected to be made with foreign countries in an upcoming quarter, and projections of dollar amounts of sales expected to be made with foreign countries for the entire fiscal year;

(g) Section 41, concerning the effective date;

(h) Section 45, with the exception of the provision requiring specific references to the Arms Export Control Act, which is included in section 44; and

(i) Section 46, which concerned savings provisions which have already been implemented by other sections.

TECHNICAL CORRECTIONS

The House bill (sec. 234) makes several technical corrections in the Arms Export Control Act. These corrections involve: (1) changing the term "significant defense articles" to "significant military equipment" to conform this term to revised arms export regulations; (2) changing the word "combat" to "military" in section 36(d) to conform to the accepted usage of the term; and (3) a technical correction to section 25(d) necessitated by a repeal of an obsolete provision.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 243) is the same as the House bill.

TRANSFERS OF SPOILS OF WAR

The Senate amendment to H.R. 1415, the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993, (secs. 401–3 and 405–6) requires that spoils of war in the custody or control of the United States may be transferred to any other party, only to the extent and in the same manner that property of the same type, if otherwise owned by the United States, may be so transferred.

The House bill contains no comparable provision.

The conference substitute (secs. 261–264) is similar to Senate amendment with technical modifications. The committee of conference deemed this provision to be germane to this legislation as a provision requiring a report before the transfer of any captured Iraqi equipment (sec. 810) was contained in the House bill.

ARMS TRANSFER RESTRAINT POLICY FOR THE MIDDLE EAST AND PERSIAN GULF

Chapter 5 of title II of the conference substitute (secs. 281–5) incorporates and merges those provisions the House bill (sec. 242) with the Senate amendment (secs. 641–50 and 414) and establishes a new arms transfer restraint policy for the nations of the Middle East and Persian Gulf.

FINDINGS

The House bill (sec. 242(a)) contains findings on the worldwide transfer of arms to nations in the Middle East and Persian Gulf which demonstrate the urgent need for establishment of a multinational arms transfer and control policy.

The Senate amendment (secs. 641 and 642) establishes the Arms Suppliers Act of 1991 and make findings comparable to those contained in the House bill.

The conference substitute (sec. 281) is the same as the House bill.

POLICY

The House bill (sec. 242(b)) establishes new and additional policy guidelines on U.S. arms transfers to the Middle East and the Persian Gulf.

The Senate amendment (sec. 414) contains a similar provision.

The conference substitute does not include provisions from the House bill or the Senate amendment.

MULTILATERAL ARMS TRANSFER AND CONTROL REGIME

The House bill (sec. 242(c)) stipulates that as soon as practicable after the date of enactment of this act the President shall seek negotiations and undertake good faith efforts to convene a conference among the five permanent members of the U.N. Security Council, and other nations as appropriate, to establish a multilateral arms transfer and control regime toward the Middle East and Persian Gulf and specifies five purposes that should be achieved by that regime.

The Senate amendment (sec. 647) stipulates that the Secretary of State should undertake good faith efforts to convene a conference among representatives from the five permanent members of the U.N. Security Council and other appropriate countries to establish an arms suppliers regime. The Senate amendment also specifies a set of comparable purposes for the achievement of such a regime.

The conference substitute (sec. 282(a)) requires the President to continue negotiations already initiated under his direction among the five permanent members of the U.N. Security Council and to commit the United States to a multilateral arms transfer and control regime toward the Middle East and Persian Gulf. The conference substitute (sec. 282(b)) also encourages that within the context of these ongoing negotiations the President should propose to the five permanent members of the U.N. Security Council the adoption of a temporary moratorium on the transfer of major military equipment to the Middle East and Persian Gulf until such time that an agreement on a multinational arms transfer and control regime is concluded.

The conference substitute (sec. 282(b)) also incorporates the purposes of a multinational arms transfer and control regime specified in the House bill. The conference substitute specifies that one of those purposes is to control the transfer of conventional major military equipment by achieving transparency among arms suppliers through advance notification of both the agreement to transfer and the actual transfer of conventional major military equipment and by developing and adopting common and comprehensive control guidelines on the transfer of conventional major military equipment.

The conference substitute (sec. 282(c)) also identifies recommendations to achieve the purposes specified with respect to conventional and unconventional weapons, and regional arms control efforts in the Middle East and Persian Gulf.

The conference substitute (sec. 282) also specifies the need to develop a multilateral arms transfer and control regime on conventional major military equipment and unconventional weapons and further specifies the definition of the term "major military equipment." The conference substitute permits the President to include other defense articles and defense services as major military equipment upon his determination.

The committee of conference does not intend this section to include surface-to-air missiles as a major military equipment.

LIMITATION ON UNITED STATES ARMS SALES TO THE MIDDLE EAST AND PERSIAN GULF

The House bill (sec. 242(d)) establishes an immediate moratorium on the transfer and sale of major military equipment by the United States to nations in the Middle East and Persian Gulf as an inducement to encourage the other permanent members of the U.N. Security Council and other major arms suppliers to join in the establishment of a multinational arms transfer and control regime. The House bill also allows the President to lift the moratorium if he reports to Congress that there has been agreement by another major arms supplier to transfer major military equipment to any nation in the Middle East and Persian Gulf.

The Senate amendment (sec. 647) specifies that, beginning 60 days after the date of enactment, no sale of any defense article or defense service may be made to any nation in the Middle East and no license for the export to any nation in the Middle East of any defense article or defense service may be issued, unless and until the President certifies in writing that the Secretary of State has undertaken good faith efforts to convene a conference on the establishment of an arms supplier regime. The Senate amendment also requires a report setting forth a U.S. plan for leading the world community in establishing a multilateral regime to restrict the transfer of conventional and unconventional arms to the Middle East.

The conference substitute (sec. 283) is essentially the same as the Senate amendment. Under the conference substitute, beginning 60 days after enactment, sales could be made and licenses issued to nations in the Middle East and Persian Gulf only after the President certifies that he has undertaken good faith efforts to convene a conference for the establishment of an arms supplier regime having elements described in section 282 of the conference substitute.

The committee of conference believes that the President has met the requirements to undertake good faith efforts to convene multilateral negotiations among the five permanent members of the U.N. Security Council. The committee of conference also believes that the President can easily meet the certification requirements of this section. The submission of such a report is consistent with the practice of preconsultation, consultation, and advance notification requirements that are currently associated with U.S. arms sales policy worldwide. The committee of conference does not believe this provision to be an onerous burden or an impingement on the authority to the President to conduct and conclude arms sales. The committee of conference notes that the language of the House bill was modified pursuant to the understanding that good faith efforts would continue to be pursued by the executive branch with respect to establishing a multilateral arms transfer and control regime. The committee of conference further notes that in the absence of good faith efforts on the part of the executive branch to implement successfully a multilateral arms transfer restraint policy, it would be the intention of a majority of the committee of conference to use all available means to achieve the purposes of this section.

The committee of conference commends the President for his efforts to date and expects that additional progress toward transparency and advance notification on the sale of major military equipment to the Middle East and Persian Gulf can be achieved at the upcoming round of U.S.-requested negotiations. The committee of conference also be-

lieves these negotiations will be both evolving and ongoing in nature and encourages their rapid and successful conclusion.

REPORTS TO CONGRESS

The House bill (sec. 242(e)) requires the President to submit the following reports to Congress: a report setting forth a U.S. plan for leading the world community in establishing a multilateral regime to restrict the transfers of conventional and unconventional weapons to the Middle East and Persian Gulf; and a report analyzing the feasibility of applying other agreed upon arms control regimes to the Middle East and Persian Gulf. The House bill also stipulates that not later than October 1 of each year the President shall submit a report documenting all transfers of conventional and unconventional arms to the Middle East and Persian Gulf over the previous year and previous five years, analyzing the current military balance of power in the Middle East and Persian Gulf, describing the operation of any agreement comprising the multinational arms transfer and control regime, and identifying supplier nations that have refused to participate in such a regime or that have engaged in conduct that undermines or violates that regime.

The Senate amendment (sec. 646) contains a similar provision.

The conference substitute (sec. 284) requires the President, beginning on January 15, 1992, and quarterly thereafter through October 15, 1993, to submit to the relevant congressional committees a report describing the progress in implementing the purposes of the multinational arms transfer and control regime described in section 282(b) of the conference report, and describing efforts made by the United States to induce other countries to curtail significantly the volume of arms sales to the Middle East and Persian Gulf, and if such efforts were not made, a justification of why they were not made. The conference substitute further requires the President, within 60 days of the date of enactment, to submit an initial report on arms transfers to and the military balance of power in the Middle East and Persian Gulf and mandates the submission of a similar report annually beginning on January 15, 1992. Finally, the conference substitute (sec. 285) defines the term "relevant congressional committees" as the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

The committee of conference believes the submission of quarterly reports on the progress of U.S. efforts is complementary to traditional executive branch consulting practices with Congress on the progress of other ongoing U.S. arms control negotiations and views these reporting requirements as an impetus to the successful conclusion of the ongoing negotiations among the five permanent members of the U.N. Security Council. The committee of conference also believes the initial baseline report on arms transfers to and the military balance of power in the Middle East and Persian Gulf will provide Congress with an authoritative assessment of the regional balance of power in the Middle East and Persian Gulf. The committee of conference further believes that the annual report required by this section will enhance congressional understanding and awareness of the military balance of power in and the volume of arms transfers to the Middle East and Persian Gulf. The intention of the committee of conference in requiring these reports to overlap is to allow the executive branch the ability to meet these reporting requirements concurrently and on a timely basis. The committee of conference believes that the submission of these reports is consistent with the practice of preconsultation, consultation, and advance notification requirements that are currently associated with U.S. arms sales policy worldwide.

TITLE III—INTERNATIONAL NARCOTICS CONTROL

Title III is the product of an intensive review of current law and the executive branch request regarding a number of narcotics control-related matters. It attempts to streamline current law, give the executive branch the flexibility it requested where possible, but retain important principles about which the committee of conference feels strongly. Highlights of the significant changes from current law in this and other titles follow:

—Adds counternarcotics military and police cooperation as a purpose for IMET;
—Makes minor changes in U.S. narcotics control policy language;
—Clarifies executive branch authority to enter into reciprocal maritime agreements;
—Provides authority, with prior notice, to provide narcotics-related economic assistance to countries ineligible to receive U.S. assistance for non-narcotics reasons;
—Consolidates reporting, record-keeping, and regulation requirements on aircraft use;
—Allows a national interest waiver of the requirement for the U.S. to retain title to narcotics control aircraft provided to a foreign country with prior notice and provides a technical correction for Department of Defense permanent leasing authority;
—Allows INM to acquire arms and ammunition only for defensive arming of narcotics control aircraft and for INM direct-hire and contract personnel with prior notice;
—Expands narcotics-related excess defense articles authority from major producers in Latin America to major producers and transit countries in Latin America under conditions in current law, reduces the period of time for prior notification to Congress, and clarifies purposes for which such assistance may be provided;
—Provides a general waiver of the prohibition on providing assistance to law enforcement units for narcotics-related purposes for FMF, IMET, and narcotics-related excess defense articles (EDA) for a two-year period, with prior notice; clarifies that this waiver is only for narcotics-related EDA and not modernization EDA; contains a requirement for respect for human rights and a democratic government in order to provide assistance; and
—Clarifies the definition of U.S. assistance for international narcotics control purposes.

CHANGES IN THE CERTIFICATION PROCESS AND THE ANNUAL INTERNATIONAL NARCOTICS CONTROL STRATEGY REPORT (INCSR)

—Expands the INCSR to include every U.N. member country as in the annual human rights report;
—Requires special emphasis in the INCSR on major money-laundering countries and precursor chemical producers in addition to producer and transit countries;
—Ties reporting requirements and annual certifications to obligations under the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances; significantly streamlines current conditions;
—Waives requirement for the withholding of 50% of assistance with a Presidential determination and prior notice;
—Reduces the congressional review of certifications from 45 legislative to 45 calendar days;
—Provides a national interest waiver for recertifying countries which have been decertified, when circumstances have changed;
—Changes certification standard from "fully cooperating" to "cooperating with the U.S. to achieve full compliance with the goals and objectives of the 1988 U.N. Convention", and streamlines the list of matters to be considered in making certifications, with special attention to bilateral goals and the issue of corruption; and
—Allows the President to determine which countries are subject to certification and changes the date for determining countries subject to certification from October 1 to January 1.

All of the above have been limited to a two-year "trial period", at which time the current certification and reporting provisions, with some minor revisions, would resume unless subsequent legislation is enacted.

The committee of conference notes that the executive branch requested a repeal or substantial modification of virtually all of the international narcotics control laws which have been enacted during the past ten years. The committee of conference did not accept that proposal; however, it believes that title III and related provisions in other titles reflect a reasonable compromise. As a general rule, when the executive branch presented valid arguments, the committee of conference granted waivers of prohibitions in current law, with prior notice to the Congress. On the two most salient issues, the certification process and the annual INCSR, the committee of conference has provided special rules for a two-year "trial" period, in addition to the requirement for prior notice.

To address the executive branch's stated need for increased flexibility, this title streamlines current language in the law regarding the certification and INCSR process, gives the President the flexibility to determine which countries are included on the certification list and changes the date for submission of the list, waives the current 50% aid withholding requirement if the President determines it is in the national interest and gives prior notice to Congress, reduces the congressional review period from 45 legislative days to 45 calendar days, clarifies the definition of "U.S. assistance" for international narcotics control purposes, and provides a special waiver to address unique situations in which conditions in decertified countries undergo a sudden and fundamental change. The committee of conference proposes to try this new approach for a two-year period; at the end of that time, current law would become applicable unless subsequent legislation was enacted.

The committee of conference notes that the executive branch expressed support for numerous provisions now contained in title III of the conference report, including the authority for INM to procure weapons, the national interest waiver for aircraft titling, the waiver of narcotics-related economic assistance, the flexibility in determining major drug producer and transit countries, and most aspects of the revisions to the cer-

tification process. The committee of conference does not intend the revised certification standard to be "potentially stricter," as stated in a communication from the Department of State. The standard is intended to reflect the fact that narcotics control has become a truly multilateral issue with the entry into force of the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. Rather than interpreting the standard as "stricter," the committee of conference expects the executive branch to see the new standard as an opportunity to link countries' narcotics control performance to the multilateral standards in the landmark 1988 U.N. Convention.

The committee of conference has considered the objections raised by the Department of State to the allegedly burdensome reporting requirements contained in the amended section 489 of the Foreign Assistance Act requirements for the International Narcotics Control Strategy Report. In considering such objections, the committee of conference notes that the State Department's Bureau of International Narcotics Matters is authorized its requested funding level in the conference report for fiscal year 1992, a level of funding that represents a 94 percent increase over fiscal year 1990. The committee of conference strongly believes that the expansion of the INCSR to encompass more information on the international narcotics situation is in keeping with a joint congressional-executive branch approach to the issue President Bush has stated is his number one peacetime priority. The committee of conference believes that the revised INCSR reporting requirement is a reasonable provision that does not unduly add to the workload of a bureau which has received such favorable funding treatment from Congress.

POLICY STATEMENTS

The House bill (sec. 4101) contains statements of policy regarding international narcotics control. The House bill is similar to section 481(a)(1) of the Foreign Assistance Act, with the only substantive addition being an updated reference to the 1988 United Nations Convention Against Illicit Trafficking in Narcotic Drugs and Psychotropic Substances.

The Senate amendment (sec. 207) contains a similar provision.

The conference substitute (sec. 302(a)) is similar to the House bill but amends section 481 of the Foreign Assistance Act.

AUTHORITY TO CONCLUDE MARITIME AGREEMENTS

The Senate amendment (sec. 207) amends section 481(a)(2) of the Foreign Assistance Act to add a specific authority for the President to conclude reciprocal maritime agreements.

The House bill contains a similar provision.

The conference substitute (sec. 302(b)) is identical to the Senate amendment.

COORDINATION OF U.S. ANTI-NARCOTICS ASSISTANCE

The House bill (sec. 4102) makes the Secretary of State responsible for coordinating all assistance provided by the U.S. Government to support international efforts to combat illicit narcotics production or trafficking. The House bill further states that nothing contained in this section or section 4401(c) shall be construed to limit or impair the authority or responsibility of any other Federal agency with respect to law enforcement, domestic security operations, or intelligence activities as defined in Executive Order 12333. This section is the same as sections 4601 (a) and (c) of the Anti-Drug Abuse Act of 1988.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 302(c)) is the same as the House bill but amends section 481(b) of the Foreign Assistance Act.

MARITIME LAW ENFORCEMENT IN ARCHIPELAGIC WATERS

The House bill (sec. 4501) restates section 481(c) of the Foreign Assistance Act and adds the phrase "and archipelagic waters" which permits maritime law enforcement operations in the archipelagic waters of an archipelagic state as well as the territorial waters of a country, with the agreement of the country.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 302(d)) is the same as the House bill but amends section 481(c)(4) of the Foreign Assistance Act.

PROCUREMENT OF WEAPONS AND AMMUNITION

The House bill (sec. 4205) modifies the prohibition contained in section 482(b) of the Foreign Assistance Act on using funds authorized under this chapter to procure weapons or ammunition. The House bill restates the prohibition in current law on using INM funds for the procurement of weapons and ammunition except as provided in subsection (b). Section 4205(b) states that the prohibition contained in subsection (a) shall not apply with respect to funds for the procurement of (1) weapons and ammunition for the defensive arming of aircraft used for narcotics-related purposes, and (2) firearms and related ammunition to be provided for defensive purposes for State Department employees engaged in activities under this title. Section 4205(b) also requires prior notice of any procurement of weapons and ammunition pursuant to regular reprogramming procedures.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 302(e)) is similar to the House bill, but amends section 482(b) of the Foreign Assistance Act, and adds a specific reference to contract employees to clarify the intent of the provision.

This modification of the prohibition in current law is provided pursuant to the request of the executive branch outlined in testimony before the House Committee on Foreign Affairs' Task Force on International Narcotics Control on May 2, 1991. The committee of conference recognizes that monitoring and implementing U.S. narcotics control programs overseas often involves working in a dangerous environment. Counternarcotics aircraft may face hostile ground fire and INM personnel may have to travel to areas frequented by armed traffickers or narco-insurgents. In past years, the Congress has regularly earmarked foreign military financing funds for defensive aircraft arming purposes but has been reluctant to allow INM to become directly involved in the procurement of lethal equipment. However, because the current situation has resulted in long delays and bureaucratic difficulties in procuring arms for antinarcotics aircraft, and because there are no alternatives for Department of State personnel to acquire defensive firearms other than personal purchase, the committee of conference has modified a prohibition which was first enacted in 1978. Any procurement of weapons and ammunition is subject to advance notification in accordance with procedures applicable under section 634A of the Foreign Assistance Act. The committee of conference expects that the executive branch will use this authority only for the unique situations which have been discussed with the Congress in hearing testimony and informal meetings.

AIRCRAFT AND OTHER EQUIPMENT

The House bill (sec. 4206) combines and modifies sections 485 and 489 of the Foreign Assistance Act and deletes the requirements of current law in sections 489(c) and 489(d) for the President to issue regulations, with advance congressional review, to ensure proper use of aircraft provided under this chapter.

In addition, the House bill (sec. 4207) allows the President to waive the requirement to retain title contained in section 484 of the Foreign Assistance Act if that requirement's application is contrary to the national interest, and the President notifies the Congress in accordance with the procedures contained in section 634A of the Foreign Assistance Act. The House bill also clarifies the authority of the Department of Defense to finance the leasing of aircraft for the purposes of satisfying the requirements of this section (which is the same as section 3(g) of the International Narcotics Control Act of 1990 (Public Law 101–623).

The Senate amendment contains no comparable provisions, retaining current law.

The conference substitute (sec. 302(f)) is essentially the same as the House bill, but consolidates the modifications of the provisions of sections 484 and 489 of the Foreign Assistance Act and makes technical corrections to section 485 of the Foreign Assistance Act. It further deletes the provision in current law (section 484) which waives the requirement to retain title to aircraft provided through Export-Import Bank financing. That provision was unnecessary because section 638(a) of the Foreign Assistance Act already states that no provision of that Act applies to assistance extended through the Export-Import Bank.

The Congress has long mandated the retention of title for aircraft provided under this chapter for reasons based on a series of historical experiences of misuse, abuse, and a lack of recourse in such situations. However, the committee on conference recognizes that there may be circumstances in which the level of confidence of the executive branch in the recipient countries' intentions, U.S. monitoring capabilities, or other mitigating factors might justify transfer of aircraft titles. In such cases, the President must provide the Congress with advance notification. To the degree that narcotics control aircraft are to be provided through military assistance channels and the United States retains title, the committee of conference has made permanent the authority contained in section 3(g) of Public Law 101–623 for fiscal year 1991 for the Department of Defense to provide such aircraft on a lease or loan basis.

The committee of conference notes that on numerous occasions the executive branch has testified that the Bureau of International Narcotics Matters' "air wing" is the result of the 1986 law requiring the United States to retain title to narcotics control aircraft. Given the flexibility now provided in this section to waive that requirement, the committee of conference requests that the Bureau of International Narcotics Matters submit a report to the appropriate committees of Congress no later than three months after the date of enactment of this legislation detailing the impact of this new authority on the Bureau's "air wing". The report should include plans for coordinating funding, support, and operations of aircraft for which transfer is titled (whether by the

Department of State or the Department of Defense) with the management of aircraft currently in its inventory. This report should be coordinated with the Defense Security Assistance Agency.

REALLOCATION OF FUNDS

The House bill (sec. 4303) modifies the provisions of section 486 of current law to increase executive branch flexibility in the reprogramming of narcotics-related assistance by making that provision discretionary.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 302(g)) is similar to the House bill but amends section 486 of the Foreign Assistance Act.

ANNUAL REPORTING AND CERTIFICATION REQUIREMENTS

The House bill (sec. 4401) substantially rewrites section 481(e) of current law. Section 4401(a) requires the President to submit a comprehensive report to the Congress not later than April 1 of each year on all countries which are members of the United Nations on the state of international narcotics production and trafficking, money laundering, and precursor chemical control, and on U.S. efforts to prevent illicit drug cultivation and trafficking, the diversion of precursor chemicals, and money laundering.

Section 4401(b) details what must be included in that report. Section 4401(b)(1) requires that, for all countries which are members of the United Nations, the report shall include the matters identified in section 4402(b)(2) (relating to matters to be considered for certification of cooperation).

Section 4401(b)(2)(A) requires a description of the policies adopted, agreements concluded, and programs implemented by the Department of State in pursuit of its delegated responsibilities for international narcotics control, including the status of negotiations between the U.S. and other countries on updated extradition treaties, mutual legal assistance treaties, precursor chemical controls, money laundering, and agreements pursuant to section 2015 of the International Narcotics Control Act of 1986 (relating to interdiction procedures for vessels of foreign registry). Section 4401(b)(2)(B) requires information on multilateral and bilateral strategies with respect to money laundering pursued by the Departments of State, Justice, and the Treasury, and other relevant U.S. Government agencies, either collectively or individually, to ensure the cooperation of foreign governments with respect to narcotics-related money laundering and to demonstrate that all U.S. Government agencies are pursuing a common strategy with respect to major money laundering countries.

Section 4401(b)(3) requires the report to identify which countries are (A) major illicit drug producing and drug transit countries (as determined under section 4403), (B) significant direct or indirect sources of illicit drugs affecting the United States, (C) major sources of precursor chemicals used in the production of illicit narcotics, or (D) major money laundering countries.

Section 4401(b)(4) requires in addition, for each of the four categories of countries identified in (b)(3), the report to include: (1) a description of the plans, programs and timetables adopted by each such country, including efforts to meet the objectives of the 1988 U.N. Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, and a discussion of the adequacy of the legal and law enforcement measures taken and the accomplishments achieved in accord with those plans; (2) whether as a matter of government policy, each such country encourages or facilitates the production or distribution of illegal drugs or the laundering of proceeds from illegal drug transactions; (3) and whether any senior official of the government of each such country engages in, encourages, or facilitates the production or distribution of illegal drugs, or the laundering of proceeds from illegal drug transactions.

Section 4401(b)(5) requires in addition, for the major producer and transit countries and the significant source and transit countries identified in (b)(3) (A) and (B), a detailed status report, with such information as can be reliably obtained, on the illicit narcotic or psychotropic drugs or other controlled substances which are being cultivated, produced, or processed in or transported though such country, noting significant changes in conditions, such as increases or decreases in the illicit cultivation and manufacture of and traffic in such drugs and substances.

Section 4401(b)(6) requires, in addition, for those countries identified as major sources of precursor chemical in paragraph (3)(C), information on which countries are parties to international agreements on a method for maintaining records of transactions of an established list of precursor and essential chemicals; have established a procedure by which such records may be made available to U.S. law enforcement authorities; and have enacted national chemical control legislation which impose specific recordkeeping and reporting requirements for listed chemicals, establish a system of permits or declarations for imports and exports of listed chemicals, and authorize government officials to seize or suspend shipments of listed chemicals.

Section 4401(b)(7) further requires, for those countries identified as major money laundering countries pursuant to paragraph (3)(D), information on which countries have not reached agreement with the United States authorities on a mechanism for exchanging adequate records in connection with narcotics investigations and proceedings, and which of those countries which have not reached such an agreement are negotiating in good faith with the United States to establish such a record-exchange mechanism, or have adopted laws or regulations that ensue the availability to appropriate U.S. Government personnel of adequate records in connection with narcotics investigations and proceedings.

Section 4401(b)(8) also requires in addition, for those countries identified as major money laundering countries, findings on the country's adoption of laws and regulations considered essential to prevent narcotics-related money laundering. Such findings are to include whether a country has criminalized narcotics money laundering, required financial institutions to record large currency transactions at thresholds appropriate to that country's economic situation, required financial institutions to report suspicious transactions, established systems for identifying, tracing, freezing, seizing, and forfeiting narcotics-related assets, enacted laws for the sharing of seized narcotics assets with other governments, and cooperated when requested with appropriate law enforcement agencies of other governments investigating financial crimes related to narcotics. The report shall also detail instances of refusals to cooperate on the part of foreign governments, and any actions taken by the United States Government to address such obstacles, including the imposition of sanctions or penalties.

Section 4401(b)(9) provides definitions for terms used in this section. The term "precursor chemical" has the same meaning as the term "listed chemical" has under paragraph 33 of section 102 of the Controlled Substances Act (21 USC 920), and the term "major money laundering country" means a country whose financial institutions engage in currency transactions involving significant amounts of proceeds from international narcotics trafficking.

Section 4401(c)(1) requires the annual report to include information on U.S. assistance provided during the preceding, current and next fiscal years to support international efforts to combat illicit narcotics production and trafficking. Section 4401(c)(2) requires the report to include (A) the amount and nature of assistance provided or to be provided, (B) for countries identified as major producers and major transit countries under subsection (b)(3)(A), information from the Drug Enforcement Administration, the Customs Service, and the Coast Guard describing in detail the assistance provided or to be provided to such country by that agency, and the assistance provided or to be provided to that agency by such country, with respect to narcotic control efforts during the preceding, current and next fiscal year, and (C) a list of all transfers which were made by the U.S. Government during the preceding fiscal year, to a foreign country for narcotics control purposes of any property seized by or otherwise forfeited to the U.S. Government in connection with narcotics-related activity, including an estimate of the fair market value and physical condition of each item of property transferred.

Section 4401(c)(3) provides that the reports required by the subsection may be provided on a classified basis to the extent necessary.

Section 4401(d) states that this section only applies during fiscal years 1992 and 1993, and that section 4401A does not apply during those fiscal years.

In addition, the House bill (sec. 4402) substantially revises section 481(h) of current law, relating to certification procedures for major drug countries, for fiscal years 1992 and 1993.

Section 4402(a)(1)(A) requires that 50 percent of U.S. assistance allocated at the beginning of each fiscal year for each major illicit drug-producing or drug-transit country shall be withheld from obligation and expenditure, except as provided in paragraph (B) and subsection (b). Section 4402(a)(1)(B) states that subparagraph (A) shall not apply with respect to a country if the President determines that its application to that country would be contrary to the national interest of the United States, except that any such determination shall not take effect until at least 15 days after the President submits written notification of that determination to the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act.

Section 4402(a)(2) further requires the Secretary of the Treasury to direct the U.S. Executive Directors to multilateral banks to vote, on and after April 1 of each year, against any loan to or for any major illicit drug-producing or drug-transit country except as provided in subsection (b).

Section 4402(b) establishes what must be certified under the certification process. It states that, subject to subsection (d), the 50% of aid withheld pursuant to subsection (a)(1) may be obligated and expended, and the requirement of subsection (a)(2) to vote against multilateral development bank as-

sistance to a country shall not apply, if the President determines and certifies to the Congress, at the time of the annual INCSR report, that (A) during the previous year the country has cooperated with the United States, or has taken adequate steps on its own, to achieve full compliance with the goals and objectives established by the U.N. Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988; or (B) for a country that would not otherwise qualify for certification under subparagraph (A), the vital national interests of the United States require that the assistance withheld be provided and that the U.S. not vote against multilateral development bank assistance for that country.

Section 4402(b)(2) provides that, in making the determination described in paragraph (1)(A), the President shall consider the extent to which the country has:

(A) met the goals and objectives of the 1988 U.N. Convention, including action on such issues as illicit cultivation, production, distribution, sale, transport, financing, money laundering, asset seizure, extradition, mutual legal assistance, law enforcement and transit cooperation, precursor chemicals, and demand reduction;

(B) accomplished the goals in an applicable bilateral narcotics agreement with the United States or a multilateral agreement; and

(C) taken legal and law enforcement measures to prevent and punish public corruption (especially by senior government officials) that facilitates the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, or that discourages the investigation or prosecution of such acts.

Section 4402(c) states that the President may make a certification under subsection (b)(1)(A) with respect to a major illicit drug producing country, or major drug-transit country which is also a producer of licit opium, only if the President determines that such country has taken steps to prevent significant diversion of its licit cultivation and production into the illicit market, and that such country maintains production and stockpiles at levels no higher than those consistent with licit market demand, and prevents illicit cultivation and production.

Section 4402(d) prescribes procedures for congressional review of the President's certifications. If, within 30 days of continuous session after the certification is received, the Congress enacts a joint resolution disapproving the President's determination, the 50% withholding requirement and the requirement to vote against further multilateral development bank loans shall continue in effect.

Section 4402(e) clarifies what assistance is to be denied in a case where either the President or the Congress determines that a country shall not be certified as fully cooperating. Funds may not be obligated for U.S. assistance to that country, and funds previously obligated for U.S. assistance may not be expended. Further, the requirement to vote against further multilateral development bank loans shall apply regardless of the April 1 date contained in subsection (a)(2).

Section 4402(f) specifies procedures for recertifying countries which have been denied certification. Denial of assistance and voting against multilateral development bank loans shall continue until the President makes a certification under subsection (b)(1)(A) of (B) for a country and the Congress does not enact a joint resolution of disapproval pursuant to subsection (d), or until the President submits at any other time a national interest certification pursuant to subsection (b)(1)(B) for a country. In the second case this only applies if either the President did not submit a certification with respect to that country under subsection (b)(1) at the time of the April 1 report, or if the Congress enacted a joint resolution under subsection (d) disapproving the President's certification determination.

Section 4402(g) specifies congressional review procedures for recertification. Any joint resolution under this subsection shall be considered in the Senate in accordance with the expedited procedures specified in section 601(b) of the International Security Assistance and Arms Export Control Act of 1976; in the House of Representatives, a motion to proceed to the consideration of any such joint resolution shall be treated as highly privileged in the House.

Section 4402(h) specifies that this section applies only during fiscal years 1992 and 1993.

The House bill (section 4403) also makes inapplicable during fiscal years 1992 and 1993 the numerical standards for determining major drug producing countries and the requirement for the Secretary of State to establish qualitative and quantitative standards for determining major drug transit countries.

Finally, the House bill (secs. 4401A, 4402A, and 4403A) makes modifications to the certification procedures and reporting requirements, and the determination of major producing and transit countries in current law which become effective after September 30, 1993. These include deleting obsolete requirements for consultations and congressional hearings, and obsolete references to country plans submitted pursuant to 1962 Single Convention on Narcotic Drugs.

The Senate amendment contains no comparable provisions, retaining current law.

The conference substitute (sec. 303) is similar to the House bill, but makes technical corrections necessary in amending current law (sections 489, 489a, 490, and 490A of the Foreign Assistance Act), clarifies under what circumstances the President may recertify a country previously decertified for fiscal years 1992 and 1993, changes the period for congressional review of certifications for fiscal years 1992 and 1993 from 45 legislative days to 45 calendar days, changes the date for submitting the determination of which countries are subject to the provisions of section 490 from October 1 to January 1, and modifies the definition of "U.S. assistance" for purposes of this chapter.

This revision of annual reporting requirements was designed in part to address concerns raised by the executive branch over the number of reporting requirements concerning narcotics control issues that have been enacted over the past decade. In response to this concern the committee of conference has deleted certain duplicative requirements, deleted the requirement for an annual mid-year report (currently section 481(b) of the Foreign Assistance Act), consolidated other reporting requirements within the annual report required by this section, and deleted obsolete language in current law.

However, the committee of conference has also considerably expanded the reporting requirements for the annual International Narcotics Control Strategy Report (INCSR) in two significant areas: first, by requiring the inclusion of information on all members of the United Nations (as does the annual Country Reports on Human Rights); and, second, by broadening detailed reporting on major money laundering and major precursor chemical source countries as well as on significant producer and transit countries. The committee of conference believes that the unparalleled transnational threat posed to the U.S. by the international traffic in illicit narcotics, as well as the increasing multilateral consensus manifest in the entry into force of the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, merits increased emphasis on rating counternarcotics performance with an accepted international standard and more comprehensive reporting on individual nations' counternarcotics efforts. As Drug Enforcement Administration Administrator, Robert C. Bonner, said in congressional testimony in March of 1991, "[The entry into force of the 1988 U.N. Convention] is a milestone, I believe, in the international effort to fight drug traffickers because this far-reaching treaty will go a long way toward providing the tools and international framework for combating drug trafficking, and as more nations ratify this convention, even more international cooperation will be possible."

The committee of conference also believes that by expanding the report to cover all member states of the United Nations, as is the case with the annual human rights report, the issue of narcotics control will become a more firmly entrenched component of U.S. foreign policy. By expanding the need for increased attention to narcotics by foreign service officers in countries not currently covered by INM personnel, and by stressing the importance of the narcotics issue to the foreign service, the process of "weaving the issue into the fabric of our foreign policy" which was noted by Assistant Secretary of State for International Narcotics Matters Melvyn Levitsky in recent congressional testimony, will continue to be enhanced. The committee of conference notes that it does not intend the reference to "compliance with goals and objectives" to refer solely to signatories of the 1988 U.N. Convention; on the contrary, the committee of conference desires to build upon the international standards established by the Convention and explicitly avoid creating any disincentives for countries to sign and ratify the Convention.

In addition, the committee of conference has moved to a more comprehensive focus by requiring more detailed reporting on the issues of money laundering and precursor chemical production, as well as on the more traditional issues of production and transit, in recognition of the fact that effectively addressing these two important aspects of the international narcotics trade are integral to any international efforts.

While there is virtually no country in the world unaffected by international narcotics trafficking, the committee of conference recognizes that there are significant variations in the scope of the problem among countries. For countries which are not major drug producers, drug transit countries, money laundering centers, or listed chemical sources, the subjects for reporting are identified as the extent to which a country has met the goals and objectives of the 1988 U.N. Convention, accomplished the goals in an applicable bilateral or multilateral narcotics agreement, and addressed narcotics-related corruption. The committee of conference does not expect reporting on countries not included in the four categories listed above to be as detailed as for countries such as Peru or Mexico. This section would require reasonable efforts to examine the status of the 1988 U.N. Convention and any implementing

legislation, and a brief description of efforts to address narcotics-related developments, including corruption, in a given country. Much of this information concerning the status of legal measures, ratification of the Convention, seizures, arrests, etc. should be readily available, as evidenced by the U.N. International Narcotics Control Board's annual report covering all member states of the United Nations. In addition, as long as each member of the United Nations is addressed, reporting could be done on a regional basis if appropriate for countries which are not major drug producers, drug transit countries, money laundering centers, or precursor chemical sources. The committee of conference expects that the regional format would only be used for countries in areas not currently covered in the INCSR, such as island-states in the South Pacific or smaller states in West Africa, but not for regions such as Western Europe and the Southern Cone.

By broadening the INCSR beyond its traditional focus on narcotics production and transit, this section requires a more comprehensive view of all major elements of the international narcotics trade and addresses the issues raised by the "Kerry amendment" on money laundering (Section 4702 of the 1988 Anti-Drug Abuse Act, Public Law 100-690) and the "McConnell amendment" on precursor chemicals (Section 599H of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991, Public Law 101-513).

With respect to the changes in certification, as noted previously, debates about the efficacy of the certification process have taken place since its enactment. However, the committee of conference firmly believes that certification serves a useful purpose in focusing attention on narcotics issues, both within the Congress and the executive branch. Although the executive branch was vehemently opposed to certification in the beginning, over the years this position has changed. In testimony before the Congress in recent years, executive branch officials have repeatedly stated that the certification process, while flawed in their judgment, has succeed in highlighting to foreign governments the seriousness which the U.S. Government attaches to the issues of narcotics control.

Therefore, in an effort to accommodate concerns of the executive branch about the certification process while maintaining the leverage provided by the process, the committee of conference has in this section provided the President with a waiver of the 50-percent withholding requirement, reduced the congressional review period, given the President increased flexibility in determining the list of countries which are subject to certification, and provided a more streamlined method for recertifying countries in special circumstances.

In addition, in concert with the more multilateral approach the committee of conference has adopted with respect to the annual INCSR report, the standard for certifying countries has been changed from "fully cooperating" with the United States to one based on meeting the goals and objective of the 1988 U.N. Convention.

With respect to the changes for fiscal years 1992 and 1993 in the recertification process, the committee of conference notes the following: under current law, for a country decertified either by the President or by congressional resolution of disapproval, a Presidential recertification for that country either on grounds of full cooperation or on grounds of national interest requires affirmative congressional action. Under the new procedures, the President could recertify a country on national interest grounds any time after April 1 without affirmative congressional action, if (1) he certifies that any such country has undergone a fundamental change in government, or (2) there has been a fundamental change in the conditions that were the reason why the country was decertified. However, the procedures for recertifying on full cooperation grounds would still require affirmative congressional action. This change was provided at the request of the executive branch, which asserted that the recertification procedures in current law resulted in substantial delays in resuming assistance to Panama after the December 1989 U.S. action in that country. The committee notes that, in that case, the President transmitted to the Congress a recertification based on "full cooperation" for Panama on January 29, 1990 (Executive Communications 2373, Presidential Certification Number 90-9). Less than two weeks later, on February 7, 1990, both Houses of Congress had passed legislation to recertify Panama on the basis of national interest (see House Report 101-401, part I, sections 102 and 103). The committee therefore does not find the assertion that recertification procedures in current law delayed the resumption of assistance to Panama persuasive. Nonetheless, the committee has provided the requested change in order to eliminate such assertions in fiscal years 1992 and 1993.

TECHNICAL AND CONFORMING PROVISIONS

The House bill (sec. 4403) contains statutory clarifications resulting from the change in reporting requirements and certification procedures for fiscal years 1992 and 1993.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 304) is similar to the House bill, but makes additional technical corrections to chapter 8 of the Foreign Assistance Act necessitated by other amendments made by this title. The conference substitute also incorporates provisions of section 645 of the House bill repealing obsolete provisions of current law.

EXEMPTION OF NARCOTICS-RELATED MILITARY ASSISTANCE

The House bill (sec. 402) states that for fiscal years 1992 and 1993, section 660 of the Foreign Assistance Act shall not apply with respect to transfers of excess defense articles under section 2302, foreign military financing assistance that is provided for narcotics-related purposes, or for international military education and training that is provided for narcotics-related purposes.

Section 402(b) requires that at least 15 days before any excess defense articles are transferred or any funds are obligated for FMF or IMET under this section, the President shall notify Congress in accordance with the procedures applicable to reprogramming notifications under section 6304.

Section 402(c) states that assistance provided pursuant to this section shall be coordinated with international narcotics control assistance.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 305) is essentially identical to the House bill, but makes necessary technical and conforming changes.

This section responds to an executive branch request for a waiver of the prohibition contained in section 660 of current law, for all economic and military foreign assistance accounts worldwide, for narcotics-related purposes. The committee of conference has provided such a waiver only for military assistance accounts (narcotics-related excess defense articles, FMF, and IMET), with prior notice to Congress, for a two-year "trial period" through fiscal year 1993.

The committee of conference notes that narcotics control assistance provided under this title is permanently exempted from the prohibition contained in section 660 of the Foreign Assistance Act. Section 660 itself also exempts overseas activities conducted through the Drug Enforcement Administration. Section 506(a)(2) of the Foreign Assistance Act also contains a permanent waiver from this prohibition. The Congress has on numerous occasions provided narcotics-related waivers of this provision for specific purposes, primarily in Latin America. The committee of conference has therefore agreed to provide a global waiver of this requirement for the relevant military assistance accounts for a two-year period. In the case of the Andean Initiative this waiver is provided in explicit recognition of the executive branch's recent emphasis on assistance to the police vis-a-vis assistance to the military. The committee of conference stresses that this waiver is provided for narcotics-related purposes only, and that it will closely monitor any use of this authority for purposes which extend beyond those related to narcotics control objectives.

WAIVER OF RESTRICTIONS FOR NARCOTICS-RELATED ECONOMIC ASSISTANCE

The House bill (sec. 4304) provides authority for the President to provide narcotics-related economic assistance notwthstanding any other provision of law except for those relating to ineligibility due to a lack of cooperation on narcotics control issues.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 306) is similar to the House bill, but limits the waiver authority to fiscal years 1992 and 1993, and makes necessary technical and conforming changes.

Under current law, assistance provided through INM is exempt from virtually any cut-off of assistance. This new section authorizes, in addition, the provision of other narcotics-related economic assistance to countries otherwise ineligible for U.S. assistance, with prior notification pursuant to the procedures contained in section 634A of the Foreign Assistance Act. The committee of conference recognizes that there may be unique crcumstances in which a country is ineligible for assistance due to non-narcotics related reasons where the provision of narcotics-related economic assistance could support U.S. counternarcotics goals. However, the committee of conference also notes that the authority provided in this new section could be misinterpreted as a "loophole" to provide broad economic assistance to countries which are otherwise prohibited from receiving assistance, such as Pakistan. The committee of conference therefore limited this authority to fiscal years 1992 and 1993 for a two-year "trial period". The committee of conference will insist that "narcotics-related assistance" provided pursuant to this authority in fact has a demonstrable and direct relevance to narcotics control objectives.

EXPORT-IMPORT BANK FINANCING

The House bill (sec. 403) extends through 1994 the exemption, contained in section 2(b)(6)(B)(vi) of the Export-Import Bank Act of 1945, from the general prohibition on Export-Import Bank financing for sales of de-

fense articles and services to developing countries if those sales are primarily for anti-narcotics purposes.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 307) is identical to the House bill.

PROHIBITION ON USE OF NARCOTICS CONTROL ASSISTANCE TO ACQUIRE REAL PROPERTY

The House bill (sec. 4208) modifies the prohibition on the use of funds made available to carry out this title to acquire any real property for use by foreign military, paramilitary, or law enforcement forces (section 488 of the Foreign Assistance Act) to allow such acquisition with advance notification pursuant to the procedures in section 634A of the Foreign Assistance Act.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

USE OF HERBICIDES FOR AERIAL ERADICATION

The House bill (sec. 4204) modifies section 481(d) of the Foreign Assistance Act which requires the Secretary of State to inform the Secretary of Health and Human Services and the Administrator of the Environmental Protection Agency of the use or intended use of aerial herbicides.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

TITLE IV—SPECIAL AUTHORITIES, RESTRICTIONS, REPORTING REQUIREMENTS, ADMINISTRATIVE AND GENERAL PROVISIONS, DEFINITIONS, AND CONFORMING AMENDMENTS AND REPEALS

TRANSFER AUTHORITY

The House bill (sec. 6101) restates section 610(a) of the Foreign Assistance Act which permits the transfer of up to 10 percent of funds from any account, except that no account may be increased by more than 20 percent.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 404) amends section 610(a) of the Foreign Assistance Act to add a prohibition on the transfer from funds authorized to finance the subsidy costs of credit reform and requiring 15-day advance notification of appropriate congressional committees pursuant to the procedures contained in section 634A of the Foreign Assistance Act before funds may be transferred.

WAIVER AUTHORITY

The House bill (section 6102) rewrites section 614 of the Foreign Assistance Act to authorize the President to take action otherwise prohibited if he determines: (1) in the case of military assistance and sales, it is essential to U.S. national security interests and (2) in the case of economic assistance, it is in the U.S. national interest. It also raises from $50 million to $100 million the amount of assistance that can be provided under this authority to any one country in a year.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 405) amends section 614 of the Foreign Assistance Act to authorize the President to waive provisions in foreign assistance legislation in order to provide assistance or take other action if he determines: (1) with respect to military assistance and sales that it is vital to U.S. national security interests, and (2) with respect to other assistance (economic) and with respect to assistance and action under other acts, that it is important to U.S. national interests. The conference substitute also makes the provision applicable to the provisions of annual foreign assistance authorizations or appropriations acts and provisions of other acts that restrict action under foreign assistance legislation and raises from $50 million to $75 million the amount of assistance that can be provided under this authority to any one country in a given year.

UNANTICIPATED CONTINGENCIES

The House bill (sec. 6103) rewrites section 451 of the Foreign Assistance Act to authorize the President to use up the $50 million for unanticipated contingencies, other than the provision of military assistance.

The Senate amendment (sec. 501) amends section 451 of the Foreign Assistance Act to raise the authorized level to $40 million.

The conference substitute (sec. 403) amends section 451 of the Foreign Assistance Act to raise the authorized level to $45 million.

EMERGENCY ASSISTANCE

The Senate amendment (sec. 502) amends section 533 of the Foreign Assistance Act to authorize the President to use up to $75 million of ESF for emergency use when the U.S. National interests requires economic support to promote economic or political stability.

The House bill contains no comparable provision, retaining current law.

The conference substitute is the House position.

DEMOCRACY CONTINGENCY FUND

The House bill (sec. 6104) authorizes the President to use up to $100 million annually for assistance to countries emerging from civil strife or into democracy, with fifteen day notification of the appropriate congressional committees. The assistance may be used to encourage and facilitate the process of creating and institutionalizing democracy and to meet economic and human needs resulting from civil strife.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 402) creates a new section 282 in title IX of chapter 2 of part I of the Foreign Assistance Act which permits the obligation of up to $75 million in any fiscal year for the purposes contained in the House bill. These funds are in addition to other funds which may be available for such purposes. The committee of conference emphasizes that this authority is intended to be used only to meet unanticipated circumstances and should only be used one time for an individual country.

TERMINATION EXPENSES

The House provision (sec. 6105) revises section 617 of the Foreign Assistance Act which authorizes obligations for up to eight months to terminate programs.

The Senate amendment (sec. 503) amends section 617 of the Foreign Assistance Act with a similar provision, except it does not include reobligation authority for expenses arising from termination of assistance.

The conference substitute (sec. 436) is the same as the Senate provision with an amendment specifying that provisions of law requiring the termination of assistance are not to be construed to require the termination of guarantee commitments.

PRESIDENTIAL CONTINGENCY

The Senate amendment (sec. 1001) authorizes $10 million to the President to meet unanticipated contingencies in program needs within the international affairs (150) budget function.

The House bill contains no comparable provision.

The conference substitute (sec. 401) is the same as the Senate amendment.

EXEMPTION FOR NON-GOVERNMENTAL ORGANIZATIONS

The House bill (sec. 6106) provides that restrictions on assistance do not apply to assistance provided through nongovernmental organizations. In exercising this authority, the President is to consider whether assistance for programs of nongovernmental organizations is in the national interest of the United States. The appropriate committees of congress must be notified of any use of this authority.

The Senate amendment (sec. 504) contains a similar provision.

The conference substitute (sec. 413) adds a new section 692 to chapter 5 of part III of the Foreign Assistance Act which is essentially the same as the Senate amendment, but includes the House provision requiring the President to take into consideration whether use of this authority to continue assistance directly benefits poor people and whether it promotes increased respect for human rights and the development of democracy.

TRAINING EXEMPTIONS

The House bill (sec. 6107) rewrites section 638(b) of the Foreign Assistance Act to provide that no provision of law shall prohibit the provision of assistance for training if the recipient country has a democratically-elected government and assistance would not be prohibited for reasons contained in sections 2808 (relating to support for international terrorism), 4402 (relating to non-cooperation on narcotics control), 6201(a)(1) (relating to communist countries), 6201(a)(2) (relating to expropriation) and 6202 (relating to police training) of the House bill.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 413(c)) revises section 638(b) of the Foreign Assistance Act to add the substance of the House provision.

EXEMPTIONS FOR CERTAIN SPECIAL NEEDS

The House bill (sec. 6108) provides that assistance activities undertaken in the areas of child survival, AIDS prevention and control, displaced children, the environment, and energy are exempt from prohibitions and restrictions in law except for the prohibition against assistance to countries supporting international terrorism.

The Senate amendment (sec. 110) contains a similar provision exempting child survival, AIDS prevention and control, and environment and energy activities from prohibitions and restrictions on assistance, except for restrictions relating to human rights violators and countries supporting international terrorism.

The conference substitute (sec. 413) adds a new section 693 to chapter 5 of part III of the Foreign Assistance Act which exempts from prohibitions on assistance activities undertaken under the following provisions: section 102A(1) (individuals with disabilities); section 102A(2) (displaced children); section 104(c)(2) (child survival); section 104(c)(3) (immunization and oral rehydration); section 104(c)(4) (AIDS); section 106(d) (environmentally sound, sustainable resource management); and section 106(e) (efficient energy systems) of the Foreign Assistance Act, except prohibitions under section 620A (terrorism) and section 691(a)(2) (human rights).

ACTIVITIES UNDER CERTAIN LAWS NOT AFFECTED

The House provision (sec. 6109) states that provisions in foreign assistance legislation

shall not be construed to prohibit or restrict activities authorized under the following specific laws: the Peace Corps Act; the Mutual Educational and Cultural Exchange Act of 1961; the Export-Import Bank Act of 1945; the Agricultural Act of 1949; the Agricultural Trade Development and Assistance Act of 1954; the Food for Progress Act of 1985; the Inter-American Foundation Act; the African Development Foundation Act; or the Migration and Refugee Act of 1962; or commercial export promotion activities of the Department of Agriculture, including the Commodity Credit Corporation, unless such prohibition is expressly provided.

The Senate amendment (sec. 511) contains a similar provision, with the addition of several laws authorizing intelligence and defense activities not specified in the House provision.

The conference substitute (sec. 413(b)) amends section 638(a) of the Foreign Assistance Act with a provision identical to the House bill.

INELIGIBLE COUNTRIES

The House bill (sec. 6201) rewrites the various restrictions contained in sections 620, 116, and 502B of the Foreign Assistance Act to prohibit assistance to a country that (1) is a Communist country, (2) violates human rights, (3) expropriates U.S. property, (4) whose elected head-of-state is overthrown by military coup, (5) engages in nuclear proliferation, (6) provides military equipment to a terrorist state, or (7) to a project which would increase exports of any agricultural, textile, or apparel commodity in direct competition with U.S. exports. Exceptions to these prohibitions are permitted (1) where the President determines that providing assistance is in the national interest, (2) for assistance that will alleviate suffering from a disaster, (3) for assistance which is furnished through nongovernmental organizations which directly benefits poor people, or (4) for assistance which is furnished through nongovernmental organizations to promote increased respect for internationally recognized human rights and the development of democracy. Any use of this waver authority must be reported to the appropriate committees of congress.

The House bill also requires the President to issue a list of communist countries, and any removal or exemption from the list requires notification of the appropriate congressional committees. In addition, the House bill includes the standards contained in sections 116 and 502B of the Foreign Assistance Act which specifies factors to be considered in determining whether a country engages in a consistent pattern of gross violations of international recognized human rights. Finally, the House bill (sec. 6204) revises section 620(q) of the Foreign Assistance Act to prohibit assistance to a country that is more than one year (six months in current 620(q)) in arrears on payments on U.S. foreign assistance loans.

The Senate amendment contains two provisions which include elements of the House provision. Section 505 of the Senate amendment rewrites section 620(f) of the Foreign Assistance Act in a manner similar to the House provision, imposing restrictions on assistance to communist countries. Similar to the House restriction, section 506 of the Senate amendment amends section 620(i) to prohibit assistance to any country whose elected head-of-state is overthrown by military coup.

The conference substitute (sec. 412), which creates a new section 691 of the Foreign Assistance Act, is similar to the House bill, except for (1) the addition of the prohibition against assistance to a country more than one year in arrears on debt repayment to the U.S. Government, (2) the deletion of the prohibition against countries engaged in nuclear proliferation (which is retained in sections 669, and 670 (a) and (b) of the Foreign Assistance Act), and (3) the deletion of the explicit exemption for assistance through NGOs which directly benefits the poor and in support of human rights and democracy (which are covered under the broader waiver for assistance through NGOs created by section 413(a) of the conference substitute).

LAW ENFORCEMENT ASSISTANCE

The House bill (sec. 6202) restates section 660 of the Foreign Assistance Act to prohibit the use of foreign assistance for police training except for certain explicit purposes.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 411) amends section 660 of the Foreign Assistance Act to clarify that that prohibition against police training applies to the furnishing of excess defense articles under sections 516, 517, 518, and 519 of that Act. The conference substitute further specifies that the prohibition does not apply to international narcotics control assistance (as defined in section 644A(a)(9) of the Foreign Assistance Act as amended by the conference substitute), assistance in maritime law enforcement and other maritime skills, assistance to a democratic country which does not have a standing army and is not a human rights violator, assistance in wildlife protection and management, and is not a human rights violator, assistance in wildlife protection and management, antiterrorism assistance, assistance provided for administration of justice through section 534 of the Foreign Assistance Act, as amended by the conference substitute, and other expressly authorized assistance.

The committee of conference notes that the addition of the requirement for an explicit waiver means that the term "notwithstanding any other provision of law" does not apply to section 660. The committee of conference also notes that section 305 of the conference substitute waives the application of this prohibition to assistance provided under section 517 of the Foreign Assistance Act for fiscal years 1992 and 1993.

INTELLIGENCE ACTIVITIES

The House bill (sec. 6203) retains section 662 of the Foreign Assistance Act, known as the "Hughes-Ryan" amendment, which restricts the use of foreign assistance funds by the CIA.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

NUCLEAR NON-PROLIFERATION

The House bill (sec. 6206) consolidates the restrictions contained in sections 669, 670(a), and 670(b) of the Foreign Assistance Act on assistance to countries engaged in the proliferation of nuclear weapons capabilities.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

VIOLATIONS OF THE TERMS OF ASSISTANCE

The House bill (sec. 6207) requires the termination of assistance if the recipient uses the assistance in violation of the agreement under which the assistance is provided.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position.

CONGRESSIONAL PRESENTATION DOCUMENTS

The House bill (sec. 6301) revises section 634 of the Foreign Assistance Act to consolidate requirements for annual congressional presentation documents (CPD) on economic assistance. The House bill requires the CPD to include: (a) the rationale for allocation of assistance to each country, (b) a brief description of each program, (c) a description of new activities, (d) a description of progress in implementing the Development Fund for Africa, (e) a summary of other economic programs, (f) an identification of funds obligated for more than two years and certification that the purposes remain valid, (g) the dollar value of all foreign assistance by category and country since 1946, (h) a summary of net aid flows to each country, and (i) the status of debt servicing capacity of each recipient country. In addition, the House bill (sec. 6310) requires a report from the AID Inspector General on ways to reduce the unexpended balance in the AID pipeline.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 422) amends section 634 of the foreign Assistance Act to reflect that the House provision, with the exceptions that the requirement for identification of funds obligated for more than two years is changed to identification of funds obligated for more than five years, the deletion of the requirement of certification that the purposes of funds in the pipeline more than two years remain valid, addition of a report on U.S. contributions to the achievement of child survival goals and project funding levels for programs in subsequent years, and other minor technical changes.

HUMAN RIGHTS

The House bill (section 6302) consolidates the policy and reporting requirements contained in sections 116 and 502B of the Foreign Assistance Act of 1961, eliminates repetitive language, and adds new language.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (section 421(a)) creates a new section 283 of the Foreign Assistance Act which contains language identical to the House bill.

New section 283(a) of the Foreign Assistance Act, as contained in the conference substitute, restates the policy language contained in section 502B of current law asserting that the promotion of human rights is a principal goal of the foreign policy of the United States. In the furtherance of that goal, section 283(b) mandates the President to formulate and conduct U.S. assistance and military sales programs in a manner which promotes human rights and avoids identification of the United States with governments which violate human rights. New language in this subsection requires that these programs, especially military assistance and sales programs, be formulated and conducted in a manner which will strengthen the relationship between the civilian and military sectors of the recipient countries appropriate to a democratic system of government.

New section 283(c) further requires that, in carrying out this human rights policy and in preparing these reports, consideration be given to the relevant findings of appropriate international and nongovernmental organizations, and the extent to which the government in question is permitting the unimpeded investigation of alleged violations of internationally recognized human rights by indigenous NGOs, other NGOs, and

international organizations, such as the International Committee of the Red Cross.

Reference to the information provided by appropriate organizations was added to this section by the committee of conference in recognition of the important contribution made by nongovernmental and other human rights organizations in documenting human rights abuses and of the difficulties some human rights organizations, including indigenous groups, face in investigating alleged violations of human rights in some countries.

New section 283(d) contains the requirements for the Secretary of State to submit to the Congress, by February 28 of each year, the annual "County Reports on Human Rights Practices" for every foreign country. This subsection extends by one month the date in current law by which the report must be submitted to the Congress to allow the Assistant Secretary of State for Human Rights and Humanitarian Affairs, under whose direction the report is prepared, additional time for its preparation and printing. The change was made on the condition that, on or before February 28, the Congress will receive the published version of the report which will be ready for immediate public release and distribution.

New section 283(e) requires the Secretary of State, at the request of either the Committee on Foreign Relations of the State or the Committee on Foreign Affairs of the House of Representatives, to transmit, within 30 days after receipt of such a request, a special report, also prepared under the direction of the Assistant Secretary of State for Human Rights and Humanitarian Affairs, on whatever country is specified in the request. Section 283(f) provides that both reports are to contain all information available about observance of and respect for human rights and fundamental freedoms in a country, and a detailed description of practices by the government of that country with respect to human rights and fundamental freedoms, including information provided by nongovernmental and other appropriate organizations.

New section 283(f) defines the term "assistance" and "military assistance" for the purposes of this section.

The conference substitute (section 421(b)) also contains conforming amendments to section 624(f) of the Foreign Assistance Act which relates to the duties of the Assistant Secretary of State for Human Rights and Humanitarian Affairs. The conference substitute modifies current law by adding matters relating to civilians and noncombatants in situations of armed conflict to the list of specific human rights and humanitarian issues for which the Assistant Secretary is responsible.

International humanitarian law, including the Geneva Conventions of 1949, recognizes the right of civilians and noncombatants in situations of armed conflict. Those rights include respect for the basic dignity of the person, free and safe passage of relief supplies, access of impartial humanitarian organizations providing relief assistance, and the protection of commodities indispensable to the survival of the civilian population, including foodstuffs and drinking water.

In recent years, humanitarian relief organizations have encountered increasing difficulties in providing humanitarian assistance in situations of armed conflict. The problem has not simply been one of heightened physical danger to relief personnel. In many instances, protagonists in conflicts have used food and other humanitarian assistance as weapons.

This provision affirms the importance of the protection afforded by international humanitarian law to civilians and noncombatants in situations of armed conflict by placing specific responsibility for monitoring and reporting violations of humanitarian law in armed conflicts with the Assistant Secretary for Human Rights and Humanitarian Affairs. The committee of conference urges the Assistant Secretary, under whose direction the annual Country Reports on Human Rights Practices are prepared, to include a specific section addressing any violations of humanitarian law in the reports on those countries experiencing such conflicts.

ANNUAL ALLOCATION REPORT

The House bill (sec. 6303) restates section 653 of the Foreign Assistance Act to require the President to notify the Congress of the allocation of funds within thirty days of enactment of an appropriations act.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 424) amends section 653 of the Foreign Assistance Act to exempt from the notice requirement continuing resolutions of less than 90 days.

NOTIFICATION OF PROGRAM CHANGE

The House bill (sec. 6304) rewrites section 634A of the Foreign Assistance Act which requires notification of the appropriate congressional committees 15 days prior to any change in funding allocation. Notification is required for an increase in the level of assistance to a country or for a new activity not previously justified or not funded in the preceding year. The President may waive this requirement under emergency circumstances if the committees are provided with prior notification.

The Senate amendment (sec. 214) amends section 634A of the Foreign Assistance Act with a similar provision, except that it allows the President to waive the requirement if failure to do so would pose substantial risk to human health or welfare.

The conference substitute (sec. 423) is the same as the Senate provision except that the private sector credit program is not excluded from the requirement and the Development Fund for Africa is added to the list of programs excluded from the requirement. The committee of conference intends that notifications should also be transmitted for increases of more than 10 percent in fiscal year funding for on-going centrally-funded and regional projects. The committee of conference expects that centrally funded programs and regional programs be notified consistent with the provisions of this section.

QUARTERLY REPORTS

The House bill (sec. 6305) requires quarterly reports to the Congress on the obligation of funds.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position.

INFORMATION REQUESTED BY CONGRESS AND GAO

The House bill (secs. 6306 and 6307) restates section 633A of the Foreign Assistance Act to require the executive branch to provide information to the General Accounting Office and to the Congress.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

PRESIDENTIAL FINDINGS

The House bill (sec. 6308) restates section 654 of the Foreign Assistance Act to require that Presidential findings and determinations required by law be reduced to writing and signed by the President.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

REPORT ON RECIPIENT MILITARY EXPENDITURES

The House provision (sec. 6309) revises section 620(s) of the Foreign Assistance Act to require every three years (rather than annually) a report on the resources devoted to military purposes by recipients of U.S. assistance.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

DELEGATIONS BY THE PRESIDENT

The House bill (sec. 7101) modifies section 621(a) of the Foreign Assistance Act which authorizes the President to carry out provisions of this act through any U.S. Government agency or officer.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

DESIGNATION OF ADMINISTERING AGENCY FOR TITLE I

The House bill (sec. 7102) restates section 621 of the Foreign Assistance Act which requires that a single agency be designated by the president to administer economic assistance provided under title I (economic assistance), and chapter 1 (Development Fund for Africa) and chapter 2 (multilateral assistance initiative for the Philippines) of title V of the House bill.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

AUTHORITY TO ESTABLISH MISSIONS

The House bill (sec. 7103) restates sections 631(a) and (d) of the Foreign Assistance Act authorizing the President to establish special missions abroad to carry out the purposes of this act and providing that smaller economic assistance programs may be administered by the principal economic officer of the U.S. diplomatic mission.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

AUTHORITY TO CONDUCT REIMBURSABLE PROGRAMS

The House bill (secs. 1801 and 1802) reflects section 607 of the Foreign Assistance Act which authorizes the U.S. Government to make available assistance to other countries, to be paid for by the recipient.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 433) amends section 607(a) of the Foreign Assistance Act to provide that limitations on assistance do not apply with respect to this section.

COORDINATION OF U.S. POLICIES AND PROGRAMS

The House bill (sec. 7104) rewrites section 640B of the Foreign Assistance Act regarding coordination of U.S. policies and programs which affect U.S. interest in the development of developing countries. The House bill eliminates the designation of a specific entity or participants to carry out this coordination function but directs the President to establish a coordination mechanism.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 445) amends section 640B of the Foreign Assistance Act to comport to the House provision and adds a requirement for consultation with Congress on the proposed coordination mechanism.

FUNDS ALLOCATED TO THE EXPORT-IMPORT BANK AND OPIC

The House bill (sec. 7201) retains the provisions of section 632 of the Foreign Assistance Act providing various administrative authorities for the allocation of funds and reimbursements among federal agencies.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 441) is the same as the Senate position with a technical amendment to bring section 632 into compliance with credit reform.

GENERAL AUTHORITIES

The House bill (sec. 7202) modifies the general authorities in section 635 of the Foreign Assistance Act for carrying out the purposes of this act.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 442) is identical to the Senate position, with the exception of an amendment to section 635(a) which specifies that the President may furnish assistance on such terms and conditions (consistent with other provisions of law) as he deems appropriate. This amendment provides a generic statement which replaces numerous similar statements in the Act that accompany specific provisions of law.

FACILITIES ABROAD AND PERSONNEL DETAILED TO AID

The House bill (sec. 7203) modifies the authorities of section 636 of the Foreign Assistance Act regarding compensation of personnel, procurement of administrative supplies and services, travel, housing, purchase and maintenance of motor vehicles, construction of facilities, education of dependents, training of personnel, and other operating authorities.

The Senate amendment (sec. 509) contains a provision amending section 636(a) to expand the contract authority for personal services.

The conference substitute (secs. 440, 443 and 434) is similar to the Senate amendment, but retains the provisions of the House bill relating to facilities abroad as an amendment to section 636 of the Foreign Assistance Act and personnel detailed to the administering agency for title I as a new section 630A of the Foreign Assistance Act.

The committee of conference has amended existing authority relating to employment of individuals as personal services contractors. This new authority would permit the employment of individuals in the United States and overseas to design, implement, and evaluate economic assistance activities. For example, this authority would allow AID to employ the services in the United States of an environmental expert so long as the expert is primarily working on matters pertaining to the furnishing of assistance overseas as the design and implementation of regional and bilateral environmental programs.

REQUIREMENT FOR AUTHORIZATION

The House bill (sec. 7301) incorporates into the Foreign Assistance Act the requirement of Public Law 91-672 for the specific authorization of funds for foreign assistance programs.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senatde positions, retaining the requirement of Public Law 91-672 in a separate statute.

AUTHORITY FOR EXTENDED PERIOD OF AVAILABILITY OF APPROPRIATIONS

The House bill (sec. 7302) authorizes amounts appropriated to carry out this act to remain available until expended unless otherwise specified. Availability of funds, except as otherwise provided for, is on a fiscal year basis under section 616 of the Foreign Assistance Act.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 435) which is identical to the substance of the House bill, amends section 616 of the Foreign Assistance Act to specify that funds are available until expended.

EXEMPTION FROM CERTAIN PROVISIONS RESTRICTING THE AVAILABILITY OF FUNDS

The House bill (sec. 7303) provides for the proportional reduction in earmarks if funds appropriated or made available under any sequestration order are less than authorized. The House bill also provides a waiver of earmarks if compliance is made impossible by operation of law or if the President determines, after consultation with the appropriate congressional committees, that a country or organization has significantly reduced its military, political, or economic cooperation with the United States during the preceding 12 months. The House bill also provides an exemption from this provision for Israel and Egypt.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 438) is similar to the House bill, but deletes the proportional reduction in earmarks as the conference substitute contains no earmarks, and authorizes a waiver of earmarks if a country or organization has significantly reduced its military or economic cooperation with the United States.

DEOBLIGATION OF UNEXPENDED BALANCES

The House bill (sec. 7304) requires the deobligation and return to the Treasury of funds that have been obligated for more than three years unless the President determines, on a case-by-case basis, that the funds for a construction project requires more than three years to complete or because of unforeseen circumstances.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position.

SPECIAL ACCOUNTS FOR LOCAL CURRENCIES

The House bill (sec. 7321) revises section 609 of the Foreign Assistance Act which establishes guidelines for accounting and utilization of host-country owned local currencies accruing under title I and chapters 1 and 2 of title V of the House bill (relating to the Development Fund for Africa and the Multilateral Assistance Initiative for Philippines).

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 434) amends section 609 of the Foreign Assistance Act with the House provision with minor changes to comport the provision to section 575(a) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, Fiscal Year 1991.

In adopting the House provision, the committee of conference intends that its requirements apply to local currencies generated under cash transfer or non-project sector assistance agreements with governments that provide for separate accounts for such assistance. The annual foreign assistance appropriations act provides for an exemption from the requirement to deposit non-project sector assistance into a separate account. In the event that exemption is exercised, it is the intention of the committee of conference that the provisions of section 609 of the Foreign Assistance Act need not apply to local currencies generated from that non-project sector assistance.

USE OF CERTAIN FOREIGN CURRENCIES

The House bill (sec. 7322) modifies section 612 of the Foreign Assistance Act which authorizes the use of U.S.-owned excess foreign currencies to provide economic assistance under title I and chapters 1 and 2 of title V of the House bill (relating to the Development Fund for Africa and Multilateral Assistance Initiative for the Philippines).

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

INTEREST ON FOREIGN CURRENCIES

The House bill (sec. 7323) retains the provision contained in section 612 of the Foreign Assistance Act requiring interest to be paid on foreign currencies accruing to the United States unless the President determines it is not in the national interest.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

USE OF LOCAL CURRENCIES

The House bill (sec. 7324) modifies section 636(h) of the Foreign Assistance Act which directs the President to ensure that countries receiving assistance contribute, to the maximum extent practical, their local currencies to help meet the costs of providing such assistance.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

INTEREST ON LOCAL CURRENCIES ACCRUING TO NGOS

The House bill (sec. 7325) permits NGOs to invest and earn interest on local currencies generated by U.S. economic and food assistance provided to them and allows any interest earned to be used for the purposes for which the assistance was originally provided.

The Senate amendment (sec. 215) contains a similar provision, but includes only currencies accrued under part I of the Foreign Assistance Act.

The conference substitute (sec. 437) creates a new section 618 of the Foreign Assistance Act which is identical to the House bill.

USE OF PRIVATE ENTERPRISE

The House bill (sec. 7401) modifies section 601(b)(5) and (8), 602(c), and 621(a) of the Foreign Assistance Act regarding the participation of private enterprise in achieving the purpose of the act.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 431) amends section 610 of the Foreign Assistance Act to include the language of the House bill.

PROCUREMENT

The House bill (sec. 7402) rewrites section 604 of the Foreign Assistance Act which authorizes procurement outside the United States and establishes conditions for such procurement.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 432) is virtually identical to the House bill with tech-

nical corrections. The committee of conference notes that new section 604(a)(2)(B) of the Foreign Assistance Act provides a measure of flexibility in order to meet unforeseen circumstances, such as emergency situation, where it is important to permit procurement from countries other than the United States, the recipient country, or less developed countries, or to permit such procurement in order to promote efficiency in the use of foreign assistance resources, including to avoid impairment of foreign assistance objectives.

SHIPPING ON U.S. VESSELS

The House bill (sec. 7403) retains sections 603 and 640C of the Foreign Assistance Act which exempt from cargo preference restrictions the transportation of certain goods acquired with foreign currencies and transiting between foreign ports, and allows the use of funds to pay freight differential between U.S. and foreign flag carriers on cargos financed under this act.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

EXCESS PROPERTY

The House bill (sec. 7404) modifies sections 607(c) and 608 of the Foreign Assistance Act, providing policy with respect to the use of excess and other available property.

Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

RETENTION AND USE OF CERTAIN ITEMS

The House bill (sec. 7405) modifies section 605 of the Foreign Assistance Act which authorizes the retention, transfer, use, or disposal of any commodities or defense articles procured for a foreign country or international organization when changed circumstances make it inadvisable to furnish such commodities or defense articles.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

LAW RELATING TO CONTRACTS

The House bill (sec. 7406) retains section 633(a) of the Foreign Assistance Act which allows the President to waive provisions of law regulating the making, performance, amendment, or modification of contracts and the expenditure of funds.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

CERTAIN TRANSPORTATION COSTS

The House bill (sec. 7407) retains section 123(b) of the Foreign Assistance Act which permits the use of economic assistance funds to pay transportation charges on shipments by the American Red Cross and by registered U.S. PVOs.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

RECOGNITION OF AMERICAN GENEROSITY

The Senate amendment (sec. 510) contains congressional findings regarding foreign assistance and directs the Administrator of AID to take steps to ensure that for all assistance projects there shall be prominently displayed an acknowledgment that the project was funded in whole or in part by the people of the United States.

The House bill contains no comparable provision.

The conference substitute (sec. 446), which amends section 641 of the Foreign Assistance Act, is similar to the Senate amendment but deletes the findings.

STATUTORY OFFICERS

The House bill (sec. 7501) modifies section 624(a) and (b) of the Foreign Assistance Act which permits the President to appoint 12 statutory officers in the economic assistance agency, with the advice and consent of the Senate, and allows the President to designate titles and fix order of succession among the officers appointed.

The Senate amendment (sec. 210) amends section 624 of the Foreign Assistance Act to require nominations for the specific positions and Senate confirmation of all statutory officers.

The conference substitute (sec. 439) is identical to the Senate amendment.

EMPLOYMENT OF PERSONNEL

The House bill (sec. 7502) modifies section 625 of the Foreign Assistance Act which authorizes the hiring of personnel to carry out the purposes of the act and sets forth compensation limits and other administrative provisions.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

EXPERT, CONSULTANTS AND RETIRED OFFICERS

The House bill (sec. 7503) modifies section 626 of the Foreign Assistance Act which authorizes the employment of individual experts, consultants, and organizations thereof.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

DETAIL OF PERSONNEL

The House bill (sec. 7504) consolidates provisions of sections 627, 628, 629, and 630 of the Foreign Assistance Act regarding the assignment of personnel to foreign governments and international organizations to assist in carrying out the purposes of the act.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

CHIEF OF ECONOMIC MISSION

The House bill (sec. 7505) retains section 631(b) of the Foreign Assistance Act which authorizes the President to appoint chiefs of economic assistance missions abroad and provides for compensation and allowances.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

CHAIRMAN OF OECD DEVELOPMENT ASSISTANCE COMMITTEE

The House bill (sec. 7506) retains section 631(c) of the Foreign Assistance Act which authorizes the President to appoint the Chairman of the OECD Development Assistance Committee and provides for compensation allowances to be received by the appointee.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

ASSIGNMENT OF DOD PERSONNEL

The House bill (sec. 7507) retains section 633(c) of the Foreign Assistance Act which authorizes the President to detail Department of Defense personnel to civil offices to carry out the purposes of the act.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute is the same as the Senate position.

DISCRIMINATION AGAINST U.S. PERSONNEL

The House bill (sec. 7508) modifies section 666 and 505(g) of the Foreign Assistance Act to prohibit the President from taking into account race, religion, national origin, or sex in assigning officers or employees to carry out any assistance programs funded under the act in any foreign country and requires that such assignments be made solely on the basis of ability and relevant experience.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 447), which amends section 666 of the Foreign Assistance Act, is identical to the House bill.

DEFINITIONS

The House bill (sec. 7601) combines various provision of the Foreign Assistance Act which provide definitions of terms used in this act. The House bill (sec. 1102) also contains a definition regarding the term "foreign military financing assistance" as it relates to provisions of section 23 of the Arms Export Control Act.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 451) adds a new section 644(a) to the Foreign Assistance Act to add definitions from the House provision not currently in law and includes the definition of foreign military financing assistance.

SAVINGS PROVISIONS

The House bill (sec. 641) continues in force and effect all actions taken under the authority of any law repealed or modified under titles I–VI of the House bill until modified by appropriate authority.

The Senate amendment contains no comparable provision

The conference substitute is the same as the Senate position.

RETENTION OF CERTAIN PROVISIONS

The House bill (sec. 642) retains the provisions of sections 624(f) establishing the position of Assistant Secretary of State for Human Rights and Humanitarian Affairs), 620(e)(2) (concerning application of federal act of state doctrine), 620(a)(1) (relating to the embargo on trade with Cuba), 613 (regarding valuation and accounting of foreign credits), and 620(e)(1) (relating to evaluation of the value of expropriated U.S. property) of the Foreign Assistance Act.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position.

REPEAL OF OBSOLETE PROVISIONS

The House bill (sec. 645) repeals various provisions of the Foreign Assistance Act.

The Senate amendment (sec. 801) contains a similar provision.

In addition to repeals contained in other sections, the conference substitute (sec. 461) repeals the following provisions of the Foreign Assistance Act of 1961, which are obsolete or which have been reformulated in other provisions of the conference substitute:

(1) the last two sentences of section 104(c)(3), which contain an obsolete earmark for the Child Survival Fund;

(2) section 111, Development and Use of Cooperatives;

(3) section 116, Human Rights;

(4) section 117, Assistance for Disadvantaged South Africans;

(5) section 120, Sahel Development Program;

(6) section 123(e), concerning the application of various prohibitions in the act to ongoing activities of private voluntary organizations; .

(7) section 124, Relatively Least Developed Countries;

(8) section 127, Accelerated Loan Repayments;

(9) section 128, Targeted Assistance;

(10) title I of chapter 2 of part I, Other Programs;

(11) section 214(d), a directive relating to the ASHA program;

(12) section 219, Prototype Desalting Plant;

(13) section 224, Trade Credit Insurance Program for Central America;

(14) title V of chapter 2 of part I, Disadvantaged Children in Asia;

(15) sections 301(d), concerning audits of international funds established solely by U.S. contributions and 301(g), regarding provision of technical assistance by U.N. specialized agencies;

(16) sections 302(b), authorization for Indus Basin Development, 302(i), authorization for the IAEA, and 302(j), authorizations to multilateral and regional drug abuse control programs;

(17) Section 303, Indus Basin Development;

(18) chapter 6 of part I, Central America Democracy, Peace and Development Initiative;

(19) sections 494, 495, and 495B through 495K, obsolete authorizations of disaster assistance;

(20) section 502B, Human Rights;

(21) section 535, Economic Support for Disadvantaged South Africans;

(22) section 602, Small Business;

(23) section 606, Patents and Technical Information;

(24) section 611, Completion of Plans and Cost Estimates;

(25) the first sentence of section 616, concerning availability of funds;

(26) all subsections of section 620, Prohibitions Against Furnishing Assistance, except subsection (a), concerning Cuba, subsection (e)(2), concerning the federal act of state doctrine, and subsection (s) concerning recipient country military expenditure;

(27) section 620D, Prohibition of Assistance to Afghanistan;

(28) the last sentence of section 626, concerning employment of persons of outstanding experience without compensation;

(29) section 634B, Classification of Reports;

(30) section 637, Administrative Expenses;

(31) section 640A, False Claims and Ineligible Commodities;

(32) section 645, Unexpended Balances;

(33) section 648, Special Authorization for Use of Foreign Currencies;

(34) section 650, Use of United States Armed Forces; and

(35) section 663, Exchanges of Certain Materials.

The conference substitute (sec. 461(b)) makes conforming amendments in a number of provisions of the Foreign Assistance Act of 1961.

The conference substitute (sec. 462) repeals obsolete provisions of annual foreign assistance acts, as follows:

(a) the Special Foreign Assistance Act of 1986, except for the short title and section 204, concerning recovery by Haiti of assets stolen by the Duvalier regime;

(b) the International Security and Development Cooperation Act of 1985, except for: (1) the short title; (2) section 131, Certification Concerning AWACS Sold to Saudi Arabia; (3) section 132, Cooperative Agreements on Air Defense in Central Europe; (4) section 202(c), Cooperative Scientific and Technological Projects; (5) section 203(b) Cyprus Peace and Reconstruction Fund; (6) section 502, Coordination of All United States Terrorism-Related Assistance to Foreign Counties; (7) section 504, Prohibition on Imports from and Exports to Libya; (8) section 505, Ban on Importing Goods and Services from Countries Supporting Terrorism; (9) part B of title V, the Foreign Airport Security Act, (except for section 558, Hijacking of TWA Flight 847, and section 559, effective date); (10) section 904, Assistance for Afghanistan; (11) section 906, Prohibition on Certain Assistance to the Khmer Rouge; (12) section 1205, Reports on Economic Conditions in Certain Countries; (13) section 1302, Codification of Policy Prohibiting Negotiations with the Palestine Liberation Organization; and (14) section 1303, Commission for the Preservation of America's Heritage Abroad;

(c) the 1985 Jordan Supplemental Act;

(d) the African Famine Relief and Recovery Act of 1985;

(e) the International Security and Development Assistance Authorization Act of 1983;

(f) the Lebanon Emergency Assistance Act of 1983;

(g) the International Security and Development Cooperation Act of 1981, except for: (1) the short title; (2) section 709, Use of Certain Polish Currencies; (3) section 712, Findings and Declaration of Policy Regarding World Hunger; (4) section 714, Immigrant Visas for Taiwan; (5) section 735, Report on Nuclear Activities; and (6) section 737, Prohibitions Relating to Nuclear Transfers and Nuclear Detonations;

(h) the International Security and Development Cooperation Act of 1980, except for: (1) the short title; (2) section 110, Exportation of Uranium Depleted in the Isotope 235; (3) section 315, Caribbean Development Bank; and (4) title V, the African Development Foundation;

(i) the International Development Cooperation Act of 1979;

(j) the International Security Assistance Act of 1979;

(k) the Special International Security Assistance Act of 1979;

(l) the International Development and Food Assistance Act of 1978, except for: (1) the short title; (2) title IV, Establishment of a Unified Personnel System; and (3) section 603(a)(2), Reports to Congress on Debt Relief Agreements;

(m) the International Security Assistance Act of 1978;

(n) the International Development and Food Assistance Act of 1977, except for: (1) the short title; (2) section 132, Missing in Action in Vietnam; and (3) section 133, Plan for Increased Minority Business Participation in Foreign Activities;

(o) the International Security Assistance Act of 1977;

(p) the 1976 Security Assistance Act, except for: (1) the short title; (2) section 201(b) and 212(b), which concern reference to the Arms Export Control Act; (3) section 601, Expedited Procedure in the Senate; and (4) section 608, Extension of Airport at Pinecreek, Minnesota;

(q) the International Development and Food Assistance Act of 1975;

(r) the 1975 Board for International Broadcasting Act;

(s) the Foreign Assistance Act of 1974;

(t) the Emergency Security Assistance Act of 1973;

(u) the Foreign Assistance Act of 1973;

(v) the Foreign Assistance Act of 1971; except for the short title and section 7, assistance for Vietnam;

(w) the Special Foreign Assistance Act of 1971;

(x) the 1971 Foreign Military Sales Act, except for sections 10 and 12;

(y) the Foreign Assistance Act of 1969, except for the short title and part IV, the Inter-American Foundation Act;

(z) the Foreign Assistance Act of 1968;

(aa) the Foreign Assistance Act of 1964, except for the short title and part V, Religious Persecution;

(bb) the Latin American Development Act;

(cc) the Mutual Security Act of 1959; and

(dd) Sections 402 and 407 of the Mutual Security Act of 1954.

The conference substitute (sec. 462(v)(2)) amends section 531 of the Foreign Assistance Act to retain a provision of current law that states that ESF is part of economic assistance. The conference substitute (sec. 462(ff)) is a savings provision which states that the repeal by this act of any provision of law that amended or repealed another provision of law does not affect in any way that amendment or repeal.

The conference substitute (sec. 463) contains conforming amendments to other acts.

TITLE V—EUROPE

Chapter I—Support for East European Democracy Act

AMENDMENTS TO THE SEED ACT OF 1989

The House bill (sec. 841) contains technical amendments to the SEED Act.

The Senate amendment (sec. 621) amends the preamble to the SEED Act to refer to emergence from tyranny and legacy of communist rule.

The conference substitute (sec. 501) is identical to the House bill.

U.S. POLICY REGARDING EASTERN EUROPE

The House bill (sec. 842) adds a policy statement as new section 2 of the SEED Act, stating that: (a) support for reform in East European countries shall be through (1) the provision of assistance, and (2) the promotion of a U.S. commercial presence in Eastern Europe; and (b) the U.S. should provide assistance to the extent that such countries are taking steps toward political pluralism, economic reform, human rights, and a willingness to build a friendly relationship with the United States.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 502) is identical to the House bill.

EAST EUROPEAN COUNTRIES ELIGIBLE FOR SEED BENEFITS

The House bill (sec. 843) adds a new section 4 to the SEED Act which establishes as eligible for assistance Poland, Hungary, the Czech and Slovak Federal Republic, Bulgaria, and Yugoslavia (unless the President determines otherwise), and any other East European country taking steps toward political pluralism, economic reform, human rights, and friendship with the United States, as determined by the President.

The Senate amendment (sec. 622) defines Eastern Europe as all nations of Europe which experienced communist rule after World War II; makes the authorities for Poland and Hungary available to other countries of Eastern Europe if the President determines (1) that those countries have taken steps toward democracy and a market-oriented economy, (2) the activity would promote democracy and a market economy, and (3) the activity would not fortify govern-

ments or organizations inimical to democracy and a market economy.

The conference substitute (sec. 503) is similar to the House bill, buts adds Albania, Romania, Lithuania, Latvia and Estonia to the list of eligible SEED countries.

STRUCTURAL ADJUSTMENT

The House bill (sec. 844) expands title I of the SEED Act to eligible Eastern European countries.

The Senate amendment (sec. 623) amends SEED sections 103(a) to direct the Secretary to support market-oriented agricultural policies, 103(b) to direct the Secretary to seek to establish Institutes for Agricultural Policies, and 103(c) to provide that 20 percent of food assistance should be in the form of value-added products.

The conference substitute (sec. 504) is similar to the House bill, and adds a new section 103(a)(4) to the SEED Act incorporating the Senate amendment.

The committee of conference notes that agricultural policies in Eastern Europe are just beginning to take shape, presenting a tremendous opportunity to farmers of the United States and the world. The committee of conference takes particular note that the European Community is aggressively advocating adoption in Eastern Europe of Common Agricultural Policy (CAP)-style policies. The cost of such programs could severely hinder the economic recovery of the emerging democracies. The United States should take the lead in advocating free-market alternatives to this expensive and damaging CAP policy.

The committee of conference urges AID, acting through the U.S. Department of Agriculture (USDA), to provide funding for programs to educate and train Eastern European agricultural policymakers and other experts. Such training and education would be an effective way to develop support and expertise at the highest levels of government for market-based agricultural policies.

The committee of conference believes that to the extent the United States provides agricultural products to Eastern Europe, consideration should be given to value-added products, such as poultry and pork, as a larger percentage of U.S. assistance efforts, in addition to food grains and feed grains. The United States should also insure that agricultural products that are provided do not serve as a disincentive for local agricultural production and distort market signals.

PRIVATE SECTOR DEVELOPMENT

The House bill (sec. 845) adds to title II of the SEED Act authority for additional enterprise funds and for infrastructure and private investment projects; expands Title II to other eligible Eastern European countries; broadens the scope of technical assistance beyond the private sector to include government-to-government assistance; requires competitive bidding procedures; and adds a policy statement that assistance to state enterprises is not prohibited under the SEED authorities.

The Senate amendment (sec. 624) amends section 201 of the SEED Act to provide that the authorities and limitations of the Polish and Hungarian Enterprise Funds shall apply to other enterprise funds. The Senate amendment also expresses the sense of Congress that the Funds should take risks and be judged by their overall contribution to the transformation of Eastern Europe. The Senate amendment (sec. 630b) also authorizes the President to make available Federal employees on a volunteer basis to assist SEED countries.

The conference substitute (sec. 505) is similar to the House bill, but deletes the policy statement on assistance to state enterprises.

The committee of conference believes that the Enterprise Funds should be guided by an entrepreneurial philosophy that—

(1) weighs costs, risks, and potential benefits;

(2) recognizes that certain undertakings, such as training and start-up activities, may require temporary subsidy; and

(3) assesses the success of the Enterprise Funds not solely by their balance sheet but by their overall contribution to the transformation of East European countries from a state-controlled to a free market economy.

TRADE AND INVESTMENT

The House bill (sec. 846) expands title III of the SEED Act to other eligible East European countries and repeals provisions that have been implemented or are now carried in other statutes (section 301, relating to the Generalized System of Preferences; section 302, relating to OPIC activities; section 305, relating to TDP; and section 307, relating to tax exemption for Polish bonds).

The Senate amendment contains no comparable provision.

The conference substitute (sec. 506) is identical to the House bill.

EDUCATIONAL, CULTURAL AND SCIENTIFIC ACTIVITIES

The House bill (sec. 847) expands title IV of the SEED Act to other eligible Eastern European countries; requires competitive procedures; and makes eligible for assistance U.S. educational institutions in Europe.

The Senate amendment (sec. 630) amends title IV of the SEED Act to authorize up to $500,000 of nonconvertible Polish currencies for the Research Center of Jewish History and Culture of the Jagiellonian University in Krakow, Poland.

The conference substitute (sec. 507) incorporates provisions from both the House bill and Senate amendment, makes the provision discretionary as in the Senate amendment, and makes Polish currencies available consistent with other U.S. priorities in Poland.

OTHER ASSISTANCE PROGRAMS

The House bill (sec. 848) expands title V of the SEED Act to other eligible East European countries; requires competitive procedures; expands environmental activities to include health issues; adds specific authority for AID to engage in environmental activities; and requires AID/Environmental Protection Agency (EPA) coordination. The House bill also earmarks $1 million for a Czech and Slovak Federal Republic program on health aspects of the environment; requires environmental impact assessments; requires agricultural assistance to emphasize the principles of low-input and integrated pest management; expands medical assistance to training and health care planning and policy; authorizes technical assistance for housing; and authorizes housing investment guaranties.

The Senate amendment (sec. 627) creates a new section 504 of the SEED Act, which expresses the sense of Congress regarding the North Atlantic Assembly (NAA) and increased participation of East European countries in the NAA, and that the President should allocate $750,000 annually to support NAA plan to expand participation by East European countries. The Senate amendment also creates a new section 505 of the SEED Act, which sets forth findings, authorizes up to $5 million for assistance to strengthen democratic institutions by promoting the empowerment of civilian managers in justice, defense, and internal security institutions through conferences and exchanges; prohibits assistance to governments that are non-elected, abuse human rights, or neglect the prosecution of hate crimes; prohibits the participation of intelligence personnel from the CIA or DOD in law enforcement training; encourages the use of FBI training and the International Criminal Investigative Training Assistance Program (ICITAP); calls on USIA to translate books and relevant materials; and requires reports on sites for three legal attache posts.

In addition, the Senate amendment (sec. 630C) contains findings on assistance for legal reform and urges the President to continue cooperation with the American Bar Association on its Central and East European Law Initiatives program of training programs for lawyers and judges.

The conference substitute (sec. 508) is similar to the House bill, but deletes the earmark for the Czech and Slovak Federal Republic environmental program and incorporates a statement that the President should allocate up to $750,000 annually to contribute to the NAA's plan for expanded East European participation.

The committee of conference believes it is important to strengthen democratic institutions in East European countries by promoting civilian control of the justice, defense, and internal security establishments of such countries through conferences and exchanges designed to familiarize such managers with institutional models of the administration of civil justice and relations between civilian authorities and military and internal security forces. United States participation in such instruction should, to the extent practicable, reflect a distinction between internal security and national defense requirements embodied in the principle of posse comitatus.

Personnel for any development and training in law enforcement activities undertaken should be limited to bona fide criminal justice personnel and civilian development specialists.

The committee of conference believes training should include, as a primary goal, civilian control of police forces, the removal of police forces from the control of the nation's political parties and armed forces, and the direct accountability of police forces to the nation's civilian political leadership.

The committee of conference recognizes the important work done to date under the SEED Act, and supports a partnership of universities, professional associations, and government in the promotion of the rule of law.

ADDITIONAL SEED PROGRAM ACTIONS

The House bill (sec. 849) changes the name of the SEED Information Center System to the Eastern European Business Information Center System (EEBICS); adds findings; expands EEBICS functions to information on business conditions and on legal and regulatory information; provides for the participation of information companies in EEBICS; requires information to be accessible through commercial on-line information services; authorizes a U.S. company to carry out the functions of the Center; authorizes $500,000 for the Center; and states that the Center should develop information in the fields of communications, broadcasting, and information. The House bill also expands title VI of the SEED Act to other eligible East European countries, and repeals section 604 of the SEED Act (relating to U.S. representation).

The Senate amendment (sec. 625) adds to the title III of the SEED Act a sense of the

Congress that the President should (1) designate within the Department of Commerce a director for American business initiatives in Eastern Europe, with specified responsibilities, and (2) establish American Business Centers to support American business initiatives in Eastern Europe, with specified responsibilities.

The conference substitute (sec. 509) amends section 602 of the SEED Act, renaming the SEED Information Center System as the Eastern European Business Information Center System (EEBICS), outlines its purpose and function, calls on the President to establish American Business Centers in Eastern Europe, and calls on the EEBICS to make information accessible to the widest possible number of U.S. businesses.

FUNDING OF SEED PROGRAM

The House bill (sec. 850) repeals existing authorizations and authorizes $388.5 million in each of the fiscal years 1992 and 1993 for SEED activities, with sub-allocations of $164 million for the Enterprise Funds and the private sector, 420 million for democracy, $75 million for environment and energy activities, and $129.5 million for technical assistance and economic stabilization, labor, scholarship, medical, and housing assistance. The House bill provides that funds may be reallocated with 15-day notification in accordance with the procedures contained in section 634A of the Foreign Assistance Act, and that funds authorized to be appropriated for SEED activities shall be considered to be funds made available to carry out title I of the Foreign Assistance Act.

The Senate amendment (sec. 622) authorizes $400 million for each of the fiscal years 1992 and 1993 for SEED activities.

The Senate amendment (sec. 628) adds a new section to title VIII of the SEED Act, that assistance under this Act shall be considered to be economic assistance under part I of the Foreign Assistance Act.

The conference substitute (sec. 510) is similar to the House bill, but increases the authorization to $415 million for each of the fiscal years 1992 and 1993, recommends that at least $15 million should be used for assistance to the Baltic States, and revises the sub-allocation of funding to $175 million for Enterprise Funds and private enterprise development, $25 million for democratic institutions, $75 million for energy and environment activities, and $140 million for technical assistance and other programs.

CONFORMING AMENDMENTS TO LIST OF SEED ACTIONS

The House bill (sec. 851) contains various conforming amendments to the SEED Act.

The Senate amendment contains no comparable provisions.

The conference substitute (sec. 511) is identical to the House bill.

REGIONAL ENVIRONMENTAL CENTER

The Senate amendment (sec. 629) designates the Regional Environmental Center for Central and Eastern Europe as an international organization for the purposes of detailing U.S. Government personnel.

The House bill contains no comparable provision.

The conference substitute (sec. 512) is identical to the Senate amendment.

TASK FORCE OF REGULATORY REFORM

The House bill (sec. 852) creates a task force to review and make recommendations on AID's regulations governing the application process for activities relating to Eastern Europe.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position. The Committee of conference believes Eastern Europe should be included in a worldwide review of AID's regulations governing the application process, as contained in section 128 of the conference substitute.

INDUSTRIAL DEVELOPMENT FOUNDATION

The Senate amendment (title XIII) authorizes the establishment of an Industrial Development for Eastern Europe Foundation to support non-defense cooperative research and development and other projects; creates a board of governors and advisory council; and outlines the structure and operations of the Foundation.

The House bill contains no comparable provision.

The conference substitute is the same as the House position. The committee of conference request that the executive branch study and report promptly to the appropriate committees of Congress on the feasibility of establishing an Industrial Development for Eastern Europe Foundation, modeled after the Binational Industrial Research and Development Foundation, to foster the growth of high-technology industry in the nations of Central and Eastern Europe. The committee of conference is persuaded that East European scientific and technological capabilities can play an increasingly important role in strengthening East-West cooperation. The committee of conference notes that a foundation funded by contributions from Central and East European nations wishing to participate, as well as the United States, may be a cost-effective way to develop programs to assist in the economic transformation of Central and Eastern Europe while developing programs that will benefit American businesses.

CSCE PARLIAMENTARY EXCHANGE

The Senate amendment (sec. 632-636) establishes a U.S. congressional delegation to the Parliamentary Assembly of the Commission on Security and Cooperation in Europe (CSCE), establishes procedures for appointment of the delegation, and authorizes $750,000 for U.S. annual contributions to the Assembly and $80,000 for the annual expenses of the U.S. delegation.

The House bill contains no comparable provision.

The conference substitute is the same as the House position. For reasons of germaneness, the committee of conference notes that this issue will be addressed in the conference on H.R. 1415, the Foreign Relations Authorization Act, Fiscal years 1992 and 1993, and the Senate amendment thereto.

TECHNICAL ASSISTANCE FOR THE BALTIC STATES

The House bill (sec. 862) earmarks $15 million in ESF in each of the fiscal years 1992 and 1993 for technical assistance, 50 percent for Estonia, Latvia and Lithuania and 50 percent for eligible recipients in the Soviet Union, notwithstanding any other provision of law prohibiting such assistance. The House bill also authorizes assistance to be provided directly to the governments of the Baltic States, to elected republics in the Soviet Union or through non-governmental organizations, or for technical assistance in support of democratic reforms, human rights, the rule of law, and market reforms in the Soviet Union.

The Senate amendment (title XII) authorizes the President to appoint a special advisor for Baltic and Soviet republics assistance; urges that assistance should be provided to the Citizens Democracy Corps for a pilot program in the Baltic and Armenian Republics; expresses the sense of Congress that NED should establish programs for the Baltic and Soviet republics; calls for implementation of a Gift of Democracy program in the Baltic and Soviet republics; enumerates activities which the Departments of Commerce, Treasury, and Justice, the Federal Reserve Board, USIA, and EPA should undertake; urges the assignment of a commercial officer in Moscow to foster better economic relations between the United States and the Baltic and Soviet republics; states that assistance should be provided to the International Executive Service Corps to develop programs in the Baltics; notes the OECD should undertake a study of the economics of the Baltic and Soviet republics; and urges the United States to discuss with the European Bank for Reconstruction and Development (EBRD) programs to assist directly the Baltic and Soviet republics.

The conference substitute incorporates the Baltic States as countries eligible for SEED assistance (sec. 503 of the conference substitute) and recommends that at least $15 million be used for assistance to the Baltic States (sec. 510 of the conference substitute).

HUMANITARIAN ASSISTANCE FOR THE BALTIC STATES

The Senate amendment (sec. 631) amends section 495A of the Foreign Assistance Act to authorize $20 million in disaster relief assistance for humanitarian purposes for Estonia, Latvia, and Lithuania, authorizes the funds to remain available until expended, prohibits the transfer of such funds to other accounts, and authorizes the U.S. Transportation Command to provide all transportation for such assistance.

The House bill contains no comparable provision.

The conference substitute incorporates the Baltic States as countries eligible for SEED assistance (sec. 503 of the conference substitute) and recommends that at lest $15 million be used for assistance to the Baltic States (sec. 510 of the conference substitute).

IMPORTATION OF SPORTING AND HUNTING RIFLES AND SHOTGUNS

The House bill (sec. 867) expresses the sense of Congress that Defense Trade and Export Control Act regulations should be changed to allow the importation of certain sporting and hunting rifles and shotguns manufactured in Poland, Hungary, or the Czech and Slovak Federal Republic.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position. The committee of conference has been informed that the executive branch is in the process of revising the applicable regulations to allow the importation into the United States of sporting and hunting rifles and shotguns manufactured in Poland, Hungry, or the Czech and Slovak Federal Republic.

ALBANIA

The House bill (sec. 869) expresses the sense of Congress regarding democracy in Albania.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position. The committee of conference notes that Albania is made an eligible recipient of SEED assistance in section 503 of the conference substitute.

LIBRARY BUILDING FOR THE POLISH PARLIAMENT

Consistent with section 908 of the Senate amendment to H.R. 1415, the Foreign Relations Authorization Act, Fiscal Years 1992

and 1993, the committee of conference calls upon the President, in consultation with the Librarian of Congress, to conduct a study on the feasibility of constructing a library building for the Polish parliament, as a symbol of the friendship of the people of the United States for the people of Poland.

Chapter 2—Other Provisions Relating to the Region

SOVIET-EAST EUROPEAN RESEARCH AND TRAINING PROGRAM

The House bill (sec. 864) authorizes $5 million in each of the fiscal years 1992 and 1993, in addition to amounts otherwise authorized, for Soviet-East European research and training and adds a new annual reporting requirement to section 807 of the Soviet-East European Research and Training Act of 1983.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 521) is identical to the House bill.

CONDEMNATION OF ANTI-SEMITISM AND ETHNIC INTOLERANCE IN ROMANIA

The Senate amendment (sec. 630A) expresses the sense of Congress condemning resurgent anti-Semitism and ethnic intolerance in Romania.

The House bill contains no comparable provision.

The conference substitute (sec. 522) incorporates the text of H. Con. Res. 186, which passed the House of Representatives on July 29, 1991, which condemns resurgent anti-Semitism and ethnic intolerance in Romania.

NAGORNO-KARABAKH CRISIS

The House bill (sec. 870) expresses the sense of Congress regarding ethnic violence in Azerbaijan and Armenia.

The Senate amendment (sec. 2005) expresses the sense of Congress regarding violence in Nagorno-Karabakh; condemns the attacks by internal security forces and the forces of the Azerbaijani government on innocent children, women, and men in Armenian areas and communities in and around Nagorno-Karabakh and in Armenia, and the indiscriminate use of force, including the shelling of civilian areas, on Armenia's eastern and southern borders; calls for (a) the end of the blockades and other uses of force and intimidation directed against Armenia and Nagorno-Karabakh, (b) the withdrawal of forces newly deployed for the purpose of intimidation, (c) an immediate end to deportations of Armenians from Nagorno-Karabakh and the freedom for all refugees to return to their homes, (d) dialogue among all parties involved as the only acceptable route to achieving a lasting resolution of the conflict; reaffirms the commitment of the United States to the success of democracy and self-determination in the Soviet Union and its various republics; and expresses its deep concern over acts of retribution or intimidation against those republics which are seeking greater independence.

The conference substitute (sec. 523) is identical to the Senate amendment.

ANDREI SAKHAROV EDUCATIONAL EXCHANGE PROGRAM

The Senate amendment (sec. 626) amends the Mutual Education and Cultural Exchange Act to establish the Andrei Sakharov Educational Exchange Program, and amends the SEED Act to urge funding for the Sakharov exchange program.

The House bill contains no comparable provision.

The conference substitute (sec. 524) adds to section 112(a) of the Mutual Educational and Cultural Exchange Act, which lists the elements of the Fulbright Exchange Program, and to sections 3(c)(19) and 401(a)(1) of the SEED Act, the Andrei Sakharov Educational Exchange Program for exchanges in the fields of environmental protection and health sciences.

CRISIS AND ETHNIC MINORITIES IN YUGOSLAVIA

The House bill (sec. 865) expresses the sense of Congress regarding conflict in Yugoslavia. The House bill (sec. 866) also expresses the sense of Congress regarding discrimination against ethnic minorities in Yugoslavia.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 525) contains a revised sense of Congress statement on the crisis in Yugoslavia.

INTERNATIONAL FUND FOR IRELAND

The House bill (sec. 861) earmarks $20 million in ESF in each of the fiscal years 1992 and 1993 for U.S. contributions to the International Fund for Ireland, and requires a report at the end of each fiscal year on the activities and contributions of the Fund.

The Senate amendment (sec. 301) authorizes $25 million in each of the fiscal years in ESF for U.S. contributions to the International Fund for Ireland.

The conference substitute (sec. 526) is similar to the House bill but cross-references the authorization of $22.5 million in ESF in each of the fiscal years 1992 and 1993 for the International Fund for Ireland contained in section 123 of the conference substitute.

UNITED STATES POLICY REGARDING THE EASTERN MEDITERRANEAN

The House bill (sec. 5501) updates policy language on the Eastern Mediterranean contained in section 620C of the Foreign Assistance Act and amends current law to change the reporting requirement on Cyprus from every 60 days to every 120 days.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 527) is similar to the House bill but adds a reference to the high priority placed by the United States on the return of the refugees displaced from Famagusta/Varosha and requires a report on Cyprus every 90 days.

CYPRUS

The House bill (sec. 821) earmarks $15 million in ESF in each of the fiscal years 1992 and 1993 for Cyprus only for scholarships or bicommunal projects.

The Senate amendment (sec. 301) contains a similar provision.

The conference substitute (sec. 528) is similar to the House bill but cross-references the authorization of $15 million in ESF in each of the fiscal years 1992 and 1993 for scholarships, bicommunal projects, and measures aimed at the reunification of the island and designed to promote peace and cooperation between the two communities contained in section 123 of the conference substitute.

GREECE

The House bill (sec. 822) earmarks $350 million in FMF in each of the fiscal years 1992 and 1993 for Greece.

The Senate amendment (sec. 403) authorizes $350 million in FMF in each of the fiscal years 1992 and 1993 for Greece.

The conference substitute (sec. 528) cross-references the authorization of $350 million in FMF in each of the fiscal years 1992 and 1993 contained in section 203 of the conference substitute.

TURKEY

The House bill (sec. 823) earmarks $500 million in FMF in each of the fiscal years 1992 and 1993 for Turkey.

The Senate amendment (sec. 301) authorizes $500 million in FMF and $175 million in ESF in each of the fiscal years 1992 and 1993 for Turkey.

The conference substitute (sec. 528) cross-references the authorizations in each of the fiscal years 1992 and 1993 of $500 million in FMF contained in section 203 of the conference substitute and $190 million in ESF contained in section 123 of the conference substitute.

ADMISSION OF TURKEY INTO EC AND WEU

The House bill (sec. 824) expresses the sense of Congress that the U.S. should support Turkey's inclusion in the full range of political, economic, and military institutions in Europe.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position.

U.N. SECRETARY GENERAL'S PEACE INITIATIVES FOR CYPRUS

The House bill (sec. 825) expresses the sense of Congress supporting U.N. Secretary General's peace initiatives regarding Cyprus and encouraging both parties on Cyprus to cooperate with the Secretary General.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position.

AMERICAN SCHOOLS IN EASTERN EUROPE AND THE SOVIET UNION

The Senate amendment (sec. 202) expresses the sense of Congress that U.S. citizens and institutions of higher learning should give consideration to founding schools in Eastern Europe and commends the University of Maine for founding an American school in Bulgaria.

The House bill contains no comparable provision.

The conference substitute is the same as the House position. However, the committee of conference commends the University of Maine for founding an American school in Bulgaria.

AMERICAN CENTERS ACT

The Senate amendment (sec. 637–640) calls on the President to establish American Centers in Russia, the Ukraine, Byelorussia, Georgia, Armenia, and other Soviet Republics to promote partnerships; authorizes the President to appoint an Executive Board and Directors of Centers; authorizes up to $15 million in fiscal year 1992 and $25 million in subsequent fiscal years in ESF to establish and support such centers; and establishes eligible recipients.

The House bill contains no comparable provision.

The conference substitute is the same as the House position. Given rapidly changing events the committee of conference chose not to prejudice the nature of any U.S. presence in the Soviet Union. The committee of conference believes the concept of establishing an American presence in the constituent republics of the Soviet Union to promote commercial, professional, civic, and other partnership between the people of the United States and people of the Soviet Union has merit.

ASSISTANCE FOR ARMENIA

The House bill (sec. 863) authorizes $5 million, in addition to amounts otherwise authorized, for disaster assistance for each of the fiscal years 1992 and 1993 for assistance to victims of the 1988 earthquake in Armenia, with such assistance provided through U.S. PVOs and NGOs.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position.

The committee of conference understands that as of September 17, 1991, previously authorized and appropriated funds still remain available for humanitarian and relief efforts in Armenia. The committee of conference believes that, should these funds be expended and more needed, additional funds for Armenia should be provided.

SOVIET AID TO CUBA

The House bill (sec. 868) expresses the sense of Congress regarding the provision of assistance to Cuba by the Soviet Union.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate amendment.

LIMITATIONS ON ASSISTANCE TO THE SOVIET UNION

The House bill (sec. 871) prohibits assistance to the Soviet Union unless the President certifies that certain conditions have been met, allows for a national interest waiver, and provides an exemption for technical assistance under section 862 of the House bill. The House bill (sec. 872) also prohibits assistance to the Government of the Soviet Union in fiscal years 1992 and 1993 unless the Soviet Union terminates all direct or indirect military assistance to Cuba.

The Senate amendment (sec. 518) contains a provision similar to section 871 to the House bill, but makes no reference to START, calls for a 10-day legislative review instead of 30 days, and makes no reference to credit assistance. In addition, the Senate amendment (sec. 517) prohibits disbursement of any assistance to the Government of the Soviet Union unless the President certifies to Congress that the Soviet Union has ceased all direct or indirect military or economic assistance to Cuba.

The conference substitute does not address this issue.

The committee of conference notes that the House bill and Senate amendment were adopted prior to the August 19, 1991 failed coup in the Soviet Union. The committee of conference recognizes that the future configuration and powers of the Soviet Central Government and the governments of the individual republics are matters of great uncertainty. Clearly, the economic, political, and government reforms now underway in the Soviet Union, which were not expected before the August coup, will affect the provision of U.S. assistance to the Soviet central government and the governments of the republics. The committee of conference expects that the executive branch will consult and work with the appropriate congressional committees to develop appropriate legislative responses to the needs of the central Soviet government and the governments of the republics.

The committee of conference also commends the steadfast and courageous opposition of all democratic forces to the August coup attempt in the Soviet Union. The people of the Baltic states, the cities of Moscow and St. Petersburg, and coup opponents in all republics as well as their elected leaders, including President of the Russian Republic Boris Yeltsin, have won high praise and admiration for their defense of democracy and constitutional processes of government.

TITLE VI—THE MIDDLE EAST

ASSISTANCE FOR ISRAEL

The House bill (sec. 801) earmarks $1.2 billion in ESF cash transfers and $1.8 billion FMF in each of the fiscal years 1992 and 1993 for Israel; allows up to $150 million in FMF to be used for research and development of advanced weapons systems in the U.S. and not less than $475 million in FMF to be used for procurement in Israel of defense articles and services; earmarks $300 million in each of the fiscal years 1992 and 1993 for stockpiles in Israel; and extends $700 million for drawdowns through fiscal year 1993.

The Senate amendment (secs. 301 and 403) authorizes $1.2 billion in ESF cash transfer and $1.8 billion in FMF in each of the fiscal years 1992 and 1993 for Israel; and authorizes up to $150 million for research and development in the U.S. and up to $475 million for procurement in Israel.

The conference substitute (sec. 601) maintains the authorizations in sections 123 (relating to ESF) and 203 (relating to FMF) of the conference substitute and include the terms of assistance in section 601 of the conference substitute. In addition, the conference substitute extends for fiscal year 1992 the $700 million drawdown authority for Israel enacted as section 599B of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, Fiscal Year 1991 (Public Law 101–513)

The committee of conference agrees that the drawdown authority for Israel enacted initially in Public Law 101–513 should remain in force and be extended for fiscal year 1992. This authorization is included in the conference substitute because of the disagreement between the Departments of State and Defense as to the duration of the drawdown authority and whether or not the authority could be exercised after September 30, 1991 on the basis of the authority contained in Public Law 101–513.

The committee of conference agrees that, of amounts authorized by section 514 of the Foreign Assistance Act for additions to stockpiles, $300 million in each of the fiscal years 1992 and 1993 may be available for stockpiles in Israel.

The committee of conference realizes that the economic burdens on Israel may increase dramatically in the next few years, and urges the President to consider in discussions with Israel appropriate future levels of military and economic assistance.

ASSISTANCE FOR EGYPT

The House bill (sec. 802) earmarks $815 million in ESF (which may be provided as sectoral grants and may include law-enforcement training and assistance) and $1.3 billion in FMF in each of the fiscal years 1992 and 1993 for Egypt.

The Senate amendment (secs. 301 and 403) is virtually identical to the House bill, but provides FMF and ESF for Egypt as line-item authorizations.

The conference substitute (sec. 602) maintains the authorizations in sections 123 (relating to ESF) and 203 (relating to FMF) of the conference substitute and includes the terms of assistance in section 602 of the conference substitute. These provisions are identical to the authorities contained in the Senate amendment.

PROMOTING PLURALISM AND DEMOCRACY IN THE MIDDLE EAST AND NORTH AFRICA

The House bill (sec. 803) provides that up to $10 million in each of the fiscal years 1992 and 1993 of funds for AID democratic initiatives and human rights projects shall be used to support NGOs that contribute to pluralism, democracy, and human rights in the Middle East.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 603) is similar to the House bill, but expands the provision to include North Africa.

WEST BANK AND GAZA PROGRAM

The House bill (sec. 804) earmarks $16 million in each of the fiscal years 1992 and 1993 in ESF for the West Bank and Gaza program.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 604) provides that up to $16 million shall be available.

WEST BANK AND GAZA SCHOOLS AND UNIVERSITIES

The Senate amendment (sec. 2001) expresses the understanding that all Palestinian schools and universities will remain open and will be respected and regarded by all parties as places of learning.

The House bill contains no comparable provision.

The conference substitute is the same as the House position. The committee of conference urges that all Palestinian schools and universities in the West Bank and Gaza Strip be opened at an early date, and expresses the hope that they will remain open and will be respected and regarded by all parties as places of learning.

MIDDLE EAST COOPERATIVE SCIENTIFIC AND TECHNOLOGICAL PROJECTS

The House bill (sec. 805) earmarks $7 million in ESF in each of the fiscal years 1992 and 1993 for cooperative regional science and technology projects.

The Senate amendment (sec. 301) is virtually identical to the House bill but provides that funding as a line-item authorizaton.

The conference substitute (sec. 605) cross-references the authorization of $7 million in ESF for this purpose contained in section 123 of the conference substitute.

COOPERATIVE DEVELOPMENT PROJECTS

The House bill (sec. 806) earmarks $5 million in each fiscal year in development assistance for projects under the Cooperative Development Program and earmarks $2.5 million in each fiscal year in development assistance for cooperative development research projects.

The Senate amendment (secs. 651–2) is similar to the House bill, but does not contain mandatory earmarks. In addition, the Senate amendment (sec. 653) authorizes that $7 million be used for cooperative projects among the U.S., Israel and Eastern Europe.

The conference substitute (sec. 606) is similar to the Senate amendment but increases the authorization for cooperative development research projects from $2.5 million to $5 million in section 606(b) and expands the authority to include Eastern Europe. The committee of conference expects that the $2.5 million additional authority will be used for projects in Eastern Europe.

ENVIRONMENTAL COOPERATION AND RESTORATION

The Senate amendment (title XIX) contains findings regarding environmental damage caused by the Persian Gulf conflict; requires the President through AID to establish a Middle East Environmental Defense Network program (Project EDEN) to accomplish various environmental objectives in the Middle East; authorizes $10 million in fiscal year 1992 and each fiscal year thereafter for U.S. participation; establishes an environmental planning council with members from the Departments of State, Agriculture, and the Interior, AID, EPA, the National Oceanographic and Atmospheric Administra-

tion, the Trade and Development Program, the National Academy of Sciences Board on Science and Technology in Development, and the Council on Environmental Quality; requires an annual report not later than June 1; authorizes the President to enter into negotiations and agreements with governments in the Middle East for the purpose of concluding by September 1, 1992 an international agreement establishing several international entities to support the objectives of Project EDEN; and outlines the responsibilities, composition and duties of these entities.

The House bill contains no comparable provision.

The conference substitute is the same as the House position.

The committee of conference supports the objectives of the Senate amendment and believes that more attention should be focussed on the environmental problems of the Middle East and that more funding should be devoted to projects to deal with environmental problems in the region. The committee of conference also believes that a study should be made and hearings held to explore how this issue can be dealt with on a regional basis as suggested by the Senate amendment. The committee of conference urges interagency cooperation and discussion of such a regional approach.

POLICY TOWARD AND ASSISTANCE FOR LEBANON

The House bill (sec. 808) contains findings regarding U.S. assistance to Lebanon; earmarks $4 million in ESF and $6 million in development assistance in each of the fiscal years 1992 and 1993 for Lebanon; expresses the sense of Congress regarding the American University of Beirut (AUB); and requires 15-day advance notification before any defense articles or services are provided to Lebanon.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 608) states that the funding level for Lebanon should be $4 million in ESF and $6 million in development assistance in each of the fiscal years 1992 and 1993.

The committee of conference believes that any defense articles or services provided to the Government of Lebanon should be provided for the purpose of helping the Government of Lebanon establish effective control over Lebanese territory and promote Lebanon's territorial integrity and independence and that, before such defense articles and services are provided, there should exist sufficient safeguards to ensure that those defense articles and services will not benefit the Government of Syria.

For many years, the United States has strongly supported AUB as an intellectual, cultural, and humanitarian bridge between the United States and the countries of the Middle East. Of special significance has been AUB's commitment to fostering the rationalism, tolerance, and open dialogue which are essential to a democratic society. In light of recent events in the Middle East, the committee of conference finds that it is particularly important to reaffirm support of AUB because of the important contribution it can continue to make it encouraging democratization in the region.

In the past, U.S. assistance to AUB has been largely devoted to meeting the deficits of AUB's hospital, which have resulted from the treatment of casualties during 15 years of civil war. Despite the current peace, the need for continued medical assistance, particularly for rehabilitation, is still great. In addition, in order to contribute fully to the further stabilization of Lebanon, AUB will need to revitalize its academic programs and expand its involvement in the country's physical and social reconstruction.

Despite AUB's demonstrated needs, over the past few years the level of U.S. assistance to AUB has decreased. The committee of conference believes that AUB's continued vitality cannot be ensured unless adequate and stable levels of assistance are provided. Therefore, the committee of conference urges AID and the Department of State to work to ensure that AUB receives such funding from available program accounts.

RESTRICTIONS AND REPORTS WITH REGARD TO SYRIA

The House bill (sec. 809) prohibits assistance to Syria unless the President makes a determination on various conditions; requires a report six months after a determination on U.S. policy towards Syria; and requires an annual report on third country arms transfers to Syria.

The Senate amendment (sec. 654) is similar to the House bill.

The conference substitute (sec. 609) requires a one-time report on several issues of concern if any assistance is to be provided to Syria.

The committee of conference requests that the Department of State provide a report within six months of the date of enactment to the Congress on defense articles and services the Government of Syria purchased with foreign assistance it received from other members of the international coalition confronting Iraq during the Gulf Crisis and from whom those defense articles and services were purchased.

IRAQI COMPENSATION AND DAMAGES

The House bill (sec. 811) expresses the sense of Congress that Iraq is directly liable for any direct loss, damage, or injury as a result of its invasion of Kuwait and that Israel should be able to receive compensation from Iraq.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position.

The committee of conference notes that under international law and the terms of United Nations Security Council Resolutions 674 (approved October 29, 1990) and 687) (approved April 3, 1991), Iraq is liable for any direct loss, damage, or injury to foreign governments, nationals, and corporations as a result if Iraq's invasion and illegal occupation of Kuwait. The committee of conference notes that Israel is one country that suffered such damage and is, therefore, entitled to compensation commensurate with that damage.

PEACE AND STABILITY IN THE MIDDLE EAST

The House bill (sec. 812) expresses the sense of Congress regarding U.S. efforts to achieve peace and stability in the Middle East in the aftermath of the Persian Gulf conflict and steps taken by Arab Coalition partners in the Persian Gulf war to promote peace and stability, and requires a report three months after enactment and every six months thereafter, on program in implementing policies in this regard.

The Senate amendment (sec. 657) is identical to the House bill.

The conference substitute (sec. 610), which also addresses issues raised in section 818 of the House bill and section 656 of the Senate amendment, expresses the sense of Congress that the United States should encourage all Arab states to (a) support actively efforts to achieve peace and stability in the Middle East and to settle the Arab-Israeli conflict through direct negotiations, (b) take specific steps to recognize unequivocally Israel's right to exist as a sovereign nation within secure and recognized borders, (c) terminate the diplomatic and economic boycott of Israel, including the secondary and tertiary economic boycotts, (d) cease efforts to expel Israel from international organizations or to deny Israel the opportunity to participate in the activities of such organizations, and (e) terminate assistance to countries or groups that commit or support acts of international terrorism. The conference substitute also requires a report 12 months after enactment and annually thereafter on progress in implementing these policies. The committee of conference expects that this report will include a description of U.S. efforts at the GATT and the OECD to lift the boycott of Israel.

SAUDI POLICY TOWARD ISRAEL

The House bill (sec. 818) expresses the sense of Congress urging the Saudi Government to recognize Israel's right to exist, end the economic boycott of Israel, and agree to direct negotiations with Israel.

The Senate amendment contains no comparable provision.

The conference substitute addresses this issue in section 610 above.

BELLIGERENCY TOWARD ISRAEL BY ARAB STATES

The Senate amendment (sec. 656) expresses the sense of Congress regarding the refusal of Arab states to recognize Israel's right to exist, end the economic boycott of Israel, and enter into direct negotiations with Israel for purposes of concluding peace agreements and establishing diplomatic relations.

The House bill contains no comparable provision.

The conference substitute addresses this issue in section 610 above.

CUMULATIVE IMPACT ON ISRAEL OF U.S. CONVENTIONAL ARMS TRANSFERS TO THE MIDDLE EAST

The House bill (sec. 813) requires an annual report on the arms balance in the Middle East, the impact of arms sales on Israel and its qualitative edge in the region, and U.S. policy regarding arms transfers to the region.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 611) requires an annual report on the impact on Israel of U.S. commercial and government-to-government arms transfers in the Middle East and the policies the U.S. is pursuing and the steps being taken to maintain Israel's qualitative edge.

The committee of conference believes this report should include (a) an analysis of possible military or economic compensation as a result of the transfers described in section 611 to countries whose qualitative military advantage the United States is committed to maintain; and (b) a detailed description of steps taken to preserve this qualitative military advantage.

RESTRICTIONS ON NEGOTIATIONS WITH THE PLO

The House bill (sec. 814) updates section 1302 of the International Security and Development Cooperation Act of 1985 with reference to the 1990 Iraqi invasion of Kuwait and adds further restrictions on the conditions under which U.S. officials can negotiate with the Palestine Liberation Organization.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 612) modifies section 1302(b) by adding the phrase "and amends or supersedes its charter to reflect that recognition" in referencing the PLO's recognition of Israel's right to exist, and in calling for the PLO to renounce terrorism, adds the phrase "and ceases the use of". The conference substitute also contains a new section 1302(c) that references the 1991 Gulf War.

PLO COMMITMENTS COMPLIANCE

The House bill authorizing funds for the Department of State (H.R. 1415, sec. 301) requires a report thirty days after enactment and every 120 days thereafter on: (a) PLO activities in support of Iraq and against Israel during the Persian Gulf conflict, (b) terrorist acts committed or supported by the PLO, (c) statements and actions of the PLO with respect to the peace process, and dealing with terrorists, drug trafficking, and compensation of U.S. victims of PLO terrorism, and (d) PLO financial resources, assets, and holdings and the source of those resources.

The Senate amendment to H.R. 1415 (sec. 901) contains a similar provision.

The conference substitute (sec. 613) requires a one-time report 60 days after enactment on PLO activities during the Persian Gulf conflict, and an annual report on the PLO activities, statements, and resources mentioned in the House bill and Senate amendment.

UNITED NATIONS GENERAL ASSEMBLY RESOLUTION 3379

The House bill (sec. 815) expresses the sense of Congress regarding rescission of United Nations General Assembly (UNGA) Resolution 3379.

The Senate amendment (sec. 658) expresses the sense of Congress that the U.S. and Soviet Union should lead an effort to repeal UNGA Resolution 3379.

The conference substitute (sec. 614) expresses the sense of the Congress that the United States should lead an effort to repeal UNGA Resolution 3379.

DEMOCRATIC REFORM AND HUMAN RIGHTS IN KUWAIT

The House bill (sec. 817) expresses the sense of Congress regarding human rights and democracy in Kuwait; requires a report not later than 60 days after enactment on human rights practices of the Government of Kuwait, and states that respect for human rights and the development of democratic institutions shall be significant factors in determining U.S. Policy toward Kuwait.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 615) requires a report from the President within 90 days after the date of enactment on steps the Government of Kuwait has taken to: end the occurrences of arbitrary arrest, torture and extrajudicial actions; bring to justice those responsible for perpetrating such actions; ensure that those detained have access to legal counsel, the right to an open and speedy trial, and other internationally recognized standards of due process of law; allow the presence and activities of international human rights and humanitarian organizations; comply with international law relating to deportations; and establish conditions to ensure that the October 1992 elections are free and fair, and permit universal sufferage.

The conference substitute also states that respect for human rights and the development of democratic institutions shall be a significant factor in determining U.S. policies toward Kuwait.

USE OF U.S. SUBCONTRACTORS IN KUWAIT

The Senate bill (sec. 2004) contains findings regarding Kuwait's intentions with respect to the awarding of contracts for the reconstruction of that country and the use of American contractors and subcontractors in this rebuilding and expresses the sense of Congress that U.S. businesses involved in rebuilding Kuwait should, to the maximum extent possible, use American subcontractors and available American goods and services and that the Department of Commerce should monitor and encourage the implementation of this policy.

The House bill contains no comparable provision.

The conference substitute (sec. 616) expresses the sense of Congress that U.S. businesses engaged in rebuilding Kuwait should, to the maximum extent possible, use U.S. subcontractors and available U.S. goods and services, and that the Department of Commerce should monitor and encourage the implementation of this policy.

PROHIBITION ON ASSISTANCE TO JORDAN

The House bill (sec. 819) prohibits military assistance to Jordan in fiscal years 1992 and 1993 unless the President certifies that Jordan: (1) has demonstrated its willingness to enter into direct bilateral negotiations with Israel; (2) has recognized Israel's right to exist; and (3) is not providing non-humanitarian assistance to Iraq.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position.

IRAQ WAR CRIMES AND CRIMES AGAINST HUMANITY

The House bill (sec. 820) expresses the sense of Congress that the President should consult with members of the U.N. Security Council and seek appropriate Security Council action to establish an appropriate international tribunal to try all individuals, including Iraqi President Saddam Hussein, who were involved in the planning or execution of war crimes during and after Iraq's August 1990 invasion of Kuwait.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 617) is identical to the House bill.

REPORT ON TRANSFERS OF SPOILS OF WAR

The House bill (sec. 810) requires 15-day advance notification before the transfer of any captured Iraqi equipment to any country in the Middle East.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 618) incorporates the provision contained of the Senate amendment to H.R. 1415 (sec. 404) which requires a one-time report on the disposition of captured Iraqi equipment.

ISRAELI PRE-EMPTIVE STRIKE AGAINST THE IRAQI NUCLEAR REACTOR AT OSIRAK

The House bill (sec. 816) expresses the sense of Congress regarding the 1981 Israeli attack against the Iraqi nuclear reactor at Osirak.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 619) is identical to the House bill.

THE AMERICAN INSTITUTE REVIVAL PROJECTS

The committee of conference supports efforts to fund the American Research Institutes Revival projects. These institutes have been significant leaders in Middle Eastern archeological research for nearly 100 years and have suffered economically as a result of the Gulf Crisis.

TITLE VII—LATIN AMERICA AND THE CARIBBEAN

CENTRAL AMERICAN RECOVERY AND DEVELOPMENT

The House bill (sec. 721) sets forth U.S. policy for assistance to Central America.

The Senate amendment contains no comparable provision. However, the House bill is identical to S. 100 as passed the Senate and H.R. 554 as introduced in the House.

The conference substitute (sec. 701) is the same as the House bill, except that subsection (e) of the House bill, relating to the Enterprise for the Americas Initiative, is deleted.

ASSISTANCE FOR GUATEMALA

The House bill (sec. 723) prohibits lethal military assistance to Guatemala, authorizes the transfer of military assistance into a transition fund, and limits the use of economic assistance, during fiscal years 1992 and 1993.

The Senate amendment (sec. 662) contains a similar provision.

The conference substitute (sec. 702) is the same as the Senate amendment. The committee of conference intends that the prohibition on the provision of lethal military assistance also apply to authorities to transfer excess defense articles and services under the Foreign Assistance Act.

ASSISTANCE FOR NICARAGUA

The House bill (sec. 724(a)) states that, before providing assistance to Nicaragua for fiscal years 1992 and 1993, the President should take into account the extent to which the government of Nicaragua has brought the armed forces under civilian control and investigated and prosecuted human rights violations. The House bill (sec. 724(b)) states that, in providing foreign military financing assistance to the Government of Nicaragua during fiscal years 1992 and 1993, the President should consider the extent to which such assistance will further civilian control of the military and human rights and stem exports of military equipment. In addition, the House bill (sec. 724(c)) prohibits FMF from being provided for any member of the Nicaraguan resistance who has not disarmed or is not abiding by the terms of the ceasefire agreement. Finally, the House bill (sec. 724(d)) states the sense of Congress that the Government of Nicaragua should expedite the processing of expropriation claims.

The Senate amendment (sec. 665) prohibits any assistance, directly or indirectly, to members of the Sandinista Popular Army, unless requested by the President of Nicaragua and submitted to Congress under reprogramming procedures. The Senate amendment (sec. 665) prohibits assistance for use by members of the Sandinista Popular Army, unless specifically requested and authorized by the President of Nicaragua and notice is given the appropriate committees of Congress under the reprogramming procedures of section 634A of the Foreign Assistance Act. The Senate amendment (sec. 2003) authorizes the President to provide assistance to Nicaragua notwithstanding any other provision of law, provided that the President certifies to the Congress that Nicaragua has made significant progress toward democratization and that the provision of such assistance will assist Nicaragua in making further progress and is otherwise in the U.S. national interest.

The conference substitute (sec. 703) includes element from both the House bill and the Senate amendment. The conference substitute provides that: in providing assistance to Nicaragua, the President shall take into

consideration the extent to which the Government of Nicaragua has brought the armed forces under full civilian control and is prosecuting those responsible for human rights abuses, and the extent to which the assistance will further those goals; no assistance may be provided for use by members of the Sandinista Popular Army unless specifically requested and authorized by the President of Nicaragua, with notification of the appropriate congressional committees under section 634A of the Foreign Assistance Act; no assistance may be provided to any member of the Nicaraguan resistance who has not disarmed or is not abiding by the terms of the ceasefire; a waiver of section 691(a)(5) restricting assistance to countries more than one year in arrears in debt payment to the U.S. Government; and, that the Government of Nicaragua should expedite the processing of claims arising from expropriation of property.

The committee of conference urges that, of funds made available for Nicaragua, $200,000 be provided to the medical school in Managua and $200,000 be provided to the medical school in Leon, for each of the fiscal years 1992 and 1993, for the purpose of implementing curriculum changes and training in primary health care at the medical schools and at community health centers.

CENTRAL AMERICAN REFUGEES AND DISPLACED PERSONS

The House bill (sec. 725) earmarks $25 million for each of the fiscal years 1992 and 1993, to be provided to nongovernmental organizations through the United Nations High Commissioner for Refugees (UNHCR) and the United Nations Development Program (UNDP), to implement the Concerted Plan of Action in Favor of Central American Refugees, Returnees and Displaced Persons (CIREFCA).

The Senate amendment (sec. 664) authorizes a total of $25 million for fiscal years 1992 and 1993, to be provided to governmental and nongovernmental organizations such as UNHCR, UNDP, and the Organization of American States, for programs consistent with CIREFCA. The conference substitute (sec. 704) authorizes a total of $25 million for fiscal years 1992 and 1993, through organizations such as UNHCR and UNDP, to carry out programs within the framework of CIREFCA.

The committee of conference notes that under the CIREFCA framework, priority is given to programs administered by national and international nongovernmental organizations. It is the committee's expectation that the assistance provided under this section will reflect this priority. It is the intent of the committee that assistance under this section should be provided only to governments that themselves operate within the CIREFCA framework by encouraging the full participation of nongovernmental organizations in CIREFCA programs implementing humanitarian assistance programs in a nonpolitical manner, and permitting nongovernmental organizations the freedom to carry out programs with refugees, repatriates, and displaced persons throughout the country.

ASSISTANCE FOR CENTRAL AMERICAN LEGISLATURES

The House bill (sec. 726) expresses the sense of Congress that the United States should help strengthen democratic legislatures in Central America.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 705) is the same as the House bill.

CENTRAL AMERICAN JOURNALISM AND ADMINISTRATION OF JUSTICE

The House bill (sec. 784) earmarks $2.8 million for each of the fiscal years 1992 and 1993 for the Central American Journalism Program and the Regional Administration of Justice Program's Center for the Administration of Justice to support democracy-building activities in the region.

The Senate amendment has no comparable provision.

The conference substitute (sec. 706) authorizes $2.8 million for these programs for each of the fiscal years 1992 and 1993.

MILITARY BASE RIGHTS IN PANAMA

The Senate amendment (sec. 680A) expresses the sense of Congress that the President should negotiate a new base rights agreement with Panama to allow the stationing of U.S. military forces in Panama beyond December 31, 1999.

The House bill contains no comparable provision.

The conference substitute (sec. 707) expresses the sense of Congress that the President should begin negotiations with Panama at a mutually acceptable time to consider whether the two governments should allow the stationing of U.S. military forces in Panama beyond December 31, 1999.

CARIBBEAN REGIONAL DEVELOPMENT ACT

The House bill (secs. 5301–5308) creates a new chapter 3 of title V of the Foreign Assistance Act, which sets forth policies and priorities for U.S. assistance to the Caribbean; requires the President, in considering assistance for Caribbean governments, to take into account the performance of those governments in extending, protecting, and enforcing internationally recognized worker rights; and provides that the Agency for International Development should not provide assistance for the use of substances in the Caribbean whose use is not permitted under Caribbean laws or would not be permitted under U.S. laws, should emphasize the active participation of women in the development process, and should consult with the Caribbean poor, through their own grassroots organizations, in implementing its assistance policies in the Caribbean.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 711) is identical to the House provision.

ASSISTANCE FOR HAITI

The House bill (sec. 741) expresses the sense of Congress with respect to Haiti's democratic transition and U.S. assistance to Haiti, and provides that FMF and military sales may be provided for Haiti only under reprogramming procedures.

The Senate amendment (sec. 666) is similar, and in addition provides that military assistance for Haiti for fiscal years 1992 and 1993 may consist only of nonlethal assistance.

The conference substitute (sec. 712) is similar to the Senate amendment.

HAITIAN SUGARCANE HARVESTERS IN THE DOMINICAN REPUBLIC

The House bill (sec. 742) states that it shall be U.S. policy to encourage the Government of the Dominican Republic to improve respect for the rights of Haitian sugarcane harvesters and withholds $1 million in economic support funds until the President reports to Congress on the steps the government has taken in this regard.

The Senate amendment (sec. 667) contains similar but more detailed policy language, but does not withhold funds and states that the President should consider increasing the Dominican Republic's assistance levels and sugar quota if the government makes significant progress in this regard.

The conference substitute (sec. 713) combines the provisions of both the House bill and the Senate amendment and includes both the withholding provision and the directive to consider additional support to the Dominican Republic if progress is made.

ASSISTANCE FOR GUYANA

The House bill (sec. 743) prohibits assistance to the Government of Guyana unless the President reports that the government is in power as a result of free and fair elections, provides exceptions to the prohibition of narcotics control and elections assistance, states the sense of Congress with respect to economic assistance for Guyana following free and fair elections, and earmarks $3 million in economic assistance for basic human needs in Guyana for each of the fiscal years 1992 and 1993 subject to the above prohibition.

The Senate amendment (sec. 668) is similar except that in lieu of the earmark it expresses the sense of Congress that $3 million should be provided for basic human needs for each of the fiscal years 1992 and 1993.

The conference substitute (sec. 714) is the same as the Senate amendment, except that it recommends that at least $3 million in economic and food assistance be provided to Guyana for basic human needs in each of the fiscal years 1992 and 1993.

Due to the time required to deliver commodities following the signing of a Public Law 480, Title I agreement, the committee of conference does not intend this section to prohibit the signing of a Public Law 480, title I agreement with the Government of Guyana, provided that commodities are not delivered unless the President certifies that a free and fair election has occurred in that country.

DEMOCRACY IN SURINAME

The House bill (sec. 744) condemns the December, 1990, military coup in Suriname, urges a peaceful transfer of power to the civilian government that was duly elected on May 25, 1991, and urges the President to withhold U.S. Assistance until such a transfer takes place.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 715) is identical to the House provision.

HUMAN RIGHTS IN CUBA

The Senate amendment (sec. 679) contains findings and expresses the sense of the Senate with respect to human rights in Cuba.

The House bill contains no comparable provision.

The conference substitute (sec. 716) is similar to the Senate amendment.

CERTAIN TRANSACTIONS BETWEEN CERTAIN U.S. FIRMS AND CUBA

The Senate amendment (sec. 2007) provides that no license may be issued for any transaction described in section 515.559 of title 31, Code of Federal Regulations, as in effect on July 1, 1989, unless a license may be issued for such transaction if such transaction were undertaken by a firm organized under the laws of any of the States of the United States.

The House bill contains no comparable provision.

The conference substitute (sec. 717) is the same as the Senate provision, with the addition of an amendment that specifies that this provision applies only to the export and

import activities in the interstate or foreign commerce of the United States of a foreign subsidiary or affiliate of a domestic concern which is controlled in fact. The intent of the additional language is to avoid the extraterritorial element of the original amendment by directing the restriction in law against the parent and controlled subsidiaries with respect to U.S. Interstate and foreign commerce. As explicitly specified in the amendment, the exact definition "U.S. Interstate and foreign commerce" and of "controlled in fact" are to be determined by the President through regulations. It is the intent of the conference that these regulations effectively restrict U.S. Trade with Cuba.

MILITARY AIRCRAFT TRANSFERS

The House bill (sec. 722) requires notification to Congress of military aircraft transfers to Central America during fiscal year 1992 and 1993.

The Senate amendment (sec. 661) requires notification of such transfers to both Central America and the Caribbean.

The conference substitute (sec. 721) is the same as the Senate amendment.

ECONOMIC ASSISTANCE FOR ANDEAN COUNTRIES

The House bill (sec. 761(a)) authorizes $300 million in each of the fiscal years 1992 and 1993 of the aggregate amounts authorized to be appropriated for development assistance and ESF for the Andean countries.

The Senate amendment (sec. 669(a)) contains a similar provision

The conference substitute (sec. 731(a)) is similar to the House bill but reduces the authorization to $275 million for each of the fiscal years 1992 and 1993, the executive branch request level.

ADMINISTRATION OF JUSTICE PROGRAMS FOR ANDEAN COUNTRIES

The House bill (sec. 761(c)(3)) provides that up to $1 million in ESF to support human rights offices in Colombia and Peru.

The Senate amendment (sec. 669(b)(2)) provides up to $2 million for this purpose.

The conference substitute (sec. 731(c)(3)) is identical to the House provision.

MILITARY AND LAW ENFORCEMENT ASSISTANCE FOR ANDEAN COUNTRIES

The House bill (sec. 762) authorizes $118 million of foreign military financing funds for each of the fiscal years 1992 and 1993 for military and law enforcement assistance to the Andean countries, under certain conditions, including that assistance may be provided only so long as a country has a democratic government and the armed forces and law enforcement agencies of the country do not engage in a consistent pattern of gross violations of internationally recognized human rights. The House bill further limits the aggregate amount of military and law enforcement assistance (including FMF, INM assistance, IMET, DOD drawdown authorities, and the value of excess defense articles and services) to Bolivia, Colombia, and Peru to $250 million, of which not more than $150 million may be used for assistance to the military and not more than $150 million may be used for assistance to law enforcement units. Finally, the House bill states that Peru's Sinchi Police may not be considered to be a law enforcement unit that is organized for the specific purpose of narcotics enforcement, having the effect of prohibiting U.S. Law enforcement assistance for the Sinchi police.

The Senate amendment (sec. 670) is virtually identical, except that regarding the Sinchi police it also states that no other Peruvian policy organization that has a consistent pattern of gross human rights violations against the Peruvian people may receive assistance.

The conference substitute (sec. 732) is the same as the House bill, except that subsection (f) states that no Peruvian police organization which is identified as having a consistent pattern of gross human rights violations against the Peruvian people shall be considered to be a law enforcement unit that is organized for the specific purpose of narcotics enforcement.

The committee of conference has agreed to drop any explicit reference to the Sinchi police from the text of the bill only following assurances from the executive branch that U.S. Assistance to the Sinchis shall not go beyond that incidental to training activities that the committee of conference understands is currently taking place at the Mazamari base. The committee of conference is very concerned by the serious human rights situation in Peru and believes that U.S. Assistance to Peru must be geared to seeking a significant improvement in that situation. Specifically, law enforcement assistance must first and foremost be directed at improving respect for human rights by the Peruvian police, and therefore any police organization, specifically the Sinchi police, shall be immediately prohibited from receiving any additional assistance under this section if any future incidents of human rights abuses are attributed to any member of such organization.

GENERAL PROVISIONS RELATING TO ASSISTANCE FOR ANDEAN COUNTRIES

The House bill (section 763) requires that before ESF and FMF assistance is provided to Bolivia, Colombia, or Peru in fiscal years 1992 or 1993 pursuant to this title, the President must make a determination that (1) that country is implementing programs to reduce the flow of cocaine to the United States in accordance with a bilateral or multilateral agreement that contains specific qualitative and quantitative performance criteria, and (2) that the armed forces and law enforcement agencies of that country are not engaged in a consistent pattern of gross violations of, and have made significant progress in, protecting certain internationally recognized human rights. However, the determination required on human rights grounds does not apply with respect to economic assistance for programs that focus on providing coca farmers with alternative sources of income. The House bill further requires prior notification to Congress under the reprogramming procedures applicable under section 634A of the Foreign Assistance Act, specifies that ESF and FMF assistance shall be coordinated with international narcotics control assistance, and waives applicable prohibitions relating to countries which are more than one year in arrears in repayments of past loans from the United States, provided the President has made the determination required by this section.

The Senate amendment (secs. 671 and 672) is virtually identical to the House bill.

The conference substitute (sec. 733) is the same as the House bill.

The committee of conference notes that these provisions relating to the Andean countries reflect ongoing interest in and concern about the implementation of the President's Andean Initiative. These provisions continue to codify the stated objectives of the Andean Initiative, which include the concept that counternarcotics efforts in the Andean countries are primarily the responsibility of host country law enforcement agencies, with the support of host country militaries, and that economic and military assistance provided by the United States will be conditioned on narcotics control performance criteria as well as respect for human rights. The committee of conference notes that while host country law enforcement agencies are supposed to play a lead role, with armed forces playing a supporting role, both past, present and future funding levels for these two groups have been in inverse proportion to this stated premise, with the armed forces receiving more than twice the funding of law enforcement agencies. The committee of conference has addressed this discrepancy by setting equivalent funding ceilings for both groups. The committee of conference further notes that continued support for the Andean Initiative will depend on improved progress in meeting narcotics control performance criteria and respect for internationally recognized human rights.

COLOMBIAN NARCOTICS CONTROL EFFORTS

The Senate amendment (sec. 674A) expresses the sense of Congress with regard to Colombian narcotics control efforts.

The House bill contains no comparable provision.

The conference substitute (sec. 734) is similar to the Senate provision.

ARGENTINA AND BRAZIL'S COMMON NUCLEAR POLICY

The Senate amendment (sec. 673) expresses the sense of Congress congratulating Argentina and Brazil for their common nuclear policy and urging them to take further steps toward nuclear nonproliferation.

The House bill contains no comparable language.

The conference substitute (sec. 741) is identical to the Senate amendment.

MILITARY ASSISTANCE AND SALES FOR CHILE

The House bill (sec. 783) provides that foreign military financing assistance may be provided for Chile only in accordance with the reprogramming procedures contained in section 634A of the Foreign Assistance Act.

The Senate amendment (sec. 674) is similar.

The conference substitute (sec. 742) is identical to the Senate provision.

The committee of conference welcomes the restoration of democracy in Chile and takes note of the impressive progress made by the Aylwin Government in working to strengthen democratic institutions throughout the nation and to ensure civilian control over the military. In that regard, the committee supports the executive branch's efforts to restore normal relations between the U.S. and Chilean militaries. Such actions must be with the full knowledge and approval of Chilean civilian authorities and consistent with a subordinate role of the military to civilian authorities.

The committee of conference also believes that the Chilean Government has made significant progress in its efforts to investigate and bring to justice those responsible for the Letelier-Moffitt murders and subsequent cover-up and looks forward to the final resolution of this matter.

INTER-AMERICAN FOUNDATION

The House bill (sec. 782) authorizes $28.8 million for fiscal year 1992 and $31 million for fiscal year 1993 for the Inter-American Foundation, and provides that funds made available to the Foundation may be used for printing and binding without regard to any other provision of law.

The Senate amendment (sec. 678) is similar, except that it authorizes $28.8 million for each of the fiscal years 1992 and 1993.

The conference substitute (sec. 751) amends section 401(s)(2) of the Foreign Assistance Act with a provision similar to the House bill which authorizes $28.8 million in fiscal year 1992 and $31 million in fiscal year 1993 for the Inter-American Foundation. The committee of conference notes that the authorized level is fiscal year 1993 does not reflect an increase in funding for the IAF; it partially offsets the loss of resources to the Foundation because of the decline in usable Social Progress Trust Funds available in fiscal year 1993.

SUPPORT OF INTERNATIONAL EFFORTS AGAINST THE SPREAD OF CHOLERA

The Senate amendment (sec. 675) sets forth findings on cholera in the Americas, authorizes the use of $25 million in ESF for narcotics-related assistance for remedial efforts, and provides that such assistance shall be provided through agencies responsible for health, water, and sanitation services and through the Pan American Health Organization, UNICEF, and other international and nongovernmental organizations for emergency and longer-term medical needs and improvements in health and infrastructure systems.

The House bill contains no comparable provision.

The conference substitute (sec. 752) is similar to the Senate amendment, except that the source of funds is identified as any ESF rather than narcotics-related economic assistance.

STRENGTHENING CIVILIAN CONTROL OVER THE MILITARY

The House bill (sec. 5502) provides that military assistance may be provided to the armed forces of any country in Latin America or the Caribbean only with the prior approval of the democratically elected government of such country.

The Senate amendment (sec. 677) contains a similar provision. The Senate amendment (sec. 2008) is a statement of congressional findings and a requirement for a report on empowerment of civilian managers in defense and security issues in order to establish democratic control over the military.

The conference substitute (sec. 753) adds a new section 284 to the Foreign Assistance Act which is the same as sec. 677 of the Senate amendment.

LAW ENFORCEMENT TRAINING FOR THE CARIBBEAN

The House bill (sec. 781) establishes the purposes, types of activities, and restrictions on law enforcement assistance; provides that law enforcement training for the Caribbean may be provided only by the International Criminal Investigative Training Assistance Program of the Department of Justice (ICITAP); and establishes a ceiling of not more than $10 million for law enforcement assistance for each of the fiscal years 1992 and 1993, of which not less than $2.5 million for each fiscal year shall be for the Caribbean.

The Senate amendment (sec. 676) contains a similar provision, but provides that law enforcement training for the Caribbean may be provided only under the auspices of ICITAP and authorizes $10 million for each of the fiscal years 1992 and 1993 for the law enforcement training assistance program in Latin America and the Caribbean, of which $2.5 million for each fiscal year should be made available for the Caribbean.

The conference substitute (sec. 754) amends section 534 of the Foreign Assistance Act with language similar to the Senate provision.

The committee of conference notes that the authority to carry out programs and activities to improve other aspects of the administration of justice in countries of Latin America and the Caribbean, which was previously contained in section 534 of the Foreign Assistance Act, has in the conference substitute (sec. 119) been expanded to a worldwide authority and consolidated in the human rights and democratic initiatives program contained in a new section 283 of the Foreign Assistance Act.

By shifting certain authorities formerly contained in section 534 of the Foreign Assistance Act to other parts of that act, the committee of conference does not intend that authorities to undertake assistance for law enforcement contained in this section be viewed as separate from efforts to improve other elements of the administration of justice. The committee of conference considers assistance for law enforcement in Latin America and the Caribbean to be a complementary component of judicial reform. The committee of conference expects that assistance under this section will be planned and implemented in conjunction with assistance to strengthen democratic institutions of governance, including independent judiciaries, under section 119 of the conference substitute.

INDIGENOUS PEOPLES

The Senate amendment (sec. 680) amends sec. 116(d) of the Foreign Assistance Act to require that the treatment and status of indigenous peoples in Latin America and the Caribbean be included in the annual report required by that section.

The House bill contains no comparable provision.

The conference substitute (sec. 755) requires the Secretary of State to submit annually for each of the next two years a report to Congress, prepared in cooperation with the Administrator of AID, on the protection of the rights and traditions of indigenous peoples, the extent of their participation in decisions affecting their lands, cultures, traditions, and the allocation of natural resources, and the steps the United States has taken to ensure that U.S. development assistance programs promote the well-being of indigenous peoples of Latin America and the Caribbean.

The conference substitute requires that the report be submitted on February 28 of each year, to coincide with the date on which the Country Reports on Human Rights Practices are due, so that the information gathered by the Assistant Secretary for Human Rights and Humanitarian Affairs in connection with the preparation of the Country Reports can, where applicable, be used in the report mandated by this section. The committee of conference urges that, in addition to whomever else the Secretary designates, the Assistance Secretary of State for Human Rights and Humanitarian Affairs also be consulted in the preparation of the report mandated by this section.

AUTHORITY TO FORGIVE REPAYMENT OF AN ALLIANCE-FOR-PROGRESS LOAN

The House bill (sec. 1108) directs the Administrator of AID to release the Central American Business Administration Institute (INCAE) from further payments on an Alliance-for-Progress loan.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 756) provides that the President may direct the Administrator to release INCAE from further payment on the loan.

UNITED STATES-MEXICAN BORDER ENVIRONMENTAL PROTECTION ACT

The Senate amendment (secs. 1601–1614) establishes a United States-Mexico Border Environmental Protection Fund.

The House bill contains no comparable provision.

The conference substitute is the same as the House bill.

TITLE VIII—ENTERPRISE FOR THE AMERICAN INITIATIVE

Title VIII authorizes the Enterprise for the Americas Initiative, a program proposed by the President in June 1990 and designed to encourage and support improvement in the lives of the people of Latin America and the Caribbean through market oriented reforms and economic growth with interrelated actions to promote debt reduction, investment reforms, and community-based conservation and sustainable use of the environment.

PURPOSE OF THE INITIATIVE

The House bill (sec. 5402) establishes the purpose of the Enterprise for the Americas Initiative (EAI) as supporting market-oriented reform and economic growth through interrelated actions to promote debt reduction, investment reforms and community-based conservation and sustainable use of the environment. These objectives will be supported through debt-reduction operations which provide resources for environmental protection for countries which meet the eligibility criteria.

The Senate amendment (secs. 711 and 721) contains a broad statement of purpose and findings related to trade, investment, external debt and the environment in Latin America and the Caribbean.

The conference substitute (sec. 811) is similar to the House bill, but adds promotion of child survival and development programs as an additional focus of the EAI.

ELIGIBILITY FOR BENEFITS UNDER THE FACILITY

The House bill (sec. 5403) establishes four basic criteria which Latin American or Caribbean countries must meet in order to qualify for debt reduction benefits and leaves discretion to the President to make the eligibility determination. Countries must have in effect, or be making progress toward: an IMF standby agreement, or related equivalent agreement; an IDA or World Bank structural adjustment loan; major investment reforms; and an agreement with commercial bank lenders on a financing program including debt or debt service reduction. The President may waive the IMF and World Bank criteria if he determines that such an arrangement or program would have a significant adverse social or environmental impact.

The Senate amendment (sec. 731) states that in order to be eligible for benefits under the EAI, including for debt reduction, countries in Latin America or the Caribbean must have in effect, or be making significant progress toward investment liberalization and economic reforms in conjunction with the IMF, the World Bank and the Inter-American Development Bank. The Senate amendment also stipulates that, with the exception of section 620(q) and 620(r) of the Foreign Assistance Act (relating to default on past foreign assistance loans and prohibition against debt relief) and section 621 of the International Development and Food Assistance Act of 1975, countries must otherwise qualify for foreign assistance. The Senate amendment also requires the President to notify the Congress of his intention to designate a country as eligible for debt reduction 15 days in advance.

The conference substitute (sec. 813) is similar to the House bill but adds the following

eligibility criteria: a country must have a democratically elected government; it must be cooperating on antinarcotics activities; it must not harbor or sponsor international terrorists; and it must respect human rights. The conference substitute also applies the above eligibility standards to debt reduction and the Americas Fund.

ENTERPRISE FOR THE AMERICAS FACILITY AND ENTERPRISE FOR THE AMERICAS BOARD

The House bill (sec. 5401) states that the Enterprise for the Americas Facility and the Environment for the Americas Board are the same as those created in sections 601 and 610 of the Agricultural Trade Development and Assistance Act of 1954.

The Senate amendment (sec. 741) is similar to the House bill but establishes the Facility in the Department of Treasury and states that local currency interest payments on reduced debt shall be administered by AID.

The conference substitute (sec. 812) is similar to the House bill but adopts the Senate approach with respect to giving countries the option of using local currencies monies for grants to organizations pursuing child survival and child development activities, which would encompass such programs as primary health care, immunization, and basic education. The conference substitute also changes the name of the Environment for the Americas Board to the Enterprise for the Americas Board to reflect the broader mandate of the initiative in this program.

REDUCTION OF CERTAIN DEBT

The House bill (sec. 5404) authorized debt reduction for bilateral foreign assistance debt owed to the U.S. government as of January 1, 1990 to such extent as is approved in advance in appropriation Acts. The section describes the mechanics of the exchange of old debt obligations for new, and the corresponding adjustment in AID's accounts. The House bill also authorizes $242.3 million for fiscal year 1992 and $224.6 million for fiscal year 1993 to cover the cost of debt reduction. Funds authorized by this section shall not be considered assistance for the purposes of any provision of law limiting assistance to a country.

The Senate amendment (sec. 751) authorizes debt reduction for bilateral foreign assistance debt owed to the U.S. government as of January 1, 1991 to such extent as is provided for by specific appropriations Acts for fiscal year 1992 or thereafter. The mechanics of this exchange of old debt obligations for new, and the corresponding adjustment in AID's accounts is described. The Senate amendment also encourages the President to consider granting full debt relief and impose a five year moratorium on new loans to governments of countries benefitting from debt reduction under the EAI. The Senate amendment further requires the President to report on the overall financial health of the beneficiary countries.

The conference substitute (sec. 814) is similar to the House bill but substitutes January 1, 1991 for 1990 and adopts the Senate open-ended authorization.

INTEREST ON NEW OBLIGATIONS

The House bill (sec. 5406) provides that the restructured debt will bear a concessional interest rate and requires that an Environmental Framework Agreement between the United States and the beneficiary country be negotiated before interest payments may be made in local currencies. The local currencies are the property of the beneficiary country until they are disbursed to local administering bodies established pursuant to an Environmental Framework Agreement. In the absence of a Framework Agreement, interest must be repaid in dollars to the U.S. Treasury and may not be retroactively applied to the Environmental Fund.

The Senate amendment (sec. 7530 provides that if an eligible country has entered into an Enterprise for the Americas Agreement (Americas Agreement), AID interest shall be paid into a special account established for this purpose. The local currencies are the property of the beneficiary country until they are disbursed in accordance with the terms established in sections 761 and 762 of the Senate amendment.

The conference substitute (sec. 816) is similar to the House bill but changes the name of the Environmental Framework Agreement to the Americas Framework Agreement to reflect the broadened mandate of the Americas Fund.

AMERICAS FUND

The House bill (sec. 5407) requires each beneficiary country that enters into an Environmental Framework Agreement to establish an Environmental Fund to receive payments in local currencies. A country may still be eligible for benefits under the Facility even if it does not sign an Environmental Framework Agreement. However, those countries would be required to pay interest on their debt in dollars to the U.S. Treasury. Local currency payments are not to be considered assistance for the purpose of laws which limit assistance to a country. Deposits made into the Environmental Fund may be invested, and any return on the investment may be retained by the Environment Fund. The administering body may make grants from either the principal deposited in the Fund or from accrued interest only in accordance with an Environmental Framework Agreement between the United States and an eligible country.

The Senate amendment (sec. 761) requires each eligible country that enters into an Americas Agreement with the United States to establish an Enterprise for the Americas Account (Americas Account) to receive payments in local currencies. Deposits into an Americas Account shall be considered assistance for the purpose of laws which limit assistance to a country. Deposits made into the Americas Account may be invested, and any return on the investment may be retained by the Americas Account. Funds may be disbursed only in accordance with the terms set forth in an Americas Agreement.

The conference substitute (sec. 817) is similar to the House bill but conforms the name of the Environmental Fund to the Americas Fund to reflect the decision of the committee of conference to accept the Senate approach with respect to the broadening of eligible activities to be undertaken by the fund.

AMERICAS FRAMEWORK AGREEMENTS

The House bill (sec. 5408) authorizes the Secretary of State to negotiate an Environmental Framework Agreement with eligible countries, in consultation with the Enterprise for the Americas Board, and sets forth six guidelines to be included in an Environmental Framework Agreement, including the establishment of an Environmental Fund; interest payments to the Fund; prompt disbursements of funds; maintenance of the value of local currencies; uses of the Fund; and enforcement provisions.

The House bill also requires that funds disbursed from the Fund be administered by a body legally constituted under the laws of the beneficiary country and sets forth specifications for the administering body. The administering body is to be comprised of a limited number of representatives nominated by the U.S. Government and the host government (one or more from each), and a majority from local NGOs, and scientific and academic communities. The duties of the administering body shall include: receiving and making grants in accordance with the Framework Agreements; program management and grant oversight; submitting an annual program for review by the Environment for the Americas Board; submitting an annual report of activities to the America's Board Chairman, and host country government. Grants over $100,000 are subject to veto by either government.

Eligible activities are described by the House bill as being those that link the conservation and sustainable use of natural resources with local community development.

Grants may only be made to: beneficiary country NGOs, local or regional entities; and, in rare cases, to the beneficiary countries.

The Senate amendment (sec. 762) states that AID shall negotiate Americas Agreements with eligible countries and sets forth the contents of such an agreement. Projects or programs eligible for funding from the Americas Account are those related to child health-activities, the environment, primary and secondary education and alternative crop development.

The conference substitute (sec. 818) merges the following elements of the Senate amendment with the House bill: the name Americas Fund replaces the Environment Fund; the General Accounting office is to have access to the books and records of the Administering Bodies, the list of activities that may be funded out of the Americas Account is expanded to include child survival and development, which includes health care and basic education activities; and the list of eligible grant recipients is altered to include nongovernmental child survival and child development organizations of the beneficiary country. By using the terms "child survival" and "child development" it is the intention of the committee of conference that funding be permitted for development programs which are directly related to children, rather than those with broader development objectives.

ENTERPRISE FOR THE AMERICAS BOARD

The House bill (secs. 5409) establishes the responsibilities of the Environment for the Americas Board with respect to foreign assistance debt reduction. The Board is to be composed of eleven members appointed by the President (6 representatives of U.S Government agencies and 5 representatives of non-governmental organizations) and chaired by a representative from a U.S. Government agency. The responsibilities of the Board, which are advisory, review and non-management in nature, are outlined in the House bill. An annual report on the EAI shall be submitted to Congress pursuant to section 614 of the Agricultural Trade Development and Assistance Act of 1954, to which members of the Board may submit supplemental views. The 11-member Board represents a two member increase over the Board as outlined in the Agricultural Trade Development and Assistance Act of 1954 and is intended to accommodate the appointment of a representative from U.S. Department of Agriculture as well as another representative from the NGO community.

The Senate amendment (sec. 791) provides for an annual report to be sent to the Speaker of the House and the Chairman of the Committee on Foreign Relations of the Senate. That report includes a description of

debt reduction, debt swaps, Americas Agreements, local grants, trade negotiations and a progress report on the International University for the Americas. The Senate amendment contains no comparable provision with respect to the Board.

The conference substitute (sec. 819) is similar to the House bill but changes the name of the Board to the Enterprise for the Americas Board to reflect its broadened mandate, specifies that the fifth NGO representative shall be a recognized expert in child survival and development matters, adds child survival and child development leaders in the beneficiary country and in the region to the list of those who are to be consulted by the Board in ensuring that a suitable administering body is identified in the beneficiary country, and includes a limited version of the report required by the Senate amendment. It is the view of the committee of conference that the NGO representative from the child survival community should recuse himself from consideration of issues before the Board that are strictly related to Public Law 480 debt reduction.

CONFORMING AMENDMENTS RELATING TO THE ENTERPRISE FOR THE AMERICAS BOARD

The House bill (sec. 502) amends the Agricultural Trade Development and Assistance Act of 1954 by expanding the Environment for the Americas Board from nine to eleven members.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 819(c)) is similar to the House bill, but adds a technical amendment to the Agricultural Trade Development and Assistance Act of 1954 which changes the name of the Environment for the Americas Board to the Enterprise for the Americas Board and modifies section 610(b)(1)(B) of the Agricultural Trade Development and Assistance Act of 1954 to include child survival and child development organizations to the organizations that will be drawn from in composing the Board.

INTERNATIONAL UNIVERSITY OF THE AMERICAS

The Senate amendment (sec. 784) authorizes $500,000 for site location and design activities by the Secretary of State leading to the establishment of an institution of higher learning to be known as the International University of the Americas.

The House bill contains no comparable provision.

The conference substitute (sec. 820) is similar to the Senate amendment.

TITLE IX—ASIA AND PACIFIC

MULTILATERAL ASSISTANCE INITIATIVE FOR THE PHILIPPINES

The House bill (secs. 5201–5207) authorizes $1 billion for the Multilateral Assistance Initiative for the Philippines over a five year period.

The Senate amendment (secs. 601–607) contains a similar provision.

The conference substitute (sec. 908) creates a new chapter 4 in part I of the Foreign Assistance Act which combines the provisions of the House bill and the Senate amendment.

The committee of conference notes that because a foreign aid authorization for fiscal year 1990 and 1991 was not enacted, the legislation authorizing the Multilateral Assistance Initiative (MAI) for the Philippines has never been signed into law. The committee of conference believes the passage of the MAI legislation is important, not only because it authorizes the full $1 billion requested by the executive branch for this burdensharing initiative, but also because it contains several reporting requirements that will enable the Congress to better assess the merits of this program in the future.

The committee of conference emphasizes that the basic concept behind the MAI is that of a quid pro quo. The willingness of the United States and other donors to provide a significant increase in resources to the Philippines will continue to be contingent on the demonstration by the Government of the Philippines of its willingness and ability to enact fundamental economic reforms.

The committee of conference notes that the funding for the MAI was not included in the compensation package associated with the base agreement, and, therefore, should not be effected by the outcome of the current debate in the Philippines on the bases treaty.

ASSISTANCE FOR PAKISTAN AND INDIA

The House bill (sec. 5504) contains statements of policy regarding relations with Pakistan; reaffirms the 1959 agreement with Pakistan relating to aggression from a Communist or Communist-dominated state; states the U.S. intention that defense articles provided should be used solely for defensive purposes; authorizes the President to waive restrictions on assistance to Pakistan upon a certification that to do so is in the national interest of the United States, except that no waiver may be issued until a certification regarding Pakistan's possession of a nuclear explosive device is in effect, pursuant to section 620E(e) of the Foreign Assistance Act (the "Pressler amendment"); restates the provisions of the Pressler amendment; limits the provision of assistance in fiscal years 1992 and 1993, in those cases where a Pressler certification is made no later than the last day of the preceding fiscal year; and allows for a reprogramming of funds of a subsequent appropriation for Pakistan in those cases where Pakistan receives a Pressler certification later than the last of the proceeding year.

The House bill further (sec. 5505) prohibits assistance and military sales or transfers to India unless the President has certified that India has not developed any additional nuclear explosive devices after September 30, 1991, and that the proposed U.S. assistance will reduce significantly the risk that India will develop such devices.

The Senate amendment (secs. 519 and 611) contains statements of policy about the need for regional non-proliferation regimes; requires an annual presidential report describing efforts to establish regional nuclear nonproliferation regimes, as well as evidence that any nation has engaged in certain specified nuclear activities; permits Public Law 480 food assistance to Pakistan until April 1, 1993 even if Pakistan fails to receive a Pressler certification, but only if the President determines that to do so is in the U.S. national interest and would advance U.S. nonproliferation objectives; and authorizes the President to waive restrictions contained in section 620E(d) of the Foreign Assistance Act until April 1, 1993, if he determines that to do so is in the national interest of the United States.

The conference substitute (secs. 1404 and 925) reflects the Senate amendment with three exceptions. First, new sec. 1404 contains a revised statement of policy regarding U.S. assistance to Pakistan and the desirability of a South Asian regional nuclear non-proliferation policy (replacing the statements of policy in section 519 of the Senate amendment). Secondly, new section 925 amends section 620E of the Foreign Assistance Act to authorize the President to waive the restrictions contained in section 620E(d) of the Foreign Assistance Act until April 1, 1993, if he determines that to do so is in the national interest of the United States, and if Pakistan has received a Pressler certification. Finally, the waiver requirement for Public Law 480 food assistance contained in section 519 of the Senate amendment is deleted.

RESTRICTIONS ON ASSISTANCE AND TRADE WITH BURMA

The House bill (sec. 901) requires the President to take into consideration four factors relating to human rights and narcotics control efforts in Burma in determining whether Burma will receive any foreign assistance in 1992 and 1993 and urges the President to impose sanctions against Burma pursuant to section 138 of the Customs and Trade Act of 1991 (104 Stat. 653). Section 138 authorizes economic sanctions against Burma if the Government of Burma does not meet specified human rights and narcotics control conditions.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 901(a)-(c)) is similar to the House bill, but modifies the statement of policy on sanctions by welcoming the executive branch's announcement that, pursuant to the sanctions provision of the Customs and Trade Act, it will not renew its bilateral textile agreement with Burma. The conference substitute also urges the President to impose additional economic sanctions against Burma pursuant to the Customs and Trade Act.

The committee of conference expresses deep concern about the human rights situation in Burma. While the committee welcomes the President's decision not to renew the textile agreement with Burma, section 138 of the Customs and Trade Act provides authority for the President to impose sanctions on other products which constitute major imports from Burma, such as fish, tropical timber, and aquatic animals. The committee of conference would welcome a presidential decision to impose such additional sanctions.

ASSISTANCE FOR DISPLACED BURMESE AND TO SUPPORT DEMOCRATIC PLURALISM

The House bill (sec. 909) provides $1 million in assistance authorized by this Act for humanitarian assistance for displaced Burmese nationals in Thailand and Burma, to be administered by the Department of State's Bureau of Refugee Programs.

The Senate amendment (sec. 609) authorizes the use of funds authorized under this act, notwithstanding any other provision of law, for training and education assistance for displaced Burmese who are outside of Burma, and for activities which support democratic pluralism in Burma. In addition to making available for such uses funds authorized for fiscal years 1992 and 1993, the Senate amendment provides authority to use other funds made available in prior foreign assistance appropriation acts which were allocated for development assistance or ESF for Burma.

The conference substitute (sec. 910(d)) is similar to the Senate amendment, but includes a provision authorizing up to $1 million in development assistance in each of the fiscal years 1992 and 1993 for education and training of displaced Burmese and for activities which support democratic pluralism in Burma.

In addition to supporting AID efforts to provide such assistance overseas, the committee of conference would support AID efforts to develop, in conjunction with other

appropriate agencies such as USIA, programs that would enable displaced Burmese to study in the United States and thereby enhance their long-term ability to assist in the economic, social, and political development of Burma when conditions in the country permit their return. In addition, the committee of conference expects that the Refugee Bureau of the Department of State will provide generous support for humanitarian assistance to displaced Burmese on both sides of the border between Thailand and Burma.

ASSISTANCE FOR CAMBODIA

The House bill (sec. 902) expresses the sense of Congress regarding negotiations for a Cambodian settlement and the obligations of the United States under the Genocide Convention; authorizes for each of the fiscal years 1992 and 1993 not more than $20 million in development assistance and ESF for humanitarian and development assistance for Cambodians along the Thai-Cambodian border and throughout Cambodia, notwithstanding any other provision of law; defines the term humanitarian assistance for purposes of the section; sets limitations on the mode of delivery of assistance both for Cambodians on the Thai-Cambodian border and within areas controlled by the Phnom Penh regime; repeats the existing statutory prohibition against any U.S. assistance which would enhance the combat capacity of the Khmer Rouge; authorizes for each of the fiscal years 1992 and 1993 not less than $5 million of funds made available under the Foreign Assistance Act for humanitarian assistance to children and war victims in Cambodia, with a limitation on the mode of delivery; authorizes such funds as may be necessary from DA and ESF for each of the fiscal years 1992 and 1993 to provide for the nonmilitary training of noncommunist Cambodians who are outside of Cambodia in appropriate skills that would be used by them upon returning to Cambodia in the context of an internationally acceptable political settlement in that country; authorizes such funds as may be necessary from DA and ESF for each of the fiscal years 1992 and 1993 for contributions and programs by the United States as part of an international program of relief and reconstruction in Cambodia in the context of an internationally acceptable political settlement in that country; and clarifies certain authorities granted.

The Senate amendment (sec. 608) authorizes, from funds made available for fiscal years 1992 and 1993 for DA and ESF: (1) not more than $5 million in each fiscal year for humanitarian and development assistance for civilian members of the Cambodian noncommunist resistance; and (2) not more than $15 million in each fiscal year for humanitarian and development assistance for other civilians within Cambodia; makes clarifications concerning the applicability of existing law; requires that the President terminate assistance under this section to any Cambodian organization that he determines is cooperating, tactically or strategically, with the Khmer Rouge in their military operations; requires that, to the maximum extent possible, all funds made available under this section be administered directly by the AID Administrator; requires that the Administrator contract with a private-sector employee to establish an office in Phnom Penh to oversee program activities and thereby ensure accountability for funds expended inside Cambodia; requires that the AID Administrator conduct an on-site assessment within Cambodia to determine the requirements for the development of infrastructure and for the eradication of explosive mines; requires that, not later than February 1, 1992, the President shall report to the Congress concerning military cooperation between the Khmer Rouge and individuals or units of the noncommunist resistance, and human rights abuses by the Khmer Rouge; authorizes for each of the fiscal years 1992 and 1993 not less than $5 million of funds made available under the Foreign Assistance Act for humanitarian assistance to children and war victims in Cambodia, with a limitation on the mode of delivery; and contains certain definitions.

The conference substitute (sec. 902) expresses the sense of Congress affirming the United States position regarding the crime of genocide and calling upon the competent organs of the United Nations to take such action under the Charter of the United Nations as they consider appropriate for the prevention and suppression of acts of genocide in Cambodia; notwithstanding any other provision of law, authorizes not more than $20 million from DA and ESF in each of the fiscal year 1992 and 1993 which shall be made available predominately through international relief agencies and United States PVOs for humanitarian and development assistance exclusively for Cambodian civilians and in accordance with the priority needs identified by AID's "Report to Congress on Cambodia's Humanitarian and Development Assistance Priorities" (transmitted pursuant to Public Law 101-513); and provides that in the event of a settlement of the Cambodian conflict acceptable to the United States, the President may make additional funds available in accordance with the reprogramming procedures contained in section 634A of the Foreign Assistance Act and consistent with the purposes of this section.

The conference substitute further defines the term humanitarian assistance for purposes of the section; makes a statement concerning the applicability of existing law; requires that the President terminate assistance under this section to any Cambodian organization that he determines is cooperating, tactically or strategically, with the Khmer Rouge in their military operations; requires the on-site assessment concerning Cambodia's infrastructure and mine-clearing needs contained in the Senate amendment but provides that it may be conducted on a multilateral basis in cooperation with the United Nations; requires the report concerning military cooperation with the Khmer Rouge contained in the Senate amendment; authorizes humanitarian assistance to children and war victims contained in the House bill, except that the amount authorized is limited to not more than $5 million; authorizes assistance for the nonmilitary training of Cambodians contained in the House bill, except that the skills transferred should be in direct support of an internationally acceptable political settlement in that country; and clarifies authorities granted.

The committee of conference welcomes the substantial progress that has been made toward an international settlement of the Cambodian conflict. it expresses the hope that the settlement will facilitate Cambodia's independence and democratic development, based on the principles of self-determination, will foster the rebuilding of the country's economic and social life, and will prevent the return to power by the Khmer Rouge.

It is the intent of committee conference that the obligation of the United States to prevent and punish genocide in Cambodia applies both prospectively and retrospectively, to include the period of Khmer Rouge rule from April 1975 to January 1979, during which an estimated one to two million Cambodians lost their lives under Pol Pot's barbaric rule and several national, ethnic, racial, and religious groups were targeted for physical destruction.

It is the intent of the committee of conference that the allocation of funds within the program authorized in sec. 901(b) be used to address the legitimate and compelling humanitarian needs of innocent civilians within Cambodia where, according to the executive branch's own assessment, "there are vast unmet assistance needs." The committee conference is additionally concerned that, as severe flooding and warfare during the 1991 rainy season have exacerbated internal problems, the U.S. assistance program be redirected to assist the economic and social problems of the 6.9 million Cambodians residing inside Cambodia.

It is the intent of the committee of conference that in providing humanitarian and development assistance to Cambodia, the executive branch ensure strict accountability. To that end, it urges that, to the maximum extent possible, all funds made available under this section be administered directly by the Administrator of AID. The committee of conference is aware of the difficulty of overseeing a program in an area in which the United States does not have direct representation and urges the Administrator to contract with a private-sector entity to establish an office in Phnom Penh to oversee program activities in the event that direct representation is not established by the United States.

In the event that an international settlement of the Cambodian conflict does not occur, or if it cannot be implemented, the committee of conference intends that the executive branch will consult closely with the appropriate committees of Congress prior to making any changes in the purposes and delivery of assistance, in order to determine what modifications of U.S. policy and programs may be necessary. The committee of conference recognizes that, in the event a settlement does not occur, emergency humanitarian assistance to Cambodian civilians who might otherwise be deprived of such basic necessities of life as food, clothing, and medicine may be necessary.

PROHIBITION ON MILITARY ASSISTANCE TO FIJI

The House bill (sec. 903) prohibits IMET and FMF assistance to Fiji for fiscal years 1992 and 1993 unless the President certifies that Fiji has held elections in which there has been broad participation by all communities in Fiji.

The Senate amendment had no comparable provision.

The conference substitute (sec. 904) is identical to the House bill

The committee of conference is concerned that the mere holding of elections pursuant to a constitution that has been promulgated without being put to a referendum will not necessarily result in the restoration of democratic government in Fiji. Indeed, many opposition leaders have called for a boycott of the elections, on the grounds that the new constitution relegates the ethnic Indian community, which comprises approximately half of the population, to a permanent position of political inferiority. Therefore, the committee of conference believes that the standard for the resumption of U.S. military assistance to Fiji should not be the holding of elections, but rather, the holding of elections in which there has been broad participation by all communities in Fiji.

MALAYSIA

The House bill (sec. 904) express the deep concern of the Congress about the policy and practice of denial of first asylum to Indochinese asylum-seekers in Malaysia, and urges the Malaysian Government to bring its practices into conformity with international humanitarian standards.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 906) is similar to the House provision. The committee of conference is extremely concerned by the Malaysian Government's continued practice of denying first asylum. The committee of conference notes that, in June 1989, the governments of 29 countries affirmed the principle of granting temporary asylum to asylum-seekers in the "Comprehensive Plan of Action for Indochinese Refugees," and that the Government of Malaysia chaired the international conference at which the Plan was adopted. The committee of conference also notes that the Government of Malaysia has traditionally maintained humane policies toward Indochinese asylum-seekers, permitting hundreds of thousands temporary refuge over the past 16 years. The committee of conference strongly urges the Malaysian authorities to reestablish first asylum in Malaysia. Finally, the committee of conference notes that the actions of the Malaysian Government have imposed considerable burdens on Indonesia, which has maintained the policy of first asylum and has received the majority of Indochinese asylum-seekers denied refuge in Malaysia. The committee of conference expresses its readiness to support humanitarian assistance to Indonesia to help that government meet the increased burden imposed as result of Malaysian actions.

SOUTH PACIFIC REGIONAL PROGRAM

The House bill (sec. 905) earmarks an additional $10 million in each of the fiscal years 1992 and 1993 above the levels requested by the executive branch in DA, ESF or disaster relief funds for the South Pacific Regional Program. Of this amount, $2 million shall be used for a scholarship program.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 909) references section 532 of the Foreign Assistance Act, as amended by the conference substitute, which establishes a $10 million line item authorization in the ESF account for the South Pacific Regional Program. Of this amount, $2 million is authorized to be used solely for scholarships.

It is the intent of the committee of conference that these funds be in addition to the $19.25 million in DA and ESF that the executive branch requested in its congressional presentation materials for fiscal year 1992.

TAIWAN'S CONTRIBUTIONS TO OPERATIONS DESERT SHIELD/DESERT STORM

The House bill (sec. 906) commends Taiwan for sharing in the international responsibilities associated with Operations Desert Shield and Desert Storm and calls on the President to accept future contributions from Taiwan for similar multilateral operations regardless of the position of the People's Republic of China.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position.

SUPPORT OF HUMANITARIAN PROJECTS IN LAOS

The House bill (sec. 907) expresses the sense of Congress that the United States should give the highest national priority to accounting as fully as possible for Americans still missing in Southeast Asia, and that the President should provide up to $200,000 in each of the fiscal years 1992 and 1993 for support of humanitarian projects in Laos associated with joint U.S.-Laotian cooperative efforts to resolve questions concerning Vietnam era prisoners of war or those missing in action.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 905) is identical to the House bill.

ADMISSION OF ASIAN COUNTRIES INTO THE OECD

The House bill (sec. 908) expresses the sense of Congress that the President should encourage the OECD to consider for membership the Governments of the Republic of Korea, Taiwan, Hong Kong, and Singapore.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 911) is identical to the House bill.

The committee of conference notes that the Republic of Korea, Taiwan, Hong Kong and Singapore all have gross national products at per capita levels that exceed those of some of the less developed members of the OECD. Therefore, these Asian countries and territories have a substantial interest in furthering the health of the world economy and should assume a more prominent role in managing regional and global economic affairs. Furthermore, the committee of conference believes that the ideals of the OECD, namely liberalized trade and investment flows, assistance to developing countries, and better coordination of national economic policies, are goals that should be strongly embraced and promoted by the newly industrialized countries and territories in Asia.

ARMS TRANSFERS BY THE PRC TO CERTAIN COUNTRIES

The House bill (sec. 910) prohibits arms sales to the People's Republic of China if the President determines that the PRC was engaged in specified types of proliferation concerning ballistic missiles, advanced fighter aircraft, chemical weapons, or nuclear weapons.

The Senate had no comparable positions.

The conference substitute (sec. 903) is essentially the same as the House bill.

SUPPORT OF TAIWAN'S MEMBERSHIP IN GATT

The Senate amendment (sec. 607A) expresses the sense of Congress that the United States should fully support Taiwan's accession to the General Administration on Tariffs and Trade.

The House bill contains no comparable provision.

The conference substitute is the same as the House position.

ECONOMIC COOPERATION WITH JAPAN

The House bill (sec. 912) expresses the sense of Congress that the Secretary of State should initiate discussions with the Government of Japan to increase scientific research, medical technology, infrastructure development, agriculture, telecommunications, environmental protection and other areas beneficial to the United States and Japan as well as other nations in order to improve the quality of life worldwide and foster cooperation between the United States and Japan.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position. However, the committee of conference believes that cooperation between the United States and Japan in the areas of scientific research, medical technology, infrastructure development, agriculture, telecommunications, environmental protection can make a substantial contribution to global development, particularly for poor countries, and therefore encourages such participation.

MEMBERSHIP OF THE REPUBLIC OF KOREA IN THE UNITED NATIONS

The House bill (sec. 913) expresses the sense of Congress that the President should actively support the application of the Republic of Korea for admission as a member of the United Nations.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position in view of the fact that the Republic of Korea has recently been admitted to the United Nations.

ALLEGATIONS OF COERCIVE ABORTION IN CHINA

The House bill (sec. 914) expresses the sense of Congress that the People's Republic of China should be subject to export controls or other economic sanctions until the President certifies that China is not engaged in coercive abortions or involuntary sterilization.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position.

OPIC OPERATIONS IN LAOS

The House bill (sec. 915) prohibits any programs by the Overseas Private Investment Corporation in Laos until the President determines and reports to the Congress that the government of Laos has taken legal and law enforcement measures to prevent and punish public corruption, especially by government officials, that facilitates the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, or that discourages the investigation or prosecution of such acts.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position. The committee of conference reaffirms that, in accordance with the provisions of the conference substitute, U.S. assistance (including OPIC programs) to Laos and other foreign countries shall be contingent on the compliance with the goals and objectives of the 1998 U.N. Convention Against Illicit Traffic in Narcotics Drugs and Psychotropic Substances of the governments concerned, including preventing and punishing narcotics-related corruption, having taken legal and law enforcement measures to prevent and punish public corruption, especially by government officials, that facilitates the production, processing or shipment of narcotic and psychotropic drugs and other controlled substances, or that discourages the investigation or prosecution of such acts.

ASSISTANCE FOR MONGOLIA

The Senate amendment (sec. 610) expresses the sense of Congress that additional assistance should be provided for Mongolia.

The House bill contains no comparable provision.

The conference substitute (sec. 907) is identical to the Senate provision.

ASSISTANCE FOR AFGHANISTAN

The House bill (sec. 921) authorizes the President, notwithstanding any other provision of law, to make available development assistance and ESF for provision of humanitarian assistance to the Afghan people, for the development and implementation of reconstruction efforts, and for the establishment of a broad-based, freely elected govern-

ment. The House bill (sec. 922) also urges the United Nations, the United States and the Soviet Union, and parties to the Afghan conflict to take a series of actions to facilitate location and removal of land mines and to protect civilians from the effects of mines. Finally, the House bill (sec. 923) welcomes the executive branch's commitment to a U.S.-Soviet mutual termination of arms supplies to Afghanistan, and urges the Soviet Union to accept such a termination.

The Senate amendment (sec. 612) which amends sec. 904 of the International Security and Development Cooperation Act of 1985, is very similar to section 921 of the House bill.

The conference substitute (sec. 921) is identical to the Senate amendment.

U.S. SUPPORT FOR DEMOCRACY AND DEVELOPMENT IN BANGLADESH

The House bill (sec. 924) congratulates the people of Bangladesh on the successful transition to a freely and democratically elected government, welcomes the new government's commitment to democratic government and an economic adjustment program being implemented in conjunction with the International Monetary Fund, and urges the President to take action to provide to Bangladesh, at the earliest opportunity, P.L. 480 debt relief under section 411 of the Agricultural Trade Development and Assistance Act of 1954, as amended by Public Law 101-624.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 922) is similar to the House bill.

The committee of conference reiterates its support for Public Law 480 debt relief for Bangladesh and urges the President to act on this issue. Bangladesh is a longtime ally of the United States, endorsed U.N. sanctions against Iraq and sent troops to help defend Saudi Arabia during the Gulf Crisis. Bangladesh's level of income and its commitment to economic reform meet the requirements for debt relief under section 411 of the Agricultural Trade Development Assistance Act of 1954, as amended by Public Law 101-624. In the absence of Public Law 480 debt relief, Bangladesh will ultimately risk being forced to make substantial debt payments that it had not anticipated.

NEPAL

The House bill (sec. 925) contains a provision allocating $10 million in additional assistance to Nepal for fiscal year 1992, above the amount requested for Nepal 1992 in the fiscal year congressional presentation materials, if a democratically elected government assumes office in Napal pursuant to free and fair elections.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 924) welcomes the establishment of a democratically elected government in Nepal, recognizes that broad-based economic growth and development in Napal will facilitate the strengthening of democratic political institutions, and declares the readiness of Congress to support economic development efforts in Nepal. The conference substitute (sec. 123) also authorizes $10 million in ESF to Nepal in each of the fiscal years 1992 and 1993, which is to be in addition to development assistance projected for Nepal for these fiscal years. The committee of conference expects that the major portion of this additional funding will also be used to support development-related activities in Nepal.

PROMOTION OF HUMAN RIGHTS IN SRI LANKA

The House bill (sec. 926) expresses deep concern about systematic abuses of human rights in Sri Lanka, welcomes statements by Sri Lankan government officials indicating that they recognize the serious nature of these problems and the importance of bringing an end to abuses, and welcomes official actions that, if fully and vigorously implemented, could seriously address important human rights concerns. The House bill also condemns abuses of humanitarian law by militants operating in Sri Lanka. Finally, the House bill directs the President, in determining whether to furnish foreign assistance or make defense articles or services available to Sri Lanka, to take into account whether the Government has taken a series of actions to improve the human rights situation and urges the President to encourage and assist the Government of Ski Lanka to provide effective human rights education and training within.

The Senate amendment (sec. 613) is virtually identical to the House bill.

The conference substitute (sec. 926) is similar to both the House and Senate provisions.

HUMAN RIGHTS IN INDIA

The House bill contains three provisions (secs. 927, 928, and 929) on human rights relating to India. The House bill (sec. 927) expresses the concern of the Congress about reports of human rights viloations in India and declares that it shall be U.S. policy to urge the Government of India to permit unrestricted access for international human rights organizations, to undertake a process of political dialogue with representatives of a broad spectrum of the Kashmiri community, leading to restoration of local elections in Kashmir, and to make significant progress in curbing human rights abuses. The House bill also directs the President to attempt to ensure that the International Military Education and Training Program for India instills program participants with an enhanced understanding and appreciation of internationally recognized human rights and humanitarian standards.

The House bill (sec. 928) also expresses deep congressional concern about human rights abuses in India, and contains a statement of policy recommending a series of steps the Indian government should take to curb abuses. The provision also condemns gross abuses by militants in Kashmir and Punjab, and urges militant groups to cease the use of force to achieve political objectives.

Finally, the House bill (sec. 929) expresses congressional concern about the human rights situation in Kashmir, and urges the Government of India to take a series of actions to protect human rights and meet the grievances of the people of Kashmir. The provision also condemns acts of terror by militants in Kashmir, and urges them to cease the use of force to achieve political objectives.

The Senate amendment contains no comparable provisions.

The conference substitute (sec. 923) is similar to section 928 of the House bill and also incorporates elements of sec. 927.

The committee of conference notes that all three House provisions were added as floor amendments and that most of the concerns expressed in sections 927 and 929 of the House bill are also contained in section 928. The committee of conference also notes that the conference substitute retains what appears to be the most important human rights recommendations that have been made by respected international human rights monitoring groups.

The conference substitute did not retain the House provision relating to IMET for India. The committee of conference believes it is very important to use IMET to promote respect for human rights in India and elsewhere and notes that section 543(3) of the Foreign Assistance Act contains a generic provision directing that the IMET program be used to increase participant awareness of basic issues involving internationally recognized human rights.

INDUSTRIAL COOPERATION PROJECTS IN CHINA AND TIBET

The House bill (secs. 941-945) expresses the sense of Congress concerning principles to which U.S. industrial cooperation projects (ICP) China and Tibet (ICP) should adhere; requires such ICPs to register with the Secretary of State and indicate whether they intend to implement such principles; requires U.S. nationals conducting ICPs to report annually to the Department of State describing their adherence to such principles; requires the Secretary of State to review such reports and report on them to the Congress and the OECD; forbids departments and agencies of the U.S. Government from interceding with a foreign government or foreign national regarding export marketing activities in the PRC or Tibet on behalf of U.S. nationals conducting ICPs which do not adhere to the principles; and sets forth certain definitions.

The Senate amendment (secs. 1501-1505) contains a similar provision, except that it omits the prohibition concerning export marketing activities and includes a requirement that the president report annually concerning enforcement, with respect to China, of current law concerning the export to the United States of products produced by convict labor under penal servitude.

The conference substitutes (secs. 941-945) includes a revised statement of the sense of Congress concerning principles to which U.S. economic cooperation projects (ECP) in China and Tibet should adhere; retains the registration requirement; maintains reporting requirements and authorizes the Secretary of State to enter into contracts with private organizations or individuals to assist in implementing this section; states a revised set of definitions; and retains the reporting requirement in the Senate amendment concerning Chinese export to the United States of products produced by convict labor under penal servitude.

JAPAN'S DEFENSE OF AIR SPACE AND SEA LANES

The House bill (sec. 946) expresses the sense of Congress concerning Japan's acquisition of airborne-early-warning and command-and-control capabilities.

The Senate contains no comparable provision.

The conference substitute is the same as the Senate position.

TITLE X—AFRICA

DEVELOPMENT FUND FOR AFRICA

The House bill (sec. 1501) restates chapter 10 of part 1 of the Foreign Assistance Act establishing the Development Fund for Africa (DFA). The House bill amends current law as follows:

(a) designates Acquired Immune Deficiency Syndrome (AIDS) prevention as a critical sector priority;

(b) establishes a target of 5 percent of amounts appropriated for the DFA for AIDS prevention activities; and

(c) provides that target levels of assistance for natural resources, health, AIDS prevention, and populations activities are to be based on amounts appropriated instead of amounts authorized.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 1001(a) and (b)) incorporates into the Foreign Assistance

Act the amendments contained in the House bill.

SUPPORT FOR SOUTHERN AFRICA DEVELOPMENT COORDINATION CONFERENCE PROJECTS

The House bill (sec. 5102) restates section 496(o) of the Foreign Assistance Act which provides authority to assist sector projects by the Southern Africa Development Coordination (SADCC). The House bill also describes the sectors for which assistance may be provided.

The Senate amendment contains no comparable provision, retaining current law.

The conference substitute (sec. 1001(c)) amends current law to add communications to the list of sectors which may be assisted.

AUTHORIZATION FOR THE DFA

The House bill (sec. 5103(a)) authorizes $1 billion for fiscal year 1992 and $1.2 billion for fiscal year 1993 for the DFA.

The Senate amendment (sec. 681) authorizes of $800 million for each of the fiscal years 1992 and 1993.

The conference substitute (sec. 1001(d)) amends section 497 of the Foreign Assistance Act to authorize $1 billion for each of the fiscal years 1992 and 1993

SOUTH AFRICA

The House bill (sec. 5503(a)) contains a revised version of the authority formerly contained in section 116(e)(2) of the Foreign Assistance Act regarding the South Africa human rights fund. The House bill authorizes $1.5 million of the amount made available to carry out section 119 of the Foreign Assistance Act, the human rights and democratic initiatives program, to be used for grants to NGOs in South Africa promoting political, economic, social, juridical, and humanitarian efforts to foster a just society and to help victims of apartheid.

The Senate contains no comparable provision.

The conference substitute (sec. 1047) adds a new section 287 to the Foreign Assistance Act which reflects the House position.

ASSISTANCE FOR DISADVANTAGED SOUTH AFRICANS

The House bill (sec. 5503(b)) is a revision of the authority contained in section 535 of the Foreign Assistance Act. The House bill requires that up to $40 million dollars of the funds made available for ESF, the DFA, and development assistance shall be available to support activities consistent with the objective of ending apartheid. Assistance may not be provided to institutions financed or controlled by the South African Government and priority in granting assistance is to be given to working with South African NGOs.

The Senate amendment (sec. 106) urges that funds provided for education activities be used for study within South Africa and that greater emphasis should be placed on improving primary and secondary education.

In addition, the Senate amendment (sec. 2002) provides that funds authorized to be appropriated for the DFA that are allocated for programs to assist disadvantaged South Africans and are in excess of amounts allocated for such purposes for fiscal year 1991, may be used in the health, education, and housing sectors, with assistance through the Government of South Africa available only subject to a Presidential determination and in consultation with Congress.

The conference substitute (sec. 1047) adds a new section 288 to the Foreign Assistance Act which combines the House and Senate provisions. The conference substitute removes the $40 million cap on assistance while retaining provisions on the type of activities to be supported and the limitation on assistance to organization financed or cotrolled by the South African Government.

The conference substitute also incorporates the Senate provision on the use of funds for assistance to the education sector. Further, the conference substitute incorporates the Senate provision relating to the use of funds in excess of the amounts allocated for fiscal year 1991. This figure is set at $40 million in the conference substitute, which is the amount the exceutive branch has advised the committee of conference will be allocated for fiscal year 1991.

The committee of conference expects that increased assistance under the new guidelines will continue to be utilized to build the institutional capacity of disadvantaged South Africans. It is further expected that this effort will be reflected in higher levels of assistance to traditional black institutions in which disadvantaged South Africans are included in the leadership and management.

The committee of conference notes that approximately half of the money authorized and appropriated by Congress for South African education is spent on scholarships for study in the United States. Recognizing that it is an important time of transition in South Africa, the committee of conference believes that U.S.-sponsored education programs should emphasize building and strengthening South Africa institutions that will be an important part of a new post-apartheid South Africa, including the traditional black universities. Several black universities, including the University of the Western Cape, the University of the North, the University of Fort Hare, and the University of Durban-Westville, are undertaking a significant role in this sector. The committee of conference recommends that AID support the expansion of programs aimed at strengthening these universities with a special emphasis on expanding the areas of faculty skills, research capacities, and student resources in order to contend with the disparity that exist within the educational systems in South Africa. Another necessary step will be increasing U.S. support for primary and secondary education for disadvantaged South Africans. While recommending the shift in emphasis in U.S. education assistance programs in South Africa contained in section 1047 of the conference substitute, the committee of conference recognizes that in appropriate circumstances, the United States should also support overseas study programs for South Africans.

The committee of conference also strongly encourages AID to allocate funds in each of fiscal years 1992 and 1993 to provide assistance for the development, construction, and financing of low-cost housing in South Africa. It is expected that assistance to the housing sector will not reinforce apartheid patterns of housing segregation.

AFRICAN DEVELOPMENT FOUNDATION

The House bill (sec. 1001) expresses the sense of Congress that the purposes of the African Development Foundation (ADF) are consistent with the purposes expressed in the DFA and amends section 510 of the African Development Foundation Act to authorize $14.95 million for the ADF for each of the fiscal years 1992 and 1993.

The Senate amendment (sec. 683) contains a similar provision.

The conference substitute (sec. 1021) is identical to the House bill.

SUPPORT FOR SADCC SECTOR PROJECTS

The House bill (sec. 1002) provides that funds made available from the DFA for assistance to SADCC shall be used to assist sector projects as specified in section 5102 of the House bill. This section also waives the application of section 620(q) of the Foreign Assistance Act or similar provisions commonly referred to as "Brooke-Alexander" amendments, which prohibit assistance to a country which has defaulted in payment of loans made available under the Foreign Assistance Act. The House bill also urges the President to use diplomatic means, including multilateral negotiations and cooperation with international organizations, to protect the security of SADCC projects from external attacks and urges the Government of South Africa to respect the territorial integrity of the states in the southern African region.

The Senate amendment (sec. 682) expresses the sense of Congress that up to $75 million of the funds made available for the DFA should be used to assist SADCC sector projects.

The conference substitute (sec. 1022) provides that $60 million should be used in fiscal year 1992 and $75 million should be used in fiscal year 1993 for SADCC sector projects and provides a "Brooke-Alexander" waiver.

ECONOMIC SUPPORT ASSISTANCE FOR SUB-SAHARAN AFRICA

The House bill (sec. 1003) earmarks $28.3 million in ESF for each of the fiscal years 1992 and 1993 for sub-Saharan Africa.

The Senate amendment contains on comparable provision

The conference substitute (sec. 1023) eliminates the earmark and states that at least $28.3 million in ESF should be made available for each of fiscal years 1992 and 1993 for sub-Saharan Africa.

SUPPORT FOR DEMOCRATIZATION IN SUB-SAHARAN AFRICA

The House bill (sec. 1004) welcomes the commitment of several governments in sub-Saharan Africa to move toward democracy and urges the President to increase substantially assistance designed to promote the growth and development of democratic institutions in Africa. The House bill contains examples of the kinds of programs and activities that should be supported.

The Senate amendment (sec. 688) amends the Foreign Assistance Act by adding a new section 538 which authorizes the President to furnish assistance to support judicial reform and strengthen judicial institutions in Africa. The Senate amendment describes the specific programs and activities that should be supported.

The conference substitute (sec. 1024) reflects the fact that section 119 of the conference substitute creates a worldwide authority to conduct programs and activities to promote the growth and development of democratic institutions, including independent judiciaries, and encourages the President to increase substantially assistance under that authority to countries in sub-Saharan Africa.

The committee of conference notes that AID has allocated $10 million for fiscal year 1992 to carry out such programs in sub-Saharan Africa and urges that at least that amount be spent to: (1) strengthen the civilian institutions necessary for the growth and development of democracy such as free and independent media, independent electoral commissions and electoral monitoring organizations, human rights organizations, and other NGOs that critically assess government policies and promote citizen participation in democratic processes; (2) support the growth and development of democratic polit-

ical parties and organizations, including by providing them with infrastructure support; (3) improve the capabilities of newly elected legislatures and support the constitutional, legal code, and electoral code revision process; (4) support judicial and legal reform, and strengthen the independence and effectiveness of judicial institutions in sub-Saharan Africa; and (5) support educational programs and exchanges designed to foster understanding and respect for democratic values.

As is the case when implementing programs and activities authorized under section 119 of the conference substitute in other parts of the world, the committee of conference expects that the President will utilize those organizations with expertise in promoting democratic development and political pluralism in the implementation of these programs in sub-Saharan Africa, including NED and USIA.

AFRICAN CENTER FOR CONFLICT RESOLUTION

The House bill (sec. 1005) directs the Administrator of AID to take steps to establish an African Center for Conflict Resolution whose purpose will be to assist in resolving regional, sub-national, and national conflicts on the continent of Africa. The House bill also requires that funds made available for assistance from the DFA be used to support the establishment of the center.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 1025) is the same as the House bill.

In creating the Center, advice should be sought from a wide range of organizations. In particular, the committee of conference recommends that the Administrator reach beyond traditional grantees and seek institutions and individuals with special expertise in the field of conflict resolution. The committee of conference urges the Administrator of AID to work closely with the appropriate congressional committees during the formation of the Center.

ANGOLA

The House bill (sec. 1021(a)) expresses the sense of the Congress concerning the signing of the Angola peace accords by the parties to the conflict in Angola and U.S. assistance to Angola under the Foreign Assistance Act and authorizes the use of ESF and FMF for mine clearing operations in Angola.

The Senate amendment (sec. 693) directs the President, beginning in fiscal year 1992, to provide to Angola: election and democracy building assistance; assistance for the voluntary relocation and resettlement of refugees; assistance for the demobilization and retraining of former military members of the opposition forces in Angola; emergency medical assistance focusing on the needs of children, and other appropriate assistance to implement the Angola peace accords. The Senate amendment also states that assistance is to be provided without regard to provisions of law prohibiting assistance to Angola and provides that in the event either party violates the peace accords, assistance under this Act or any other Act shall terminate. Finally, the Senate amendment defines the term "Angola peace accords" as referring to the document entitled "Fundamental Principles for the Establishment of Peace in Angola" and requires periodic reporting.

The conference substitute (sec. 1041) is similar to the Senate provision with a modification which expands recipients to include displaced persons; expands the provision of emergency medical assistance to include other humanitarian assistance; provides that violations of the peace accords must be systematic in order to trigger the termination of assistance; and provides that a systematic violation would terminate only that assistance authorized under this section.

While the conference substitute does not reflect sections 1021 (b) and (c) of the House bill, the committee of conference expresses its support for mine clearing operations as a necessary prerequisite for development in many areas of Angola. The committee of conference supports the use of funds for mine-clearing operations, if appropriate. In this instance, the committee of conference does not consider that such operations support military purposes.

UNITED STATES COMPANIES OPERATING IN ANGOLA

The Senate amendment (sec. 690) expresses the sense of the Senate that section 901(j) of the Internal Revenue Code should be amended to allow U.S. businesses in Angola a foreign tax credit for taxes paid in Angola.

The House bill contains no comparable provision.

The conference substitute is the same as the House position.

BURUNDI

The House bill (sec. 1022) sets forth certain conditions which the President is to consider in determining whether to furnish assistance under the Foreign Assistance Act to Burundi.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 1042) is identical to the House bill.

ETHIOPIA

The House bill (sec. 1023) contains findings and a statement of policy concerning the collapse of the Mengistu regime in Ethiopia and efforts towards reconciliation and reconstruction in Ethiopia.

The Senate amendment (sec. 2003) authorizes the President to provide assistance to Ethiopia notwithstanding any other provision of law if he certifies that Ethiopia has made significant progress towards democratization and the provision of assistance will assist that process.

The conference substitute combines the House and Senate provisions with other provisions relating to assistance to the Horn of Africa contained in chapter 4 of title X of the conference substitute.

KENYA

The House bill (sec. 1024(a) and (b)) sets forth congressional findings concerning the friendly relations between the United States and Kenya; contains statements of U.S. policy condemning the detention of Kenyan citizens for the peaceful expression of their views and the government's disregard of human rights; and calls upon the Government of Kenya to end intimidation and harassment of those working for democracy and to provide safeguards to ensure freedom of the press, independence of the judiciary, and protection of the rights of those detained.

The Senate bill contains no comparable provision.

The conference substitute (sec. 1043(a)) is essentially the same as the House bill except that it deletes the findings and modifies the policy statments on respect for internationally recognized human rights and access by relief agencies to refugees from Somalia in Kenya.

The House bill (sec. 1024(c)) provides for the suspension of economic and military assistance (including deliveries of assistance previously obligated and sales previously made) to Kenya on the date of enactment of this Act. The House bill also provides for a presidential waiver if the President determines that the Government of Kenya is taking steps to: charge and try or release persons detained for political reasons; respect the independence of the judiciary; and respect freedom of expression.

The Senate amendment (sec. 685) is similar except that the prohibition on assistance applies to fiscal years 1992 and 1993 only.

The conference substitute (sec. 1043(b)) is similar to the Senate provision with an amendment making the prohibition on assistance applicable to economic and military assistance appropriated for fiscal years 1990, 1991, 1992, and 1993.

LIBERIA

The House bill (sec. 1025(a)) contains congressional findings concerning the impact of the civil war on the people and infrastructure in Liberia and the long and historical relationship between the United States and Liberia.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 144(a)) is identical to the House provision.

The House bill (sec. 1025(b)) states that it shall be U.S. policy to commit diplomatic resources and energies to resolving the fundamental conflicts which underlie the humanitarian emergencies in Liberia.

The Senate amendment (secs. 687(a) and (b)) contains a similar provision.

The conference substitute (sec. 1044(b)) is similar to the Senate position with a modification to change a sense of the Senate statement to sense of the Congress.

The House bill (sec. 1025(c)) provides that funds made available for international disaster assistance may be used to provide assistance for civil strife releif, rehabilitation, and general recovery in Liberia.

The Senate amendment (sec. 687(e)) adds a new section to the disaster assistance authorities in the Foreign Assistance Act which is similar to the House provision.

The conference substitute (sec. 1044(e)) creates a new section 494 of the Foreign Assistance Act which is identical to the Senate amendment.

The House bill (sec. 1025(d)) authorizes the use of unexpended economic support assistance previously obligated for Liberia to support peacekeeping efforts by the member states of the Economic Community of West African States (ECOWAS) in Liberia.

The Senate amendment (sec. 687(c)) authorizes the use of funds made available for military assistance under this Act or prior foreign assistance appropriations Acts to support peacekeeping efforts by ECOWAS.

The conference substitute (sec. 1044(d)) combines the two provisions to authorize economic support assistance and military assistance for peacekeeping efforts by ECOWAS.

The House bill (sec. 1025(e)) requires that assistance to Liberia may be provided only if the Government of Liberia has achieved substantial progress toward reconciliation among all parties to the conflict and if there is an elected government in office in Liberia. The President, in determining whether to provide assistance, shall consider whether that government is committed to respecting internationally recognized human rights.

The Senate amendment (sec. 687(f)) contains a similar provision.

The conference substitute (sec. 1044(f)) is the same as the Senate provision with a modification that the restrictions shall not apply to assistance to nongovernmental organizations for activities to enhance

progress towards reconciliation and free and fair elections.

The Senate amendment (sec. 2003) authorizes the President to provide assistance to Liberia notwithstanding any other provision of law if he certifies that Liberia has made significant progress towards democratization and the provision of assistance will assist that process.

The House bill contains no comparable provision.

The conference substitute (sec. 1044(g)) is identical to the Senate provision.

MALAWI

The House bill (sec. 1026) contains congressional findings concerning the Government of Malawi's support to refugees from Mozambique and continued violations of internationally recognized human rights; contains a statement of policy that while the United States recognizes and commends the response of the Government of Malawi to the plight of refugees from Mozambique, it condemns the abuse of human rights by that government; and provides that FMF for Malawi for fiscal years 1992 and 1993 may not be provided for the Malawi Young Pioneers and may be provided only to support the Malawian military's effort to secure the Nacala railroad connecting Malawi with the Nacala Port in Mozambique and for military activities which assist the Mozambique peace process.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 1045(a)) is similar to the House provision with modifications concerning the release of detainees by the Government of Malawi; striking a requirement for a periodic report on actions taken to implement this section; and adding a provision to also permit FMF for programs which support conservation and biological diversity.

MOZAMBIQUE

The House bill (sec. 1027) contains a statement of U.S. policy towards Mozambique; requires that the provision of ESF and FMF to Mozambique for fiscal years 1992 and 1993 shall bear a relation to significant steps by the Government of Mozambique to increase respect for human rights; and requires the Secretary of State to report on actions taken to implement this section.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 1046(a)) is similar to the House provision with a modification to condense policy statement concerning U.S. assistance to be provided to Mozambique.

SOMALIA

The House bill (section 1028(a)) contains findings with regard to civil war and collapse of the Barre Government, with resulting refugee problems and a decline of the economical states that it shall be U.S. policy to encourage a peaceful and democratic resolution to the problems in Somalia and to commit diplomatic resources to resolving the fundamental conflicts which underlie the humanitarian emergencies in Somalia; and sets forth criteria for providing assistance to refugees under Public Law 480 for fiscal years 1992 and 1993.

The Senate amendment contains no comparable provision.

The conference substitute combines section 1028 with other provisions relating to assistance to the Horn of Africa contained in chapter 4 of title X of the conference substitute.

SOUTH AFRICA

The House bill (section 1029(a)) expresses the sense of the Congress concerning U.S. support for the elimination of apartheid and the establishment of democratic majority rule in South Africa.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 1047) adds a new section 286 to the Foreign Assistance Act which is identical to the House bill.

The House bill (sec. 1029(b)) directs that funds made available under the DFA shall be used for low-income housing assistance in South Africa.

The Senate amendment (sec. 2002) authorizes assistance to the housing sector in South Africa.

The conference substitute (sec. 1047) is the same as the Senate amendment.

The House bill (sec. 1029(c)) provides that assistance for any fiscal year under the Foreign Assistance Act of 1961, including assistance with funds appropriated before the enactment of this Act, may not be delivered to the Communist Party of South Africa or any affiliated or associated organization. The President shall ensure that recipients of assistance in South Africa are not engaged in violations of human rights and have in place democratic processes for decisionmaking and selection of leaders.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1047(b)) is identical to the House bill.

SUDAN

The House bill (sec. 1030) states that it shall be U.S. policy to encourage negotiations between the Government and the Sudanese People's Liberation Army to end their conflict. This section also directs the President to ensure that humanitarian assistance provided to Sudan reaches the intended recipients.

The Senate amendment contains no comparable provision.

The conference substitute combines section 1030 with other provisions relating to assistance to the Horn of Africa contained in chapter 4 of title X of the conference substitute.

UGANDA

The Senate amendment (sec. 691) expresses the sense of the Senate regarding the deteriorating human rights situation in Uganda.

The House bill contains no comparable provision.

The conference substitute is the same as the House position.

ZAIRE

The House bill (sec. 1031(a) and (b)) contains a number of findings concerning relations between the United States and Zaire; the process of establishing a multiparty democracy in Zaire; and efforts by security forces to suppress political movements; and contains a statement of the Congress supporting efforts towards political pluralism in Zaire, including the creation of a politically neutral government to administer the country prior to national elections. The reference to political neutrality is in large part intended to communicate congressional support for an electoral process that will be free and fair.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 1048(a) and (b)) is identical to the House provision.

The House bill (secs. 1031(c), (d) and (e)) prohibits FMF, IMET, and ESF to Zaire for fiscal years 1992 and 1993. The House bill (sec. 1031(f)) provides that development assistance for fiscal years 1992 and 1993 shall not be transferred to the Government of Zaire. This section does not prohibit nongovernmental organizations through which development assistance is provided from working with appropriate governmental ministries or departments. In addition, the House bill (sec. 1031(g)) authorizes the President to waive the prohibitions on foreign military financing, training, economic support assistance, and development assistance if the President determines that free and fair elections have been held in Zaire. Such determination is to be reported to the Congress and such determination shall not become effective until 15 days after it is reported to the Congress. The House bill also provides for notification to Congress before any obligation of funds for Zaire.

The Senate amendment (sec. 686) contains a similar provision.

The conference substitute (sec. 1048(c)) is similar to the House provision with a modification adding a requirement that an elected government must demonstrate a commitment to freedom of expression, an independent judiciary, and application of the rule of law to security forces in Zaire.

UNITED STATES COMMISSION ON SOUTHERN AFRICA

The House bill (secs. 1041–1050) provides for the establishment of the United States Commission on Southern Africa.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position.

HORN OF AFRICA RECOVERY AND FOOD SECURITY

The House bill (secs. 1061–1067) contains provisions relating to assistance to countries in the Horn of Africa (Ethiopia, Somalia, Sudan, and Djibouti).

The Senate amendment (sec. 692) contains findings and a policy statement concerning international relief efforts in the Horn of Africa. In addition, S. 985, the Horn of Africa Recovery and Food Security Act of 1991, which passed the Senate on July 16, 1991, is almost identical to the House provision.

The House bill (secs. 1023, 1028, and 1030) also contains separate provisions concerning Ethiopia, Somalia, and Sudan. The Senate amendment contains related provisions concerning Sudan and Ethiopia (secs. 684 and 2003).

The conference substitute (secs. 1061–1065) combines the applicable provisions of the House bill, related Senate provisions, and S. 985.

The conference substitute (sec. 1061) sets forth findings concerning food insecurity, impact of internal conflicts, violations of human rights, failure of development programs, and opportunities provided by the end of cold war rivalries to address problems in the Horn and states the need for a new U.S. policy, in cooperation with other donors and the United Nations, towards meeting the region's needs.

The conference substitute (sec. 1062) sets forth statements of policy and actions the President should take concerning the individual states of Ethiopia, Somalia, and Sudan.

The conference substitute (sec. 1063) sets forth what U.S. policy should be in promoting equitable distribution of relief and rehabilitation in the Horn. U.S. policy should assure equal access to assistance, provided on the basis of need, and consultation with other donors and the United Nations to maximize relief efforts. Relief and rehabili-

tation assistance is authorized to be provided under the authorities relating to international disaster assistance.

The conference substitute (sec. 1064) states that it shall be U.S. policy to promote peace and development toward ensuring that all persons enjoy civil, political, and economic rights. The President is encouraged to work with the Soviet Union and other nations, as well as the United Nations, to end conflicts in the region.

The conference substitute (sec. 1065) provides authorities for implementing the Horn of Africa Food Security and Recovery strategy. Assistance is authorized to be provided from funds authorized for development assistance and the DFA. This section sets forth the types of activities to be carried out under the various authorities.

Economic assistance is to be provided to each country only through NGOs unless a Presidential certification has been made with respect to the individual country that the government has: (a) begun to implement programs of national reconciliation; (b) demonstrated a commitment to protecting human rights, and; (c) manifested a commitment to democracy. In the absence of the certification, NGOs may work with appropriate ministries of the respective government. ESF, FMF, and IMET are prohibited unless the foregoing certification has been made. In the event the certification is made with respect to Ethiopia then security assistance may be provided to that Government notwithstanding provisions of law commonly referred to as "Brooke-Alexander" Amendments, which prohibit assistance to a country which has defaulted in payment of loans made available under the Foreign Assistance Act.

U.S. TRADE RESTRICTIONS ON PRODUCTS FROM SUB-SAHARAN AFRICA

The House bill (sec. 1071) expresses the sense of the Congress that a special effort should be made to reduce trade barriers and promote economic interchange between the United States and the countries of sub-Saharan Africa.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 1081) is identical to the House bill.

RECOGNITION OF SUB-SAHARAN AFRICAN SUPPORT DURING THE PERSIAN GULF CRISIS

The House bill (sec. 1072) contains congressional findings concerning the support from certain sub-Saharan Africa countries for the United States in the United Nations during the Persian Gulf crisis and expresses the sense of the Congress commending these countries for their support.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 1082) is similar to the House bill but deletes the findings.

CONDITIONS ON FURNISHING IMET FOR SUB-SAHARAN AFRICA

The House bill (sec. 1073) provides that IMET may be provided to a sub-Saharan Africa country only if the President considers certain conditions, including whether the country has a democratically-elected government and is committed to respecting internationally recognized human rights, whether the country's armed forces are engaged in human rights violations and whether elements of the government of the country are engaged in destabilization efforts directed at another country. The House bill also requires a report on the implementation of these provisions.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 1083) is essentially the same as the House provision.

The committee of conference expects reports under this section to be brief statements, similar to the discussions of policy consideration in the annual Congressional Presentation for Security Assistance prepared jointly by the Department of State and the Defense Security Assistance Agency.

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

The House bill (section 1074) transfers $6 million from the DFA to be made available only for a U.S. contribution to the IFAD Special Program for Africa in each of fiscal years 1992 and 1993.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position. The committee of conference notes that $5 million is authorized for this purpose in section 120 of the conference substitute.

EXEMPTIONS FROM RESTRICTIONS ON ASSISTANCE

The House bill (sec. 1075) provides that restrictions on assistance contained in this title shall not apply to international narcotics control assistance and assistance provided through PVOs and NGOs for the holding of free and fair elections.

The Senate amendment contains no comparable provision.

The conference substitute contains similar waivers in title III and IV of the conference substitute.

UNITED NATIONS EDUCATIONAL AND TRAINING PROGRAM FOR SOUTHERN AFRICA

The House bill (sec. 1076) allocates $400,000 from the DFA for a U.S. contribution to the United Nations Educational and Training Program for Southern Africa.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position.

PREEMPTION OF STATE AND LOCAL SANCTION MEASURES AGAINST NAMIBIA

The House bill (sec. 1077) declares null and void any sanction imposed by any state or governmental institution with respect to Namibia.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 1084) is the same as the House position. The committee of conference notes that U.S. economic sanctions were imposed against Namibia by the Comprehensive Anti-Apartheid Act of 1986. Namibia has achieved independence through free and fair elections and U.S. sanctions have lapsed.

STUDY ON THE IMPACT OF ADJUSTMENT SUPPORTED PROGRAMS ON THE DEVELOPMENT FUND FOR AFRICA

The Senate amendment (sec. 689) expresses the sense of the Senate that a study should be undertaken by the Office of Technology Assessment on the impact of adjustment supported programs on the achievement of the goals established by the DFA.

The House bill contains no comparable provision.

The conference substitute (sec. 1085) is the same as the Senate amendment with a technical modification.

MOROCCO AND THE WESTERN SAHARA

The committee of conference commends and strongly supports the efforts of United Nations Secretary General Javier Peres de Cuellar to bring about a peaceful resolution to the conflict in the Western Sahara. The committee of conference hopes that the parties to the conflict in the Western Sahara will continue to support the U.N. initiative so that the full implementation of the referendum on the Western Sahara may be concluded by the end of 1991.

TUNISIA

The committee of conference encourages the executive branch to consider an increase of $2.5 million is ESF for Tunisia in fiscal year 1992. The committee of conference believes that this additional assistance is necessary to continue existing programs in Tunisia which, in turn, contribute to Tunisia's economic growth. The committee of conference remains encouraged by Tunisia's significant progress toward economic reform. Tunisia has undertaken a structural adjustment program designed to open its economy, encourage foreign investment, reduce subsidies and privatize government-run industries. The committee of conference urges Tunisia to continue its efforts toward political reform.

Tunisia is poised for significant economic expansion. If Tunisia's economic take-off is successful, it could become a more significant market for American goods and services. Providing a modest increase in ESF will demonstrate that the ties between Tunisia and the U.S. are close and mutually beneficial.

DJIBOUTI

The committee of conference recommends that AID reexamine the sectoral needs and potential of Djibouti with a view toward providing assistance from the DFA to Djibouti during fiscal years 1992 and 1993.

In addition to providing support for the Government of Djibouti's efforts to enhance the economic development of its own citizens, such assistance would assist the Government of Djibouti to deal effectively with the recent influx of refugees from Ethiopia and Somalia as a result of the internal conflicts in those countries.

TITLE XI—AID, TRADE, AND COMPETITIVENESS

SHORT TITLE

The Senate amendment (sec. 1401) establishes a short title of the "Aid, Trade, and Competitiveness Act of 1991" for this title.

The House bill contains no comparable provision.

The conference substitute (sec. 1101) is the same as the Senate amendment.

FINDINGS

The Senate amendment (sec. 1402) contains findings regarding U.S. exports and U.S. foreign assistance.

The House bill contains no comparable provision.

The conference substitute is the same as the House position.

CAPITAL PROJECTS OFFICE WITHIN AID

The Senate amendment (sec. 1403) establishes a capital projects office within AID's Bureau for Private Enterprise. The purpose of this office is to develop a program to focus on developmentally sound capital projects, taking into consideration the export opportunities of U.S. firms, especially high technology firms. The Senate amendment also directs the Administrator of AID to work with AID regional bureaus and the Export-Import Bank of the United States to develop capital projects in developing countries and Eastern Europe. The Senate amendment (sec. 1404) also instructs AID to play a special role in helping to develop adequate in-

frastructure in Eastern Europe, and calls for a study of the infrastructure requirements of Eastern European countries.

The House bill contains no comparable provision.

The conference substitute (sec. 1102) which is similar to the Senate amendment, establishes a capital projects office within AID whose function is to create a strategy for developmentally sound capital projects, taking into consideration the particular development needs of the host country and the export opportunities of United States firms. The conference substitute deletes language in the Senate amendment directing the AID Administrator to place the office in the Bureau for Private Enterprise. The capital project office is directed to work with the regional bureaus within AID, the Export-Import Bank of the United States, and the Trade and Development Agency to review periodically the potential capital projects and infrastructure requirements of Eastern Europe and developing countries. The conference substitute also requires AID to undertake a comprehensive study of the infrastructure needs of eligible SEED countries AID to undertake a comprehensive study of the infrastructure needs of eligible SEED countries in order to provide appropriate assistance through capital projects.

INTERAGENCY BOARD

The Senate amendment (sec. 1405) establishes a Capital Project Interagency Board to coordinate the development of a strategic approach to the support of capital projects among the agencies represented on the Board.

The House bill contains no comparable provision.

The conference substitute (sec. 1103) requires the President to use the existing interagency coordinating mechanism, the Trade Policy Coordinating Committee (TPCC) to coordinate activities under this title with other relevant activities of the U.S. Government.

REPORTS ON CAPITAL PROJECTS

The Senate amendment (sec. 1407(a)(4)) requires the President to submit to Congress not later than January 1, 1992, a report on the feasibility of allowing AID to offer credit guarantees for the financing of capital projects.

The House bill contains no comparable provision.

The conference substitute (sec. 1104) requires the President to submit a report on February 1, 1993, and annually thereafter, on the extent to which the United States has expended resources for capital projects, the extent to which the TPCC has coordinated this effort, and the effects that capital projects and tied aid have had on U.S. exports.

NEGOTIATIONS OF THE OECD

The Senate amendment (sec. 1406) states that, if the Secretary of the Treasury and the President of the Export-Import Bank to negotiate an agreement with the OECD to reduce concessional financing by December 31, 1991, they must submit a report to Congress on the status of the negotiations and whether or not they believe future negotiations will achieve a reduction in tied aid.

The House bill contains no comparable provision.

The conference substitute (sec. 1105) requires the Secretary of the Treasury and the President of the Export-Import Bank to report to the appropriate congressional committees should OECD negotiations fail by February 1, 1992.

FUNDING FOR CAPITAL PROJECTS

The Senate amendment (sec. 1407) authorizes to be available for capital projects $750 million for fiscal year 1992 and $1 billion for fiscal year 1993, from ESF, SEED, and the Multilateral Initiative for the Philippines, and limits the amount of ESF cash transfers of economic support fund assistance to 60% in 1992 and 50% in 1993. The amendment also contains restrictions on "Buy America" waivers.

The House bill contains no comparable provision.

The conference substitute (sec. 1106) urges the President to use at least $650 million in fiscal year 1992 and $700 million in fiscal year 1993 for capital projects. Funding is to come from amounts made available for ESF, the Multilateral Assistance Initiative for the Philippines, and assistance provided under the SEED Act. The conference substitute also provides that regulation of procurement is governed, as for other assistance funds, by section 604 of the Foreign Assistance Act, as amended by the conference substitute. The conference substitute (sec. 1109) also authorizes $20 million in fiscal year 1993 for the Trade and Development Agency to complement and strengthen the capital projects activities authorized under this section.

DEFINITIONS

The Senate amendment (sec. 1408) provides definitions of capital projects and tied-aid credit for purposes of this title.

The House bill contains no comparable provision.

The conference substitute (sec. 1108) is similar to the Senate amendment but adds definitions of AID, Bank, and SEED eligible East European country.

TITLE XII—PEACE CORPS

AUTHORIZATIONS OF APPROPRIATIONS

The House bill (sec. 1103) amends section 3 of the Peace Corps Act to authorize $200 million in each of the fiscal years 1992 and 1993 for the Peace Corps.

The Senate amendment (sec. 1101) authorizes $207 million in fiscal year 1992 for the Peace Corps.

The conference substitute (sec. 1201) authorizes $200 million in each of the fiscal years 1992 and 1993 for the Peace Corps.

INSPECTOR GENERAL

The House bill (sec. 1103(b)) amends section 7 of the Peace Corps Act to add new language giving the Peace Corps Inspector General authority to authorize a one-year extension of appointment for his or her staff.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position.

PEACE CORPS FOREIGN CURRENCY FLUCTUATIONS

The Senate amendment (sec. 1102) amends the Peace Corps Act to add a new section 16, establishing an account in the Treasury for payment of overseas activities of the Peace Corps which exceed appropriation due to foreign currency fluctuations and authorizes sufficient appropriations to maintain a balance of $5 million in the account.

The House bill contains no comparable provision.

The conference substitute (sec. 1202) is essentially the same as the Senate provision, except that unobligated funds may be transferred to the Peace Corps foreign currency fluctuation account at the end of the fiscal year or other period for which appropriations for Peace Corps expenses were made available, rather than after three years.

EVALUATION OF HEALTH-CARE SERVICES PROVIDED TO PEACE CORPS VOLUNTEERS

The Senate amendment (sec. 1103) requires three independent evaluations of the health care needs of Peace Corps volunteers and the adequacy of the current health care system, with such evaluations due at the end of 1992, 1994, and 1996.

The House bill contains no comparable provision.

The conference substitute (sec. 1203) is the same as the Senate amendment.

REPORTING REQUIREMENT ON EMPLOYMENT-RELATED MATTERS

The Senate amendment (sec. 1104) requires the Director of the Peace Corps and the Secretary of Labor to report jointly to the Congress not later than August 31, 1992, regarding volunteers' claims for federal workers compensation benefits for disabilities incurred during Peace Corps service.

The House bill contains no comparable provision.

The conference substitute (sec. 1204) is the same as the Senate amendment.

PEACE CORPS THIRD GOAL ACTIVITIES

The Senate amendment (sec. 1105) encourages the Director of the Peace Corps, in carrying out the third goal of the Peace Corps Act relating to increasing understanding among U.S. citizens of other peoples, to continue to develop and implement education related programs.

The House bill contains no comparable provision.

The conference substitute is the same as the Senate position.

PEACE CORPS PROGRAMS IN THE SOVIET UNION

The conference substitute (sec. 1205) provides that up to $6 million in each of the fiscal years 1992 and 1993 be made available for establishing Small Business Development Programs in the Soviet Union or any successor entity or entities.

The committee of conference recognizes that a small business program must be carried out in consultation with and at the invitation of the Soviet Union or its successor states. The unique events in the Soviet Union have prompted the committee of conference to propose this program to take advantage of the Peace Corps' ability to recruit technical experts who can make a positive contribution to the economic and business reforms critical to the Soviet Union's future development.

TITLE XIII—INTERNATIONAL DEVELOPMENT AND FINANCE

The Senate amendment, in title IX, authorizes the Administration's request for a quota increase for the International Monetary Fund, and replenishments for the Asian Develoment Bank and the African Development Fund.

The House bill has no comparable provisions.

The conference substitute (title XIII, International Development and Finance) includes the authorities of the Senate amendment, and a comprehensive package of provisions relating to the International Financial Institutions put forward by the House conferees as described below.

CHAPTER 1—INTERNATIONAL MONETARY FUND

U.S. QUOTA INCREASE AND AMENDMENTS TO ARTICLES OF AGREEMENT

The Senate amendment (sec. 901) amends the Bretton Woods Agreements Act to authorize the U.S. share of the IMF quota increase in full, consent to the "rights approach" to extinguish arrears, and authorize

the sale of gold to back up the rights approach.

The House bill has no comparable provisions.

The conference substitute (sec. 1301) is identical to the Senate amendment.

SOVIET ACCESS TO THE FINANCIAL RESOURCES OF INTERNATIONAL FINANCIAL INSTITUTIONS

The Senate amendment (sec. 902) contains a series of findings relating to activities of the Soviet Union, requires that the Secretary of the Treasury instruct the U.S. Executive Director of the IMF to use the voice and vote of the U.S. to oppose Soviet membership in the Fund unless the President certifies and reports to Congress on economic reform in the Soviet Union, the role of the Central Government, and political reform in the Soviet Union. The Senate amendment further requires that the Secretary of the Treasury instruct the Executive Director to the European Bank for Reconstruction and Development to use the voice and vote of the U.S. to oppose expansion of access by the Soviet Union to the resources of the Bank unless the President has certified and reported to Congress as required for Soviet membership in the IMF.

The House bill has no comparable provision.

The conference substitute (sec. 1302) authorizes U.S. support for Soviet membership in the IMF and expanded access to EBRD resources but only after the President certifies and reports to the Congress that progress is being made on a broad range of economic, political and government reforms. The requirements would apply to the government of the Soviet Union and to all successor states other than the Baltic states, which are specifically excluded. The requirements would not apply to any status short of full membership, such as special associate status in which a country receives only technical assistance.

The committee of conference does not intend that U.S. support be contingent on complete transformation of the Soviet economy and political system but the provision does require that progress be demonstrated on an enunciated list of specific reforms. In one case, a higher standard than mere progress is established. The committee intends that the Soviet government must show "substantial" progress toward terminating economic subsidies and military assistance, including transfer of sophisticated arms, to countries that have supported international terrorism and those that have participated in efforts to destablize neighboring states.

The committee of conference recognizes that it would be unreasonable to expect that longstanding economic relationships, including normal trade and development assistance, would be completely terminated between sovereign states. However, continuation of the massive subsidies and destabilizing arms transfers that have characterized Soviet relations with these countries in the past is totally unacceptable for a government wishing to participate fully in world financial institutions and cooperate with the industrial countries. In this regard, substantial progress would be demonstrated by a reduction of 75 percent or more in economic subsidies in the near term and a like reduction in military assistance.

In establishing the conditions in this provision, the committee of conference recognizes the future configuration and powers of the Soviet central government and the governments of individual republics are matters of great uncertainty. Nonetheless, it is the intent of the committee that the conditions set down in the provision should apply to any republic individually or any successor government just as they would apply to the Soviet Union as a whole. The committee of conference attaches equal importance to economic and political reform in Russia or Georgia as would be attached to attainment of those goals in the Soviet Union as a single nation.

At the same time, the committee of conference recognizes the great differences in the economic and political circumstances of individual republics. For a number of republics, excessive spending on defense and nuclear weapons or aid to terrorist states are not an issue and the force of the provision would then be limited to economic and political reform by those republics. In using the term "Soviet Union", further defined as any successor governments except the Baltic states, there is no intent that until collective progress is achieved by all the constituent political subdivisions of the Soviet Union that any individual republic should be barred from IMF or expanded EBRD access.

The uncertainty regarding the future political configuration of the Soviet Union extends to the relationship of any successor state or states with the IMF and EBRD. Entry into the Fund could be contemplated for a single economic entry comprising most of the Soviet Union or each republic could apply for membership individually. In the EBRD, the share subscription of the Soviet Union could be maintained for a successor state or divided up among republic governments, or new quotas and subscriptions may be authorized for individual republics. In any event, application of the provision will have to be interpreted in light of those circumstances.

Applying restrictions to individual republics is most complicated in the case of the EBRD because the existing Soviet access restrictions are based on a subscription and share allocation for that single country. The Soviet subscription could be divided up among republic or successor governments, each of which would then have a new subscription authorized. It is possible in purely legal terms that the restrictions on Soviet access cited in the charter would not apply to those new subscriptions. In apply the restrictions required by this provision, it is the intent of the committee of conference that Treasury not support unrestricted access for any successor state or republic that has not demonstrated progress toward the stated objectives.

SENSE OF THE CONGRESS RELATING TO THE PROBLEMS OF NATIONS MAKING THE TRANSITION TO MORE OPEN POLITICAL AND ECONOMIC SYSTEMS

The House proposal expresses the Sense of Congress that appropriate relationships between international financial institutions and nations making the transition to more open economic and political systems be encouraged for purposes of assisting such nations in resolving their economic problems.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1303) adopts the House proposal. The committee of conference notes that inclusion of this provision places Congress on record as being sympathetic to an evolutionary relationship between the international financial institutions and transition nations. The type of relationship is not spelled out; the intent is that an appropriate relationship be developed under whatever circumstances prevail.

PUBLICATION OF REPORTS ON ECONOMIES OF MAJOR INDUSTRIALIZED NATIONS

The House proposal amends the Bretton Woods Agreements Act to direct the Secretary of Treasury to instruct the U.S. Executive Director of the IMF to encourage the Fund to establish procedures for publication of country economic reports on major industrialized nations.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1304) adopts the House proposal. The committee of conference is persuaded that the Reviews of Economic Development, arising out of the periodic Article IV consultations, should be published because the information will constitute a valuable contribution to economic policy making and evaluation. The committee recognizes that the IMF may exercise appropriate limitations as to the content and the timeliness of publication to protect the confidentiality of the IMF policy making and the interest of the nations being consulted.

SENSE OF THE CONGRESS RELATING TO COORDINATION OF DEVELOPMENT ACTIVITIES OF INTERNATIONAL FINANCIAL INSTITUTIONS

The House proposal expresses the Sense of Congress that procedures should be instituted to provide for greater cooperation between the IMF and the World Bank at the Board, management and staff levels.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1305) adopts the House proposal.

COOPERATION WITH INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT IN EFFORTS TO ALLEVIATE POVERTY AND REDUCE BARRIERS TO ECONOMIC AND SOCIAL PROGRESS

The House proposal amends the Bretton Woods Agreements Act to state findings relating to movement in the IMF and the World Bank toward integrating poverty considerations into programs and advocates further initiatives for alleviating poverty and reducing barriers to economic and social development by such means as assessing country economic policies through the extension of the Policy Framework Paper process, and through considering such factors in allocating resources and evaluating the results of borrowing country programs.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1306) adopts the House proposal. The committee of conference notes that the World Bank has stated its intention to upgrade its efforts in alleviating poverty, as indicated in its July 1, 1991 release on Operating Results of the past fiscal year. The conference substitute makes specific suggestions to assist the Fund, as the leader in the international financial community, in cooperating with the World Bank in efforts to reduce poverty and economic and social barriers to development. An example of such barriers are that in many nations, women, who head one-third of the world's families, cannot own land or other property or contract in their own names. The committee of conference believes that alleviation of poverty and reduction of such barriers to economic and social progress should be given priority, through such instruments as an expanded process of Policy Framework Papers (long-range country strategy plans) and through the enhanced evaluation of major long-term lending programs. The conference substitute is intended to extend support for statistical

programs, based upon the criteria set forth in the World Development Report 1990 (including such elements as nutrition, health, literacy, housing and sanitation), so that both borrowing nations and the lending institutions can measure progress toward agreed upon goals.

DEPT AND DEBT SERVICE REDUCTION PROGRAMS

The House proposal amends the Bretton Woods Agreements Act to set forth Congressional findings relative to debt and debt service reduction programs, to direct the Secretary of the Treasury to instruct the U.S. Executive Director of the IMF to urge that the facility adopted by the IMF in 1989 for financing debt and debt service restructuring arrangements, as encouraged by the United States, be renewed for another three year period, with any appropriate modifications, and expresses Congressional concern that public institutions should not assume an excessive proportion of debt or risk as part of this process, and that reductions in commercial debt reductions proceed in concert with reductions of official debt. The House proposal further requires a report on Soviet debt held by commercial banks.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1307) adopts the House proposal. The committee of conference notes that the longstanding interest of Congress in debt relief helped prompt the March, 1989 Brady Plan for debt and debt service restructuring. Although developing country debt is not the crisis it was in the mid-1980s, it is still a major obstacle to development. The conference substitute provides encouragement for the IMF and the World Bank to continue their successful efforts in this area and urges that the countries in greatest economic difficulty and most in need of debt relief, be included in this process.

ENVIRONMENTAL CONSIDERATION IN FUND PROGRAMS

The House proposal notes the establishment of an Environment Unit at the Fund, and amends the Bretton Woods Agreements Act to direct the Secretary of the Treasury to instruct the U.S. Executive Director to encourage that environmental considerations be incorporated into all IMF programs, including its Article IV consultations, and requires the U.S. Executive Director of the IMF to encourage the Fund to help nations implement systems of natural resources accounting and encourage the Fund to work with the OECD in developing a national accounting system which takes into consideration the degradation and depletion of natural resources.

The Senate amendment has no comparable provisions.

The conference substitute (sec. 1308) adopts the House proposal. The committee of conference emphasizes its strong view that environmental issues be involved in all economic policies, as well as in the development process, and that these issues be integrally considered in the economic and financial decisions of the Fund.

EXCESSIVE EXPENDITURES ON WEAPONS

The House proposal requires the Secretary of the Treasury to instruct the U.S. Executive Director to the International Monetary Fund and the International Bank for Reconstruction and Development to urge the Bank and Fund to develop criteria for determining whether a nation seeking a loan is engaged in defense expenditures that are appropriate to its national circumstances or an impediment to sound management of its economy. The Secretary of the Treasury shall report to the Congress within one year on the development of such criteria.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1309) is identical to the House proposal.

IMF HUMAN RIGHTS

The House proposal requires the U.S. representative to the International Monetary Fund to vote against loans to countries displaying a pattern of human rights violations and countries providing refuge for terrorists.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1310) is identical to the House proposal.

Chapter 2—International Bank for Reconstruction and Development and Affiliates

SUBCHAPTER A—INTERNATIONAL FINANCE CORPORATION

The House proposal amends the International Finance Corporation Act to authorize the U.S. share of the quota increase of the International Finance Corporation.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1311) adopts the House proposal.

SUBCHAPTER B—INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Efforts to alleviate poverty and reduce barriers to economic and social progress

The House proposal amends the Bretton Woods Agreements Act to require the Secretary of the Treasury to instruct the U.S. Executive Director of the Bank to advocate further steps to enhance the capabilities of the World Bank to pursue its mission of alleviating poverty and reducing legal, regulatory, and policy barriers to economic and social progress. In addition, the House proposal expresses the sense of the Congress that the World Bank should give priority to child survival and development by committing itself to devote 5 percent or more of the amount of the annual lending of the Bank to primary health care and 5 percent to basic education.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1321) adopts the House proposal. The committee of conference notes that this section is the counterpart to section 1306. It is intended that the Bank, the central development institution, take the lead on poverty and related issues, and that the IMF and other multilateral institutions assist the work of the Bank in cooperative endeavors, and in their own work.

Debt and debt service reduction programs

The House proposal amends the Bretton Woods Agreements Act to set forth Congressional findings and to direct the Secretary of the Treasury to instruct the U.S. Executive Director of the Bank to urge that the facility established by the World Bank in 1989 for financing the restructuring of debt and debt service arrangements be renewed for another three years.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1322) adopts the House proposal. The committee of conference notes that this section is parallel to the debt reduction section relating to the IMF (sec. 1307).

World Bank Technical Assistance Program to Soviets

The House proposal requires the United States Executive Director to the World Bank to urge the Bank to establish a program of technical assistance in the Bank for the Baltic states and the Soviet Union.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 1323) is identical to the House proposal.

SUBCHAPTER C—FINANCIAL ASSISTANCE FOR GLOBAL ENVIRONMENTAL PROTECTION

The House proposal makes a series of findings regarding the mission of the new Global Environmental Facility, finds that it would be desirable for the U.S. to join the 20 other members of the Facility in working toward these goals, and states certain understandings associated with U.S. membership.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1331, 1332) adopts the House proposal. The committee of conference believes that international development matters have a strong bearing upon international development and trade, that the new Facility holds promise for addressing these matters, and that the U.S. should exercise leadership in supporting the Facility.

U.S. contribution

The House proposal authorizes a direct contribution of $50 million to the Global Environmental Facility for fiscal year 1992, to remain available until expended.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1333) adopts the House proposal, with a modification conditioning the U.S. contribution on the Secretary's certification to Congress that the Facility has made significant progress toward meeting the objectives of the Facility.

Report on international debt exchanges and the environment

The House proposal amends title XVII of the International Financial Institutions Act to require the Secretary of the Treasury to report to Congress on the progress being made by the multilateral development banks to achieve the goals of environmental protection, resource conservation and sustainable development advocated by the International Development Act of 1989 in its requirement that the MDBs establish departments on environmental protection, resource conservation and sustainable use.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1334) adopts the House proposal.

Chapter 3—Asian Development Bank

U.S. SUBSCRIPTION TO SPECIAL CAPITAL INCREASE

The Senate amendment (sec. 911) amends the Asian Development Bank Act to authorize a $51 million permanent contribution to the capital of the Bank over two years ($25.5 million in each of the fiscal years 1992 and 1993), and an increase in callable capital of $186,972,187 for fiscal years 1992 and 1993, for a total authorization of $424,977,106.

The House bill has no comparable provision.

The conference substitute (sec. 1341) is identical to the Senate amendment.

Chapter 4—African Development Fund

U.S. CONTRIBUTION

The Senate amendment (sec. 921) authorizes a $405 million replenishment of the African Development Fund over a three-year period, $135 million of which is to be available in fiscal year 1992.

The House bill has no comparable provision.

The conference substitute (sec. 1351) is identical to the Senate amendment.

Chapter 5—Export-Import Bank

REPEAL OF INADVERTENTLY INSERTED MATERIAL

The House proposal repeals a redundant provision of the International Development and Finance Act of 1989.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1361) is identical to the House proposal.

APPOINTMENT AND COMPENSATION OF BANK PERSONNEL

The House proposal amends section 3 of the Export-Import Bank Act of 1945 to authorize the Bank to provide additional compensation and benefits to Bank employees if similar compensation and benefits are being provided by Federal bank regulatory agencies.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1362) is identical to the House proposal. The committee of conference has included this provision because similar authority was granted in the 1989 Savings and Loan Act (FIRREA). The Ex-Im Bank has experienced a loss of key personnel because of more generous compensation packages elsewhere in the financial regulatory agencies. The committee of conference believes that the Bank should be allowed to offer compensation and benefits that are comparable to such agencies.

INCREASE IN MEMBERSHIP OF ADVISORY COMMITTEE

The House proposal increases the number of members on the Export-Import Bank Advisory Committee from 12 to 15.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1363) is identical to the House proposal.

WAIVER OF LIMITATIONS ON FINANCING FOR EXPORTERS TO THE SOVIET UNION

The House proposal repealed the limitations of section 7(b) of the Export-Import Bank Act of 1945 and section 613 of the Trade Act of 1974 relating to financing exports by the Export-Import Bank to the Soviet Union.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1364) retains the limitations of existing law, but authorizes Presidential waivers of the limitations if the President determines such action to be in the national interest of the United States.

FINANCING OF HIGH TECHNOLOGY EXPORTS TO EMERGING DEMOCRACIES

The House proposal amends section 2 of the Export-Import Bank to authorize up to $125 million of support for financing of U.S. high technology exports to emerging democracies, primarily to SEED eligible countries, with particular attention to small businesses.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1365) is the House proposal but without the paragraph placing a limit of $125 million on total support. The committee of conference intends that the Bank provide substantial support for high technology exports to emerging democracies but does not wish to limit those efforts if financing opportunities in excess of $125 million should arise.

PROMOTION OF COMPETITIVE OPPORTUNITIES FOR U.S. INSURANCE COMPANIES

The Senate amendment (sec. 515) amends the Export-Import Bank Act of 1945 to prohibit the Bank from providing any support for U.S. exports unless the Bank receives a certification that any contract relating to the export of goods requires that U.S. insurance companies have a fair and open competitive opportunity to provide insurance on such exports.

The House bill has no comparable provision.

The conference substitute (sec. 1366) expands upon language already in the charter of the Export-Import Bank that requires the Bank to work to ensure an equal and nondiscriminatory opportunity for U.S. insurance companies to bid for insurance in connection with Bank-assisted transactions. It is the intent of the committee of conference that for those transactions in which the Bank has the opportunity to deal directly with the importer, defined in the provision as long-term loans or guarantees of at least $10 million, the Bank is to pursue the issue of bidding opportunities for U.S. insurance companies.

The provision is not intended to limit the independence of the Board in approving or denying loans or guarantees on their merits. However, it does require a judgment by the Board in considering any loan or guarantee where competitive access is denied U.S. insurance firms as to whether denial would be likely to achieve such access. If the Bank approves a credit notwithstanding information that competitive opportunities are denied, such approval and an explanation of the decision are to be included in the Bank's report on competitiveness.

The Bank is also required to forward information to the Secretary of Commerce in any case in which it becomes aware of denial of competitive opportunities for U.S. insurance companies. The Commerce Department is the lead agency in international negotiations to open foreign markets to U.S. insurance companies and the Secretary chairs the Trade Promotion Coordinating Committee, a Cabinet council created to better coordinate the activities of the U.S. export credit and trade promotion agencies. The Secretary would then determine whether to refer the market barrier identified to the Trade Policy Committee chaired by the U.S. Trade Representative for possible inclusion in the annual report on trade barriers or action under section 301 of the Trade Act of 1974. The Secretary is also authorized to bring the matter before the existing interagency coordinating mechanism for export credit issues, the Trade Promotion Coordinating Committee, for consideration of a recommendation to the President that export credit should be restricted to such country. The Secretary would be authorized to take these actions if, in the Secretary's judgment, this would encourage greater market opportunities for U.S. insurance companies.

EXPORT-IMPORT BANK REPORT ON TRADE FINANCE

The House proposal requires the Export-Import Bank to prepare and submit a report to Congress analyzing the demand for trade financing for the Baltic states and the Soviet Union and its successor states.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 1367) is identical to the House proposal. It is the intent of the committee of conference that the Export-Import Bank report may make recommendations for the promotion of trade with countries with which the United States has normal trade relations.

SENSE OF CONGRESS REGARDING THE BALTIC STATES

The House proposal expresses the sense of Congress that the President should make the determination that Estonia, Latvia, and Lithuania each have ceased to be a Marxist-Leninist country for purposes of section 2(b)(2) of the Export-Import Bank Act of 1945.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 1368) is identical to the House proposal.

EFFECTIVE DATE

The House proposal establishes October 1, 1991 as the effective date for the provisions of this title.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1369) is identical to the House proposal.

Chapter 6—Multilateral Development Banks

SUBCHAPTER A—ENERGY EFFICIENCY

Short title

The House proposal entitles this subchapter the "International Energy Efficiency Financing Act of 1991".

The Senate amendment has no comparable provision.

The conference substitute (sec. 1371) is identical to the House proposal.

Advancing the benefits of energy efficiency through multilateral development banks

The House proposal sets forth findings that MDBs currently devote one-sixth to one-fifth of their resources to financing energy supply, less than 1 percent of which goes for end-use energy efficiency, the capital required to finance the growth in energy supply at current levels, and potential savings from energy efficiency of 20–25 in the near term and 30–60 percent in the long term. The House proposal further amends title XIII of International Financial Institutions Act to direct the Secretary of Treasury to instruct the U.S. Executive Director of each MDB to take a leadership position in advancing energy efficiency and devising a system of incentives to promote energy efficiency programs, including procedures to ensure assessments of energy efficiency impact by prospective borrowers and lending institutions prior to approval of loans with major energy saving potential.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1372) is identical to the House proposal.

SUBCHAPTER B—ALLEVIATION OF POVERTY, REDUCTION OF BARRIERS TO ECONOMIC AND SOCIAL PROGRESS, AND OTHER PROVISIONS

The House proposal amends section 1613 of the International Financial Institutions Act to require the Secretary of Treasury to instruct the U.S. Executive Director of each MDB to advocate creation of organization units in the regional development institutions for the purposes of alleviating poverty and reducing legal, regulatory, and policy barriers to economic and social progress.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1381) is identical to the House proposal. This section complements sections 1306 and 1321 in advancing the efforts of the MDBs in alleviating poverty and economic and social barriers to economic development, and encourages these institutions to explore creating an organizational unit as a focus for promoting these efforts.

U.S. policy regarding debt restructuring

The House proposal amends title XV of the International Financial Institutions Act to

require the Secretary of the Treasury to instruct the U.S. Executive Director of each MDB that it is contrary to U.S. policy for a multilateral development bank to condition the approval or disbursement of any loan upon the reaching of a debt or debt service restructuring arrangement with the creditors of the borrowing nations.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1382) is identical to the House proposal.

Participation of women in development activities

The House proposal amends title XIX of the International Financial Institutions Act to require the Secretary of Treasury to instruct the U.S. Executive Director of each international financial institution to advance the participation of women in development activities.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1383) is identical to the House proposal.

Employment opportunities and comparable pay

The House proposal amends title XIX of the International Financial Institutions Act to require the Secretary of Treasury to instruct the U.S. Executive Director of each international financial institution to use the voice and vote of the U.S. to promote equal employment opportunities and comparable pay policies.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1384) is identical to the House proposal.

Directive relating to multilateral aid to the Horn of Africa

The House proposal amends title XV of the International Financial Institutions Act to require the Secretary of Treasury to instruct the U.S. Executive Director of each MDB to oppose loans to Horn of Africa nations unless there is a certification that the government of the specified country has begun to implement peace agreements, national reconciliation agreements, or both, has demonstrated a commitment to human rights, has manifested a commitment to democracy, and has agreed to distribute development assistance without discrimination.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1385) is identical to the House proposal.

International financial institutions/fair labor standards

The House proposal requires the Secretary of the Treasury to instruct the U.S. Executive Director to each international financial institution to use the voice and vote of the United States to urge such entities to encourage borrowing countries to engage in fair labor practices, consistent with internationally recognized worker rights, within the context of their own level of economic development. In addition, each Executive Director is required to report to the Secretary of the Treasury on a regular basis actions taken by the institution to promote the goal of fair labor practices.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1386) is identical to the House proposal. It is the intent of the committee of conference that practices to be examined include provisions for health and safety protections in the workplace, limitations on excessive work hours per day and per week, prohibitions against child labor, and minimum wage standards appropriate to the overall economic development of each borrowing country.

SUBCHAPTER C—FINANCIAL INTEGRITY

Establishment of procedures for internal audits and investigations

The House proposal amends title XV of the International Financial Institutions Act to direct the Secretary of Treasury to instruct the U.S. Executive Director of each international financial institution to use the voice and vote of the U.S. to ensure that each respective institution establish an office of Inspector General, or the equivalent thereof, to conduct and supervise audits and investigations, make recommendations for more efficient administration of the programs and operations, prevent and detect fraud and abuse, and keep the officer and board of the institution informed about administrative problems and deficiencies.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1391 is identical to the House proposal. The Committee of conference notes that this provision is patterned on the Inspector General Act of 1978, as amended, and includes provisions to protect the independence of the Inspector General, or their equivalent, and to assure adequate resources and staffing for these Offices.

CHAPTER 7—CONSOLIDATION OF REPORTS

CONSOLIDATION OF CERTAIN REPORTS

The House proposal amends section 171(b) of the International Financial Institutions Act to provide that all reports to Congress called for by the Bretton Woods and the International Financial Institutions Act under the umbrella of the National Advisory Council (NAC) Report, but allowing these reports be included in the annual NAC Report in full, summary form, or incorporated by reference.

The Senate amendment has no comparable provision.

The conference substitute (sec. 1399) is identical to the House proposal.

TITLE XIV—MISCELLANEOUS PROVISIONS

FOOD AS A HUMAN RIGHT

The House bill (sec. 1106) contains findings concerning the basic right of all people to food; states that the United States shall promote increased respect for the rights to food and medical care; assigns responsibility for promoting these rights to the Assistant Secretary of State for Human Rights and Humanitarian Affairs; and expresses the sense of Congress that a major effort should be made to strengthen the right to food in international law and directs the Secretary of State to propose to the U.N. General Assembly the adoption of a Declaration and a Convention concerning the right to food.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 1401) is similar to the House bill, but deletes the findings.

ENVIRONMENTAL SECURITY AND FOREIGN POLICY

The House bill (sec. 1104) expresses the sense of Congress regarding the importance of environmental security to U.S. foreign policy and requires a report on May 1, 1992, and biennially thereafter, from the Secretary of State regarding environmental issues.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 1402) in the same as the House bill.

U.S. SUPPORT FOR UNCED

The House bill (sec. 1105) expresses the sense of Congress regarding U.S. participation in and support for the U.N. Conference on Environment and Development (UNCED).

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position. The committee of conference notes that this provision will be included in the conference substitute to H.R 1415, the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993.

REFORMING THE U.N. RESPONSE TO INTERNATIONAL DISASTERS

The House bill (sec. 1107) expresses the sense of Congress regarding the need to reform the U.N. mechanism for responding to international disasters.

The Senate amendment contains no comparable provision.

The conference substitute (sec. 1403) is the same as the House bill.

NUCLEAR NON-PROLIFERATION REGIMES IN SOUTH ASIA AND OTHER REGIONS

The Senate amendment (sec. 519(a) and (b)) expresses the sense of Congress concerning the global nature of nuclear proliferation issues and requires the President to report annually on the progress made and obstacles encountered in establishing regional nuclear non-proliferation regimes.

The House bill contains no comparable provision.

The conference substitute (sec. 1404) is the same as the Senate provision. The committee of conference notes that section 519(c) of the Senate amendment is addressed in section 925 of the conference substitute. The statement of managers discussion of that section also makes reference to section 1404 of the conference substitute as it concerns South Asia.

SENSE OF CONGRESS CONCERNING THE OUTBREAK OF NEO-NAZI VIDEO GAMES IN EUROPE

The House bill (sec. 1109) expresses the sense of Congress that Germany and Austria should take steps to halt the production and sale of neo-Nazi video games.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position.

RESTRICTION ON SECURITY ASSISTANCE TO COUNTRIES HAVING AN OFFENSIVE CHEMICAL WEAPONS PROGRAM

The House bill (sec. 1110) prohibits security assistance to countries having offensive chemical weapons programs.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position. However, the committee of conference reiterates that this is an important issue to take into account in considering provision of security assistance to countries that have an offensive chemical weapons program and are not willing to support the multilateral chemical weapons convention being negotiated in Geneva. The committee of conference further notes that countries which have offensive chemical weapons programs and which do not support and sign the chemical weapons convention banning all chemical weapons worldwide should not receive any U.S. security assistance in the future.

GAO STUDY ON IMPACT OF REDIRECTING FOREIGN ASSISTANCE FUNDS TO DOMESTIC PROGRAMS

The House bill (sec. 1111) requires the Comptroller General to conduct a study and

prepare a report on redirecting $3 billion each year from foreign assistance programs to domestic programs.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the Senate position.

U.S. TELECOMMUNICATIONS TRAINING INSTITUTE

In view of the U.S. Telecommunications Training Institute (USTTI)'s continued effective training outreach throughout the developing world and in light of the important training needs and opportunities in Eastern Europe that the USTTI is seeking to meet through its 53-course core curriculum and a special East European training module, the committee of conference recommends that AID's funding for fiscal years 1992 and 1993 for the USTTI should be at least $700,000. AID should also consider providing additional funds to USTTI to support activities which may be appropriate for the Soviet Union or successor entities.

From the Committee on Foreign Affairs, for consideration of the House bill, and the Senate amendment (except title IX), and modifications committed to conference:

DANTE B. FASCELL,
LEE H. HAMILTON,
GUS YATRON,
STEPHEN J. SOLARZ,
SAM GEJDENSON,
MERVYN M. DYMALLY,
ROBERT G. TORRICELLI,
BEN GILMAN,

As additional conferees from the Committee on Foreign Affairs, for consideration of title IX of the Senate amendment, and modifications committed to conference:

SAM GEJDENSON,

As additional conferees from the Committee on Agriculture, for consideration of section 502 of the House bill, and section 516 of the Senate amendment, and modifications committed to conference:

E DE LA GARZA,
CHARLIE ROSE,
DAN GLICKMAN,
PAT ROBERTS,
SID MORRISON,

As additional conferees from the Committee on Banking, Finance and Urban Affairs, for consideration of sections 401, 403, 644(g), 844(b), and 846(b) of the House bill, and sections 515–16, 520(b), 606, 721–23, 731, 741–42, 771–74, and titles IX and XVIII of the Senate amendment, and modifications committed to conference:

MARY ROSE OAKAR,
STEVE NEAL,
JOHN J. LAFALCE,
ESTEBAN EDWARD TORRES,

Signature only for those provisions under the jurisdiction of the Banking Committee.

JIM LEACH,

As additional conferees from the Committee on Energy and Commerce, for consideration of sections 848(b) and 1104 of the House bill, and title XVI of the Senate amendment, and modifications committed to conference:

JOHN D. DINGELL,
AL SWIFT,
DENNIS E. ECKART,
NORMAN F. LENT,
DON RITTER,

As additional conferees from the Committee on the Judiciary, for consideration of that portion of section 621 which adds a section 7202(f) to the Foreign Assistance Act and section 642(b) of the House bill, and modifications committed to conference:

JACK BROOKS,
ROMANO L. MAZZOLI,
MIKE KOPETSKI,
BILL MCCOLLUM,
LAMAR SMITH,

As additional conferees from the Committee on Merchant Marine and Fisheries, for consideration of that portion of section 101 which adds a section 1303 to the Foreign Assistance Act of 1961, and that portion of section 621 which adds a section 7403 to the Foreign Assistance Act of the House bill, and sections 305 and 680A of the Senate amendment, and modifications committed to conference:

WALTER B. JONES,
GERRY E. STUDDS,
BILLY TAUZIN,
BOB DAVIS,
NORMAN F. LENT,

As additional conferees from the Committee on Public Works and Transportation, for consideration of sections 848(b) of the House bill, and title XVI of the Senate amendment, and modifications committed to conference:

ROBERT A. ROE,
HENRY J. NOWAK,
JAMES A. HAYES,
JOHN PAUL HAMMERSCHMIDT,
THOMAS E. PETRI,

As additional conferees from the Committee on Ways and Means, for consideration of sections 642(c), 901, and 1071 of the House bill, and sections 514–16, 607A and 690 of the Senate amendment, and modifications committed to conference:

DAN ROSTENKOWSKI,
SAM GIBBONS,
ED JENKINS,
BILL ARCHER,
PHIL CRANE,

Managers on the Part of the House.

CLAIBORNE PELL,
PAUL SARBANES,
JOE BIDEN,
ALAN CRANSTON,
CHRISTOPHER J. DODD,
HARRIS WOFFORD,
NANCY LANDON KASSEBAUM,
FRANK H. MURKOWSKI,
MITCH MCCONNELL,

Solely for chapter 7 of title VII and chapter 1 of title IX:

DON RIEGLE,
PAUL S. SARBANES,
JAKE GARN,

Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 2519

Pursuant to the order of September 27, 1991, Mr. TRAXLER submitted the following conference report and statement on the bill (H.R. 2519) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1992, and for other purposes:

CONFERENCE REPORT (H. REPT. 2519)

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2519) "making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1992, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 17, 18, 19, 22, 27, 51, 55, 56, 57, 59, 60, 61, 62, 63, 64, 65, 68, 69, 82, 83, 84, 86, 93, 94, 97, 103, 104, 108, 109, 110, 113, 114, 115, 116, 117, 118, 132, 136, 137, 144, 158, 169, 170, and 171.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 7, 8, 11, 12, 15, 16, 23, 32, 33, 42, 43, 44, 45, 46, 47, 48, 52, 54, 66, 90, 99, 100, 105, 120, 128, 129, 130, 134, 138, 141, 143, 145, 149, 152, 154, 155, 157, 160, 163, 166, and 167, and agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$13,512,920,000*; and the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment amended as follows:

In lieu of the sum named in said amendment insert *$8,740,000,000*; and the Senate agree to the same.

Amendment numbered 13:

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$414,250,000*; and the Senate agree to the same.

Amendment numbered 24:

That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$161,000,000*; and the Senate agree to the same.

Amendment numbered 31:

That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,500,000,000*; and the Senate agree to the same.

Amendment numbered 38:

That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$17,700,000*; and the Senate agree to the same.

Amendment numbered 39:

That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$2,450,000,000*; and the Senate agree to the same.

Amendment numbered 41:

That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$6,025,000*; and the Senate agree to the same.

Amendment numbered 50:

That the House recede from its disagreement to the amendment of the Senate num-

bered 50, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$33,930,000*; and the Senate agree to the same.

Amendment numbered 87:

That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$5,500*; and the Senate agree to the same.

Amendment numbered 88:

That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,040,500,000*; and the Senate agree to the same.

Amendment numbered 91:

That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$323,000,000*; and the Senate agree to the same.

Amendment numbered 96:

That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$39,300,000*; and the Senate agree to the same.

Amendment numbered 101:

That the House recede from its disagreement to the amendment of the Senate numbered 101, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$56,500,000*; and the Senate agree to the same.

Amendment numbered 102:

That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$240,000,000*; and the Senate agree to the same.

Amendment numbered 125:

That the House recede from its disagreement to the amendment of the Senate numbered 125, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$875*; and the Senate agree to the same.

Amendment numbered 126:

That the House recede from its disagreement to the amendment of the Senate numbered 126, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$6,010,000*; and the Senate agree to the same.

Amendment numbered 127:

That the House recede from its disagreement to the amendment of the Senate numbered 127, and agree to the same with an amendment, as follows:

In lieu of the sum named by said amendment insert: *$5,000,000*; and the Senate agree to the same.

Amendment numbered 135:

That the House recede from its disagreement to the amendment of the Senate numbered 135, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$6,413,800,000*; and the Senate agree to the same.

Amendment numbered 140:

That the House recede from its disagreement to the amendment of the Senate numbered 140, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$2,242,300,000*; and the Senate agree to the same.

Amendment numbered 161:

That the House recede from its disagreement to the amendment of the Senate numbered 161, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$31,900,000*; and the Senate agree to the same.

Amendment numbered 165:

That the House recede from its disagreement to the amendment of the Senate numbered 165, and agree to the same with an amendment, as follows:

Delete the matter stricken by said amendment and

Delete the matter inserted by said amendment.

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4, 5, 6, 9, 10, 14, 20, 21, 25, 26, 28, 29, 30, 34, 35, 36, 37, 40, 49, 53, 58, 67, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 85, 89, 92, 95, 98, 106, 107, 111, 112, 119, 121, 122, 123, 124, 131, 133, 139, 142, 146, 147, 148, 150, 151, 153, 156, 159, 162, 164, 168, 172, 173, 174, and 175.

BOB TRAXLER,
LOUIS STOKES,
ALAN MOLLOHAN
JIM CHAPMAN,
CHET ATKINS,
MARCY KAPTUR,
JAMIE L. WHITTEN,
BILL GREEN,
LAWRENCE COUGHLIN,
BILL LOWERY,
JOSEPH M. MCDADE,
Managers on the Part of the House.

BARBARA A. MIKULSKI,
PAT LEAHY,
J. BENNETT JOHNSTON,
FRANK R. LAUTENBERG,
WYCHE FOWLER, Jr.,
BOB KERREY,
ROBERT C. BYRD,
JAKE GARN,
ALFONSE M. D'AMATO,
CHRISTOPHER S. BOND,
DON NICKLES,
PHIL GRAMM,
MARK O. HATFIELD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2519) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1992, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying report.

TITLE I—DEPARTMENT OF VETERANS AFFAIRS

VETERANS HEALTH ADMINISTRATION

Amendment No. 1: Inserts center heading as proposed by the Senate.

Amendment No. 2: Appropriates $13,512,920,000 for medical care, instead of $13,495,096,000 as proposed by the House and $13,527,920,000 as proposed by the Senate.

The conference agreement reflects the following changes from the budget estimate:

+$60,524,000 for increased salary costs of special pay legislation for doctors and dentists.

+$10,000,000 above the budget request to expand the post-traumatic stress disorder program, including funds to establish the Pacific Center for PTSD and War Related Disorders to be located on the Island of Hawaii.

+$75,000,000 above the budget request for 1,500 additional nurses at the 60 largest tertiary and secondary hospitals as indicated by the VA's May 3, 1991, complexity measurement rating system. The increase is only for nursing (RNs, LPNs, LVNs, and NAs) requirements on wards, intensive care units, operating rooms, and emergency rooms; and is in addition to the staffing level that otherwise would have been allocated to each medical center. The Department is to provide a specific plan for the use of these nurses with the 1992 operating plan, subject to normal reprogramming procedures.

+$3,600,000 above the budget request to establish a new satellite outpatient clinic in the Fox River Valley area of Wisconsin.

+$1,500,000 above the budget request to establish a new community-based outpatient clinic in the Decatur or Springfield, Illinois area.

−$3,000,000 below the budget request in telecommunications costs due to unanticipated savings.

+$12,000,000 above the budget request for quality assurance activities, including up to $3,000,000 to be transferred to the medical administration and miscellaneous operating expenses account for quality assurance activities. A report on the specific use of these funds is to be submitted with the operating plan.

+$50,000,000 above the budget request for special pay for nurses.

+$10,000,000 above the budget request of $397,837,000 for medical equipment.

+$5,000,000 above the budget request for prosthetic devices.

+$700,000 above the budget request for a rural mobile clinic in northern Vermont.

+$500,000 above the budget request for a demonstration project involving the Clarksburg VA Medical Center and Ruby Memorial Hospital to reduce the number of West Virginia veterans receiving medical care out of the State.

The committee of conference directs the Department to establish a Geriatric Research, Education and Clinical Center at the Baltimore VA Medical Center. Funds are included for this GRECC in the fiscal year 1992 budget.

The conferees believe that a nurse education loan repayment program has significant potential in aiding VA to recruit and retain highly qualified nurses. Therefore, VA is directed to submit a proposal within 90 days of enactment of this Act for a nurse education loan repayment program. The program would require a minimum amount of service to VA in exchange for the repayment of a certain amount of educational loans. Those willing to serve in areas where the nurse shortfall is most acute would be given priority. The VA is directed to prepare a cost-benefit analysis of such a program, and a comparison to the existing programs and methodologies geared toward recruitment and retention of nurses.

The conference agreement provides funding for the enlargement of the Medical Evaluation Reentry Program in Des Moines.

The conferees are concerned with the use of special pay for physicians, dentists and nurses that are funded in the medical administration and miscellaneous operating expenses appropriation for personnel that provide central policy direction and administrative oversight to the medical system's operations. The purposes of special pay under Title 38 was to bring on par the compensation for direct care providers with that of the private sector. The conferees are also concerned with the recent growth with Title 38 authorized physicians, dentists and nurses in central office staff. The conferees would like, to the extent possible, to have staff with direct patient care skill and training to be placed out in the field. Consideration should be given to out-placing as many clinical related functions to the field as possible with a dual responsibility of direct patient care and national oversight. The conferees direct that the Secretary submit a plan and accompanying legislation that will propose restructuring functions and reclassify all but the most essential personnel positions to be authorized under Title 5. Also, the plan should fully justify why each position that remains under the authority of Title 38 needs to be under that authority. This plan will be provided no later than 45 days after the enactment of the appropriations bill.

The Secretary recently announced a policy to remove tobacco products from the Veterans Canteen Service. The conferees direct the Secretary to review this policy, after consulting with veterans service organizations, health care professionals, and patients of VA facilities.

This total amount of funding is specifically intended to support 197,801 full-time equivalent employees (FTE) with the understanding that, in accordance with established congressional practice, any additional pay costs necessary to support that FTE level will be borne by the VA, using funds made available by this measure, funds made available by enactment of supplemental appropriations, or through absorption of the costs, or some combination thereof.

Amendment No. 3: Restores language proposed by the House and stricken by the Senate earmarking $8,750,000,000 for personnel and compensation and benefits costs, amended to earmark $8,740,000,000.

Amendment No. 4: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert the following: *$413,360,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 5: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum named in said amendment, insert the following: *$3,000,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree that not to exceed $3,000,000 to be available for transfer to the medical administration and miscellaneous operating expenses appropriation for quality assurance functions.

Amendment No. 6: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate earmarking $700,000 for a rural mobile clinic in the State of Vermont.

Amendment No. 7: Appropriates $227,000,000 for medical and prosthetic research as proposed by the Senate, instead of $226,795,000 as proposed by the House.

The committee of conference agrees that the distribution of the $10,205,000 increase above the budget request is as follows:

+$1,500,000 for prosthetic research. The VA is urged to increase the amount of prosthetic research done in-house.

+$1,500,000 for prostate research, a major health problem for aging males.

+$4,000,000 for health service research and development.

+$3,205,000 for medical research.

The conferees support continued efforts to study the long-term health effects of veterans exposed to radiation at the Hanford Nuclear Reservation.

DEPARTMENTAL ADMINISTRATION

Amendment No. 8: Deletes language proposed by the House and stricken by the Senate regarding the purchase of passenger motor vehicles for use in cemeterial operations. This language is no longer needed in this account as operations of the National Cemetery System are being funded in a new separate appropriation.

Amendment No. 9: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert the following: *$796,000,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The committee of conference is in agreement with the following changes from the budget estimate:

+8,841,000 above the budget request for 220 FTE in Veterans Benefits Administration field offices to begin reducing the backlog of claims.

−$2,000,000 as a general reduction in general administration, subject to normal reprogramming requirements.

−$1,000,000 in central office renovation costs.

−$57,045,000 requested for the National Cemetery System as these activities are being funded in a new separate appropriation.

Amendment No. 10: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate making the $14,100,000 provided for the unbudgeted 1992 costs Operation Desert Shield/Operation Desert Storm available only after submission of a formal budget request by the President that designates such funds as an emergency requirement.

Amendment No. 11: Appropriates $67,045,000 for the National Cemetery System in a new separate appropriation as proposed by the Senate, instead of $67,045,000 in the general operating expenses appropriation as proposed by the House. The $10,000,000 increases above the budget request will provide for additional staff and the purchase, maintenance, and repair of equipment. The additional funding will permit the VA to return the hallowed grounds to a level of beauty and dignity befitting the sacrifices of the men and women buried there.

Amendment No. 12: Appropriates $29,959,000 for the Office of Inspector General as proposed by the Senate, instead of $28,000,000 as proposed by the House.

Amendment No. 13: Appropriates $414,250,000 for construction, major projects, instead of $522,000,000 as proposed by the House and $309,850,000 as proposed by the Senate.

The conference agreement includes the following changes from the budget estimate:

+$16,800,000 for design of a $187,800,000 clinical addition project at the Ann Arbor VA Medical Center.

+$6,400,000 above the budget request for renovation activities, which together with $41,612,000 in the budget request for a 270-bed psychiatric building, will provide $48,012,000 for a combined project at the Tuscaloosa VA Medical Center.

+$7,300,000 above the budget request for design of a new clinical and bed addition project at the Reno VA Medical Center.

+$700,000 above the budget request for design of a central air conditioning project at the Fargo VA Medical Center.

−$60,900,000 requested for the environmental improvements (phase II) project at the North Chicago VA Medical Center. The conferees agree, based on a recent IG finding which recommended a scaled-back mission for this facility, that the scope of this project should be reexamined.

−$6,300,000 requested for the design of a clinical addition and parking garage project at the Tampa VA Medical Center. This action is taken without prejudice as the VA indicates it would not be able to obligate the funds in fiscal year 1992.

+$250,000 above the budget request for an environmental impact statement for a new national cemetery in south Florida.

−$25,000,000 from the $40,000,000 requested for structural steel for the clinical/bed tower project at the Palo Alto VA Medical Center. The conferees are concerned with the estimated cost ($252,000,000) and the scope of the project and direct the VA to redesign the project to an estimated cost of $180,000,000. The conferees urge the VA to move as quickly as possible to complete the redesign and submit a plan outlining the new schedule and the use of the $15,000,000.

+$25,000,000 for initial funding of an outpatient clinic and 120-bed nursing care unit in Martinez, California. The conferees are aware of the Department's recent decision to close the VA Medical Center in Martinez and establish a new outpatient clinic and 120-bed nursing home care unit in Martinez, and a new 234-bed medical center and 120-bed nursing home care unit in Davis, California. However, concerns have been expressed about closing the Martinez facility and the ability of other existing VA facilities to accept the patient workload for Martinez and to continue to provide quality medical care during the time after the Martinez Medical Center is closed and before the new facilities are opened. The $25,000,000 appropriation is for an innovative method of providing these services as fast as possible. A report is to be submitted by November 15, 1991, that details the method of construction, the schedule, and the sizing of the clinic and nursing home.

The conferees have deleted the $48,800,000 added above the budget requested by the House for a new ambulatory care facility in El Paso, Texas. This action is taken without prejudice due to budget restraints and an indication from the VA that the funds would not be obligated in fiscal year 1992. The committee of conference expects that construction funds for the El Paso ambulatory care facility would be appropriated in fiscal year 1993.

The committee of conference is concerned with three recent research leases at Nashville, Tennessee; Charleston, South Carolina; and San Diego, California. The use of such

"capital leases" should not be seen as an alternative for projects funded under the construction, major projects appropriation. The VA is directed to consider more cost effective alternatives to meet its future programmatic needs. The conferees direct the VA to prepare a report no later than April 6, 1992, to address the future use of capital leases at the VA, with special attention to how the government interests are protected and how the most economical course of action is selected. A prioritization methodology for all future research leases is to be included in the report and will be used in evaluating all future requests.

Amendment No. 14: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

At the end of the matter proposed by said amendment, insert the following: . *Appropriations available to the Department of Veterans Affairs for the purchase, lease-purchase, or lease of a capital asset shall be obligated in accordance with the scorekeeping guidelines found on page 1172 through 1176 of the conference report to accompany H.R. 5835, H.R. Conf. Rep. No. 964, 101st Cong., 2d Sess. (1990)*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides for an earmark of $100,000 for the purchase of land adjacent to the Beckley, West Virginia, VA Medical Center, as proposed by the Senate, and adds language clarifying the budgeting treatment of appropriations for the Department for capital asset acquisition.

Amendment No. 15: Appropriates $190,701,000 for construction, minor projects as proposed by the Senate, instead of $189,701,000 as proposed by the House. The reduction of $5,000,000 below the budget request is taken from the Office of Facilities.

Amendment No. 16: Establishes a limitation on expenses of the Office of Facilities at not more than $41,176,000 as proposed by the Senate, instead of $45,176,000 as proposed by the House. The conferees are concerned with the inordinate number of cost overruns on various VA construction projects. The 1992 major construction request includes $13,647,000 for judgments against VA and $82,200,000 for cost overruns and misestimates on various projects. Thus, approximately 21 percent of the 1992 request results from past mistakes. Use of scarce funds for cost overruns means that veterans suffer because of the lack of funds for much needed new facilities and the rehabilitation of others. The VA needs to modify the method by which it manages the construction program. There have been suggestions that the "construction management" approach to construction projects saves money. Greater reliance upon private architects and engineers will reduce the requirement for VA staffing.

Amendment No. 17: Appropriates $19,200,000 for the parking garage revolving fund as proposed by the House, instead of $8,536,000 as proposed by the Senate.

The conferees agree with the following changes from the budget request:

+$5,664,000 for the parking garage at Nashville. The conferees have denied the use of funds from the Detroit parking garage project for the Nashville project.

+$5,000,000 for a parking garage with at least 180 spaces at the Miami VA Medical Center.

Amendment No. 18: Restores language proposed by the House and stricken by the Senate requiring the VA to construct parking facilities with at least 1,500 spaces at the Detroit VA Medical Center.

Amendment No. 19: Deletes language proposed by the Senate that would allow the transfer of up to $10,000,000 between the general operating expenses account and the National Cemetery System account.

Amendment No. 20: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows;

In lieu of the matter proposed in said amendment, insert the following:

Notwithstanding the funding limitations contained in section 346 of Public Law 100-322 (May 20, 1988), appropriations available to the Department of Veterans Affairs for fiscal year 1992 for the National Cemetery System shall be available for the operation and maintenance of the National Memorial Cemetery of Arizona (formerly the Arizona Veterans Memorial Cemetery): Provided, That the provisions of this paragraph regarding the National Memorial Cemetery of Arizona shall be effective until (a) enactment into law of legislation concerning funding for the National Memorial Cemetery of Arizona or (b) November 30, 1991, whichever first occurs.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree to augment presently authorized funding sources for the National Memorial Cemetery of Arizona but limit the use of additional funds for two months (until November 30, 1991) or enactment into law of legislation dealing with this matter, whichever first occurs. The conferees have taken this action so that cemeterial operations do not deteriorate due to a lack of funding.

Amendment No. 21: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate requiring the Secretary to comply with regulations to be issued by the Department of Health and Human Services regarding clinical laboratories.

Amendment No. 22: Deletes language proposed by the Senate naming the Northampton VA Medical Center as the Silvio O. Conte VA Medical Center. The conferees have deleted the provision because they understand the authorizing committee plans to address this matter.

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

Amendment No. 23: Inserts center heading as proposed by the Senate.

Amendment No. 24: Appropriates $161,000,000 for HOPE I (public and Indian housing) grants, instead of $151,000,000 as proposed by the House and $175,000,000 as proposed by the Senate.

Amendment No. 25: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert the following: *$95,000,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees recommend an allocation of $3,000,000 of the $95,000,000 provided for HOPE II (multifamily) grants to the National Center for Tenant Ownership in affiliation with the Harrison Institute at the Georgetown University Law Center.

Amendment No. 26: Reported in technical disagreement. The managers of the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert the following: *$95,000,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 27: Appropriates $10,000,000 for the HOPE for Elderly Independence Demonstration Program as proposed by the House, instead of $10,400,000 as proposed by the Senate. The conferees agree that a portion of the $10,000,000 in supportive service shall be used in connection with the multifamily demonstration project authorized by section 803(h) of the National Affordable Housing Act along with an appropriate amount of section 8 authority.

Amendment No. 28: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate permitting mutual housing associations to qualify for HOPE II grants.

Amendment No. 29: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which gives existing residents of Indian and public housing first preference for admission as homeowners under the HOPE III (single-family) grants program.

Amendment No. 30: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate providing that $225,000,000 of the amount recommended for HOPE grants be derived by transfer from unreserved, nonincremental carryover funds in the annual contributions for assisted housing account.

Amendment No. 31: Appropriates $1,500,000,000 for the HOME investment partnerships program, instead of $500,000,000 as proposed by the House and $2,000,000,000 as proposed by the Senate.

Amendment No. 32: Deletes language proposed by the House and stricken by the Senate earmarking the $25,000,000 requested for grants to States and local governments for lead-based paint abatement in privately-owned housing. The conferees have provided $50,000,000 for such activities in the annual contributions for assisted housing account.

Amendment No. 33: Deletes language proposed by the House and stricken by the Senate lowering the allocation threshold consistent with the reduced appropriations recommended.

Amendment No. 34: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate waiving the matching requirements for fiscal year 1992. The conferees agree that the waiver is for only one year—but is essential due to the continuing effects of the current recession which have already affected well over one-half of the States and a substantial portion of America's cities.

Amendment No. 35: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

(INCLUDING RESCISSION OF FUNDS)

For assistance under the United States Housing Act of 1937, as amended ("the Act" herein) 42 U.S.C. 1437), not otherwise provided for, $8,070,201,000, to remain available until expended: Provided, That to be added to and

merged with the foregoing amounts, there shall be $2,287,000,000, consisting of $537,000,000 of budget authority previously made available under this head for nonincremental purposes which remains unreserved at the end of fiscal year 1991; and $1,750,000,000 of section 8 funds arising from the conversion to the new capital advance program of projects previously reserved under section 202 of the Housing Act of 1959 as it existed before enactment of the Cranston-Gonzalez National Affordable Housing Act: Provided further, That, from the foregoing total of $10,357,201,000, $227,170,000 shall be for the development of acquisition cost of public housing for Indian families, including amounts for housing under the mutual help homeownership opportunity program under section 202 of the Act (42 U.S.C. 1437bb; $573,983,000 shall be for the development or acquisition cost of public housing, including $15,719,158 for a demolition/disposition demonstration program in Saint Louis, Missouri, pursuant to section 513 of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625), and, notwithstanding the 20 per centum limitation under section 5(j)(2) of the Act, of the $573,983,000 for the development or acquisition of public housing, $200,000,000 shall be awarded competitively for construction or major reconstruction of obsolete public housing projects, other than for Indian families; Provided further, That of the $10,357,201,000 total under this head, $2,800,975,000 shall be for modernization of existing public housing projects pursuant to section 14 of the Act (42 U.S.C. 14371), including funds for the comprehensive testing, abatement, and risk assessment of lead, of which $25,000,000 shall be for the risk assessment of lead and $5,000,000 shall be for technical assistance and training under section 20 of the Act (42 U.S.C. 1437r), and $7,437,600 shall be for a demolition/disposition demonstration program in Saint Louis, Missouri, pursuant to section 513 of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625): Provided further, That of the $10,357,201,000 total under this head, $915,750,000 shall be for the section 8 existing housing certificate program (42 U.S.C. 1437f), including $50,000,000 for a Foster Child Care demonstration program involving 11 States, $12,840,790 for a demolition/disposition demonstration program in Saint Louis, Missouri, pursuant to section 513 of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625), and $20,000,000 for a demonstration involving five cities with populations exceeding $400,000 in metropolitan areas with populations exceeding 1,500,000, under which the Secretary shall carry out metropolitan-wide programs, designed to assist families with children to move out of areas with high concentrations of persons living in poverty, through contracts with nonprofit organizations and through annual contributions contracts with public housing agencies for administration of housing assistance payments contracts: Provided further, That of the $10,357,201,000 total provided under this head, $794,167,000 shall be for the housing voucher program under section 8(o) of the Act (42 U.S.C. 1437f(o)); $2,300,000,000 shall be for amendments to section 8 contracts other than contracts for projects developed under section 202 of the Housing Act of 1959, as amended, including $70,000,000 which shall be for rental adjustments resulting from the application of an annual adjustment factor in accordance with section 801 of the Department of Housing and Urban Development Reform Act of 1989 (P.L. 101–235); $618,462,000 shall be for assistance for State or local units of government, tenant and nonprofit organizations to purchase projects where owners have indicated an intent to prepay mortgages and for assistance to be used as an incentive to prevent prepayment or for vouchers to aid eligible tenants adversely affected by mortgage prepayment, as authorized in the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625), and of the $618,462,000 made available for such assistance, up to $25,000,000 shall be for use by nonprofit organizations, pursuant to of the Emergency Low Income Housing Preservation Act of 1987, as amended by the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625), and for tenant and community-based nonprofit education, training and capacity building and the development of State and local preservation strategies; $88,884,000 shall be for section 8 assistance for property disposition; and $257,000,000 shall be for loan management: Provided further, That any amounts of budget authority provided herein that are used for loan management activities under section 8(b)(1)(42 U.S.C. 1437f(b)(1)) shall be obligated for a contract term that is no more than five years: Provided further, That those portions of the fees for the costs incurred in administering incremental units assisted in the certificate and housing voucher programs under sections 8(b) and (o), respectively, shall be established or increased in accordance with the authorization for such fees in section 8(q) of the Act: Provided further, That up to $167,000,000 of amounts of budget authority (and contract authority) reserved or obligated for the development or acquisition costs of public housing (including public housing for Indian families), for modernization of existing public housing projects (including such projects for Indian families), and, except as herein provided, for programs under section 8 of the Act (42 U.S.C. 1437f), which are recaptured during fiscal year 1992, shall be rescinded: Provided further, That 50 per centum of the amounts of budget authority, or in lieu thereof 50 per centum of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 101–628, 102 Stat. 3224, 3268) shall not be rescinded, or in the case of cash, shall not be remitted to the Treasury, and such amounts of budget authority or cash shall be used by State housing finance agencies in accordance with such section: Provided further, That of the $10,357,201,000 total, $50,000,000 shall be for housing opportunities for persons with AIDS under Title VIII, subtitle D of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625) and $50,000,000 shall be for grants to States and units of general local government for the abatement of significant lead-based paint and lead dust hazards in low- and moderate-income owner-occupied units and low-income privately-owned rental units: Provided further, That such grant funds shall be available only for projects conducted by contractors certified and workers trained through a federally- or State-accredited program: Provided further, That, to be eligible for such grants, States and units of general local government must demonstrate the capability to identify significant-hazard housing units, to oversee the safe and effective conduct of the abatement, and to assure the future availability of abated units to low- and moderate-income persons; and $4,200,000 shall be for the housing demonstration under section 304(e)(1) of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625); Provided further, That of the $54,250,000 earmarked in Public Law 101–507 for special purpose grants (104 Stat. 1351, 1357), $667,000 made available for the city of Chicago to assist the Ashland II Redevelopment Project shall instead be made available for the city of Chicago to assist the Marshway Project: Provided further, That notwithstanding the language preceding the first proviso of this paragraph, $150,000,000 shall be used for special purpose grants in accordance with the terms and conditions specified for such grants in the committee of conference report and statement of managers (H. Rept. 102–226) accompanying this H.R. 2519, including $500,000 for the city of Kansas City, Kansas to operate a social service center.

Of the $10,357,201,000 total under this head, $538,808,000 shall be for capital advances for housing for the elderly as authorized by section 202 of the Housing Act of 1959, as amended by section 801 of the Cranston-Gonzalez National Affordable Housing Act (P.L. 101–625); $451,200,000 shall be for projects rental assistance for supportive housing for the elderly under such section 202(c)(2) of the Housing Act of 1959; $148,700,000 shall be for amendments to rental assistance contracts for projects for the elderly that receive capital advances or projects reserved under section 202 as it existed before enactment of the Cranston-Gonzalez National Affordable Housing Act; and $16,250,000 shall be for service coordinators pursuant to section 202(g) of the Housing Act of 1959, as amended by section 808 of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625): Provided, That to the extent that the funding provided herein for rental assistance contracts for the elderly that receive capital advances is insufficient to match the units provided through capital advances, funds deemed excess in other section 8 programs may be added to and merged with the rental assistance funding to ensure that sufficient rental assistance units are available.

Of the $10,357,201,000 total under this head, $102,860,000 shall be for capital advances for housing for persons with disabilities as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act (P.L. 101–625); $100,159,000 shall be for project rental assistance for persons with disabilities under section 811(b)(2) of the Cranston-Gonzalez National Affordable Housing Act; and $23,300,000 shall be for amendments to rental assistance contracts for projects for the handicapped that receive capital advances, including projects previously reserved under section 202 of the Housing Act of 1959 as it existed before enactment of the Cranston-Gonzalez National Affordable Housing Act.

The Secretary of Housing and Urban Development shall make a commitment and provide capital advance assistance under section 202 of the Housing Act of 1959, as amended by section 801 of the Cranston-Gonzalez National Affordable Housing Act, or section 811 of such Act if the project is for persons with disabilities, for any project for which there is a loan reservation under section 202 of the Housing Act of 1959 as it existed before enactment of the Cranston-Gonzalez National Affordable Housing Act, if the loan has not been executed and recorded, and if the project is making satisfactory progress under 24 CFR section 885.230: Provided, That the Secretary shall not make such commitments and provide such capital advance assistance before January 1, 1992: Provided further, That the Secretary shall have the discretion until April 1, 1992 not to terminate a project and not to convert a project to capital advance assistance: Provided further, That upon converting a project to capital advance assistance, the loan reservation for such project shall be terminated: Provided further, That a project not making satisfactory progress under 24 CFR section 885.230 shall not have its loan reservation terminated before January 1, 1992, and the Secretary shall ensure that the processing of all projects through loan execution and recordation or the making of the capital advance is expedited, and that no project being so processed shall have the order in which it is processed arbitrarily changed: Provided further, That an owner of a project that is converted pursuant to this paragraph shall be permitted voluntarily to provide

funds for capital costs in addition to the capital advance, from debt or other non-Federal sources.

With respect to each project that has a loan reservation terminated pursuant to the immediately foregoing paragraph, the Secretary of Housing and Urban Development shall convert each funding reservation that was made under section 8 of the United States Housing Act of 1937 or section 202(h) of the Housing Act of 1959, before enactment of the Cranston-Gonzalez National Affordable Housing Act, to a commitment for project rental assistance under such section 202 as amended by section 801 of the Cranston-Gonzalez National Affordable Housing Act or section 811 of the Act.

The managers on the part of the Senate will offer a motion to recede and concur in the amendment of the House to the amendment to the Senate.

The conferees expect the Department and the Office of Management and Budget to adhere to the 1992 program detailed in the following table:

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING FY 1992—BUDGETARY RESOURCES

	Units	Cost	Term	Budget authority
Recaptures	NA	NA	NA	$167,000,000
Rescission of Recaptures	NA	NA	NA	(167,000,000)
Budget Authority (Including Carryover)	NA	NA	NA	10,357,201,000
Total Available	NA			10,357,201,000
New Housing				
Public/Indian Housing:				
Public Housing	7,500	76,531	NA	573,983,000
Indian Housing	2,800	81,132	NA	227,170,000
Subtotal, Public/Indian	10,300			801,153,000
Section 8 and Other:				
Section 202 (Elderly):				
Capital Grants	(9,400)	57,320	NA	538,808,000
Rental Assistance	9,400	2,400	20	451,200,000
Subtotal, Elderly	9,400			990,008,000
Section 811 (Disabled):				
Capital Grants	(1,850)	55,600	NA	102,860,000
Rental Assistance	1,850	2,707	20	100,159,000
Subtotal, Disabled	1,850			203,019,000
Total, Elderly/Disabled	11,250			1,193,027,000
Vouchers:				
Incremental	25,000	6,220	5	777,500,000
Elderly Independence	(1,500)	6,220	5	(35,800,000)
Total, Vouchers	25,000			777,500,000
Certificates:				
Incremental	25,905	7,070	5	915,750,000
Foster Child Care	(1,414)	7,070	5	(50,000,000)
Housing Opportunities for Persons with AIDS	924	2,707	20	50,000,000
Subtotal New Housing (Incremental)	73,379			3,737,430,000
Preservation of Existing Housing				
Public Housing:				
Amendments	17,600	NA	NA	88,000,000
Modernization	NA	NA	NA	2,800,975,000
Tech. Assist. & Training	NA	NA	NA	(5,000,000)
Lease Adjustments	NA	NA	NA	24,000,000
Subtotal, Public & Indian	17,600			2,912,975,000
Section 8 and Other:				
Elderly and Handicapped Amendments:				
Section 202 (Elderly) Amendments	4,264	NA	NA	76,700,000
Service Coordinators	NA	NA	NA	16,250,000
Section 202(h) (Handicapped) Amendments	1,300	NA	NA	23,300,000
Cap. Grants Amend. (Elderly Rent. Assist)	1,549	NA	NA	72,000,000
Subtotal, Elderly/Handicapped	7,113			188,250,000
Vouchers:				
Opt Outs/Prepayments/Relocation	536	6,220	5	16,667,000
Preservation/Homeownership:				
Incentives/Homeownership	312,352	NA	NA	569,420,000
Vouchers	1,577	6,220	5	49,042,000
Subtotal, Home/Preser	32,929			618,462,000
Property Disposition	953	6,220	15	88,884,000
Loan Management	10,648	4,827	5	257,000,000
Rent Supp/RAP Conversions	833	4,000	5	16,667,000
Section 23 Conversions	901	3,700	5	16,666,0000
Housing Demonstration, Section 304(c)(1)	NA	NA	NA	4,200,000
Amendments:				
Existing Housing	505,577	NA	1	1,135,261,000
Project Reserves	317,908	NA	[1]7	945,138,000
Moderate Rehab	8,065	NA	[1]10	131,076,000
Property Disposition	924	NA	15	18,525,000
Rainier View Requirements	22,000	NA	NA	70,000,000
Subtotal, Amendments	854,474			2,300,000,000
Special Purpose Grants	NA	NA	NA	150,000,000
Lead-Based Paint Abatement Demonstration	NA	NA	NA	50,000,000
Subtotal, Preservation of Exist. Housing	925,987			6,619,771,000
Subtotal, Annual Contributions	999,366			10,357,201,000
Carryover (Nonincremental)	NA	NA	NA	(537,000,000)
Subtoal, Annual Contributions	999,366			9,820,201,000
Sec. 8 Recaptures from Sec. 202 Conversions	NA	NA	NA	(1,750,000,000)
Total, Annual Contributions	999,366			8,070,201,000

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING FY 1992—BUDGETARY RESOURCES—Continued

	Units	Cost	Term	Budget authority
Rescission of Recaptures	NA	NA	NA	(167,000,000)
Budget authority (net)	999,366			7,903,201,000
HOPE, Transfer of ACC Carryover	NA	NA	NA	[225,000,000]
Incremental Units:				
Annual Contributions	73,379			
Related Programs:				
Shelter Plus Care	1,000			
Moderate Rehabilitation (SRO)	4,891			
HOME	91,760			
Total Incremental	171,030			

[1] Amendments are for the lesser of the contract expiration date or 7 years in the case of Project Reserves and the lesser of the contract expiration date or 10 years in the case of Moderate Rehabilitation.

The conferees are in agreement with the following special purpose grants:

+$30,000 for health and safety repairs on housing units at the Tri-Cities Vista Terrace in East Pasco, Washington.

+$750,000 for low-income housing and economic revitalization in the southeast section of Seattle, Washington.

+$1,000,000 for the Tacoma, Washington, Hill Top Housing and Redevelopment Project.

+$2,000,000 for a land bank for Oregon's public housing authorities.

+$3,000,000 for the renovation of a training facility for the blind, deaf, and elderly blind in Lafayette, Louisiana.

+$1,500,000 for a rural community-based health insurance program in two communities in the Mississippi River Delta region of Arkansas.

+$1,500,000 for the northwest Mississippi regional medical center.

+$2,000,000 to help partially fund the San Mateo County, California, employee homeownership program.

+$1,600,000 for the Council of Jewish Organizations to establish business outreach centers in New York and Connecticut.

+$2,900,000 for the riverfront recapture economic development project in Hartford, Connecticut.

+$500,000 for the City of Wichita, Kansas, domestic violence program.

+$750,000 for the construction of a new children's center at the Wyanddotte House in Kansas City, Kansas.

+$1,500,000 for a municipal center in Bloomfield, New Mexico.

+$200,000 for the National Association of Southern Poor.

+$750,000 for the success through academic and recreational support program run by the Fort Myers, Florida, housing authority.

+$1,750,000 for low-income homeownership under the Sioux City, Iowa, housing demonstration project.

+$2,000,000 for economic development in the downtown areas of Davenport, Iowa.

+$4,370,000 for the City of Portland, Oregon, to establish a northeast Portland revolving loan fund to be used for urban economic development.

+$1,200,000 for infrastructure development of Hawaiian home lands, and bill language to guarantee its timely implementation.

+$1,300,000 for job retention of agricultural workers at two sugarcane mills on Hawaii's Hilo-Hamakua coast.

+$5,000,000 for development of a center in New Orleans, Louisiana, to train residents of public housing, particularly teenage parents, literacy, and job training skills.

+$500,000 for the New Jersey Institute of Technologies to study innovative housing technologies.

+$20,000 for a feasibility study on commercial redevelopment for Clayton, New Jersey.

+$500,000 for the Center for Health Technologies in Miami, Florida, for technology and economic development activities.

+$50,000 for a feasibility study on the creation of a business park in Wildwood, New Jersey.

+$80,000 to revitalize the central business district in Paulsboro, New Jersey.

+$2,500,000 for the construction of a residential facility at St. Joseph's School for the Blind in Jersey City, New Jersey.

+$500,000 for the Newark Public Library to develop literacy training and reading rooms at five public housing developments in Newark, New Jersey.

+$1,500,000 for the downtown revitalization of Rutland, Vermont.

+$2,000,000 to the Vermont Housing and Conservation Board for use in the development of affordable housing projects for low- and moderate-income individuals and families.

+$4,000,000 for the capital costs for a housing and detoxification center for homeless individuals in San Francisco, California.

+$1,000,000 to assist residents of the Windsor Park subdivision of north Las Vegas, Nevada, to participate in a plan developed by HUD to mitigate serious damage to homes that have sunk as a result of ground failure.

+$250,000 for the community stabilization and revitalization project sponsored by the Genesee Economic Revitalization Inc. for Flint, Michigan, and Genesee County, Michigan.

+$1,000,000 for infrastructure improvements for the Town of Clinton, Tennessee.

+$2,000,000 for the City of Homer, Alaska, for costs associated with the construction of an innovative waste water treatment plant. Delays and imprudent oversight of this project by the Federal Government threaten system users with onerous charges and may jeopardize the city's financial ability to meet other federally mandated standards.

+$750,000 for drug elimination efforts for the Fort Worth housing authority in Fort Worth, Texas.

+$500,000 for a community drug elimination program in housing projects in the Oklahoma City, Oklahoma, area.

+$1,000,000 to the Atlantic Economic Development Corp. for the Sweet Auburn Curb Market project.

+$5,000,000 for a homeless demonstration project at the Luther Place Church in Washington, DC.

+$500,000 for a grant for the City of Provo, Utah, for land acquisition and development of an alternate access route to the municipal airport and industrial park.

+$2,000,000 for job creation and economic revitalization activities in Newark, New Jersey.

+$300,000 for the Savannah, Georgia, housing authority to conduct a feasibility study on the need for scattered-site public housing.

+$500,000 for the North Dakota Business Marketing Alliance for a revolving fund for rural, home-based micro businesses.

+$500,000 for a capitalization of a statewide revolving loan fund and technical assistance program to promote new high-technology small business development in Utah. This grant shall be matched by local governments and other non-Federal sources.

+$400,000 for the Great Plains Native American Crafts Cooperative to provide business assistance to native American entrepreneurs.

+$250,000 for additional infrastructure development for a light industrial park in West Valley City, Utah.

+$2,000,000 for the Center for Innovation and Development for a university-based, technology incubator facility in Grand Forks, North Dakota, to create new manufacturing jobs in rural areas.

+$250,000 for a low- and moderate-income housing assistance demonstration project cooperatively funded by the city and county of Salt Lake, Utah. Funds provided in a similar grant for fiscal year 1991 may be merged with this appropriation for greater project effectiveness.

+$900,000 for the renovation of an abandoned building to convert into an economic development and training center at Elkins, West Virginia.

+$700,000 for purchase and renovation of an abandoned building for use as an Alzheimer's clinic and adult day-care center at Parkersburg, West Virginia.

+$500,000 for a rural health care clinic in McDowell County, West Virginia.

+$800,000 for the development of a water supply system for the City of Crawford, Nebraska.

+$1,300,000 for the North Omaha Family Resource Center in Omaha, Nebraska.

+$300,000 for the Nebraska Center for Rural Health Education and Drug Information, to be established at the University of Nebraska Medical Center, to connect 30 rural communities across the State of Nebraska, providing drug and health care information to health professionals and consumers.

+$500,000 for the Harold Edgerton Educational Center in Aurora, Nebraska.

+$2,000,000 for the Navajo Nation to develop housing for handicapped and elderly individuals who live on remote portions of Navajo reservations.

+$100,000 for improvements to the West Side Community Center in Asbury Park, New Jersey.

+$250,000 for a statewide drug education program administered by the Oklahoma Alliance Against Drugs.

+$500,000 for the City of Kansas City, Kansas, to operate a social service center.

+$850,000 for continuing a housing rehabilitation program in Ogden, Utah.

+$850,000 for rural development assistance demonstration activities through the State of Utah Department of Community and Economic Development.

+$300,000 for the Phyllis Wheatley Association for youth activities in Cleveland, Ohio.

+$300,000 for the St. Clair-Superior Coalition for community development in Cleveland, Ohio.

+$300,000 for the Harvard Community Services Center in Cleveland, Ohio.

+$500,000 for community drug abuse resistance education program for youth in low-income and subsidized housing in San Diego, California.

+$150,000 for San Diego, California, Filipino and Southeast Asian high-risk youth program for delinquency and youth gang prevention and education.

+$600,000 for grants for Alzheimer's Treatment and Care Centers in San Diego, California, to be managed by the Alzheimer's Association ($300,000) and the Alzheimer Family Center ($300,000).

+$1,000,000 to revitalize central city recreation infrastructure serving low- and moderate-income citizens in the city of San Bernardino, California.

+$850,000 for low-income housing, community and economic development activities through the Redwood Economic Development Commission in Humboldt County, California.

+$1,000,000 to improve low-income medical care to be applied in equal amounts to the Mothers and Children Clinic in Clearwater, Florida, and the Judeo-Christian Health Clinic in Holiday, Florida.

+$950,000 to acquire and renovate a food storage warehouse and to assist in the distribution of food for the Food Share organization in Oxnard, California.

+$700,000 for housing rehabilitation for low- and moderate-income families in Dubuque, Iowa.

+$1,000,000 to Seneca County, Ohio, of which $900,000 is for facility development and $100,000 is to develop an Old Fort Community Center.

+$1,000,000 to be equally allocated among crime prevention, senior nutrition and assistance in the Bay Ridge Community in Brooklyn, New York, senior nutrition and assistance at Staten Island University Hospital and crime prevention in Staten Island, New York.

+$1,000,000 for the Pennsylvania Housing Finance Agency to complete renovation and revitalization of the Saquoit Silk Mills in Scranton into low-income elderly apartments.

+$950,000 for renovations to reopen the vacant Florence Apartments in Scranton, Pennsylvania, for handicapped, single mothers with children, and homeless individuals.

+$575,000 for emergency construction of water lines in Auburn, Massachusetts, to address presently irreversible hazardous contamination of the sole source of water for certain sections of the town.

+$510,000 for emergency construction of water lines in Uxbridge and Millville, Massachusetts, to address presently irreversible hazardous contamination of the sole source of water for certain sections of these towns.

+$400,000 for Holliston, Massachusetts, to defray the cost of the extension of critically needed water lines to areas of the town whose sole source of water has been contaminated.

+$1,000,000 to the City of Chicago, Illinois, for the Neighborhood Home Improvement Program.

+$250,000 for the Women's Resource Center to shelter victims of family violence in northern San Diego County, California.

+$1,000,000 to the City of Chicago, Illinois, for the Low-Income Housing Trust Fund.

+$400,000 for the City of Lynn, Massachusetts, to complete renovation of the Multi-Service Center, a centralized facility for the delivery of social services to meet the needs of homeless families and individuals.

+$1,500,000 for the Covenant House of New York City, New York.

+$1,500,000 for the Alliance of Residence Theatres of New York, New York, for acquisition and renovation of theater space.

+$500,000 for the Carbon Hill, Alabama, water system.

+$500,000 to Bishop State Community College, Mobile, Alabama, for innovative training for access to high technology for minority students.

+$421,000 to Franklin Borough, Pennsylvania, to settle a long-standing dispute with the Federal Government.

+$2,000,000 to reclaim Toledo, Ohio, neighborhoods through the combined efforts of local churches, expanded training for nonprofit community developers and residents in self-help apprenticeship to tear down, rehabilitate, and finance downpayments of homes.

+1,000,000 for an innovative lead-paint abatement demonstration project in Westchester County, New York.

+$1,200,000 for improvements to the Cherokee Nation of Oklahoma's waste water treatment facilities located in Tahlequah, Oklahoma.

+$3,900,000 for land acquisition, construction, public improvements, and other purposes in Bay City, Michigan.

+$400,000 for the Karst Topography Rehabilitation Project in the Fountain Water District, Illinois.

+$290,000 for communications and other equipment in Marquette, Michigan.

+$690,000 for water, sewer, and roads projects in Boyne City, Michigan.

+$500,000 for a multi-service homeless shelter in Joliet, Illinois.

+$1,300,000 to help fund the Second Precinct Rehabilitation Project in Minneapolis, Minnesota.

+$1,072,000 to assist in acquisition of facilities and other purposes in Saginaw, Michigan.

+$4,200,000 for the New England Shelter for Homeless Veterans in Boston, Massachusetts.

+$950,000 to acquire, renovate, construct, and equip facilities to provide alternative housing, and educational and recreational opportunities for at-risk youth in the City of Wheeling, West Virginia.

+$850,000 to purchase, remodel, and equip a vacant Jewish Community Center building in Lawrence, Massachusetts, for use as a Girls' Club facility.

+$250,000 for the City of Lowell, Massachusetts, for a youth gang prevention program for adolescents in and around federally assisted housing, and for programs for at-risk adolescent girls.

+$250,000 to the Town of Framingham, Massachusetts, for school drop-out prevention activities.

+$900,000 for surface transportation in Portland, Oregon.

+$1,000,000 for the Oxbow Corporation for construction of the Oxbow project in Castlewood and Saint Paul, Virginia.

+$300,000 for the Business and Industrial Development Center at Northeast Texas Community College, Mt. Pleasant, Texas, to promote rural economic development programs.

+$3,000,000 for community development activities in Texas: Hopkins County ($1,500,000), and the Greater Paris Development Foundation Fund, Inc. in the City of Paris ($1,500,000).

+$400,000 to complete the acquisition, clearance, and relocation activities in the Central Norristown, Pennsylvania, redevelopment project.

+$700,000 to refurbish the Cresson Street tressel in Manayunk, Pennsylvania.

+$211,000 for a water main project in Adamsville, Jefferson County, Alabama.

+$1,000,000 to rehabilitate the Pease Auditorium, a historic building in Ypsilanti, Michigan.

+$2,900,000 for demolition and park construction in Tampa, Florida.

+$1,000,000 for the purchase of the Prince Carrollton Apartments in New Carrollton, Maryland, for low-income housing.

+$505,000 for the North Miami Beach, Florida, Performing Arts Cultural Center.

+$65,000 for improvement of recreational facilities in Biscayne Park, Florida.

+$2,500,000 for a Center for Advanced Care for the Elderly with the New England Deaconess Hospital in Boston, Massachusetts.

+$101,000 to improve recreational facilities in the Borough of Myersdale, Pennsylvania.

+$1,500,000 to improve the community recreational facilities in three communities, Portage Borough, Portage Township, and the City of Greensburg, Pennsylvania.

+$2,000,000 for construction of a multi-use facility, which will aid in the revitalization effort in Buffalo, New York.

+$500,000 for the Community Housing Improvement Systems and Planning Association for the purposes of predevelopment of Rancho Los Robles in North Montery County, California.

+$2,500,000 for a demonstration project to create a revolving loan fund account for low-interest loans for renovation of store front business facades in the "Four Corners" area of downtown Newark, New Jersey.

+$1,000,000 for a parking garage in Ashland, Kentucky.

+$500,000 to support housing rehabilitation in Benton Harbor, Michigan.

+$985,000 for neighborhood revitalization and community development in the City of Fairmont, West Virginia.

+$150,000 for a new government center in Warren, Rhode Island.

+$5,950,000 to Peoria, Illinois, to settle a dispute with the Federal Government and for other purposes.

+$625,000 for a demonstration project to establish a community development priority list in the Commonwealth of Pennsylvania.

+$1,500,000 for community revitalization activities in Philadelphia, Pennsylvania.

+$1,000,000 for housing and other purposes in El Paso, Texas.

+$200,000 for improvement and revitalization of the rental business district of Perth Amboy, New Jersey.

+$1,000,000 for housing programs and other purposes in Ft. Wayne, Indiana.

+$2,500,000 for expanding the North Miami Center for Contemporary Art, Florida.

+$500,000 for a transitional housing assistance program in San Diego, California, to be administered by the St. Vincent DePaul Center for the Homeless.

The conferees have recommended $50,000,000 for the family unification program authorized by the 1990 Housing Authorization Act. The Department is directed to allocate the approximately 1,400 certificates provided to housing authorities in 11 States for a demonstration program consistent with the terms specified in the Senate report. The Secretary shall allocate these funds, upon receipt of the proper application, to the following 11 States: Missouri, New York, New Jersey, California, Maryland, Michigan, Ohio, Texas, Pennsylvania, Florida, and Massachusetts. Consistent with the authorization Act, the conferees direct HUD to issue proposed regulations within 60 days of enactment, and

a final rule within 180 days of enactment. The Department should evaluate the results of this demonstration, in consultation with other appropriate Federal agencies and outside experts, and submit the results to the Committees on Appropriations.

The first proviso in the fourth paragraph under the assisted housing account allows the Secretary the discretion not to convert direct loan projects to capital advance grants, until April 1, 1992.

The third proviso in the fourth paragraph establishes a moratorium for the first quarter of fiscal year 1992 on loan terminations resulting from the failure of a project to make satisfactory progress. Nevertheless, except for these projects, all projects—whether for loans or capital advances—will continue to be processed in an expeditious manner, and their standing in the processing pipeline in relation to other projects will not arbitrarily be changed. In addition, the committee of conference assumes that there will be no additional budget authority scored from those projects that do not convert.

The fourth proviso in the fourth paragraph makes clear that capital funding, in addition to the Federal capital advance, is permitted for projects that are converted from loan to grant financing. The added funding may be from sources based on secured or unsecured debt, or from any other non-Federal source.

The conferees are concerned that the Secretary has not complied with language in the National Affordable Housing Act to provide $25,000,000 in discretionary funding for earthquake-related rehabilitation and replacement of low-income housing in the Bay Area and urges him to do so.

Amendment No. 36: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

For assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) not otherwise provided for, for use in connection with expiring section 8 subsidy contracts, $7,355,128,000 to remain available until expended: Provided, That funds provided under this paragraph may not be obligated for a contract term that is less than five years: Provided further, That the Secretary may maintain consolidated accounting data for funds disbursed at the Public Housing Agency or Indian Housing Authority or project level for subsidy assistance regardless of the source of the disbursement so as to minimize the administrative burden of multiple accounts.

Further, for the forgoing purposes, $850,000,000, to become available for obligation on October 1, 1992, and to remain available for obligation until expended.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees are deeply concerned with the $1,180,539,000 shortfall in the estimate for section 8 contract renewals in 1992. Because of the concern that no family should lose its housing assistance due to a contract terminating, the conferees have little real choice but to provide the additional funding. Because of the budget restraints imposed by the Summit Agreement, the conferees, in consultation with the Administration, are providing $330,539,000 of the additional estimate in 1992 and the balance of $850,000,000 as an advance appropriation in 1993. The conferees have reservations about this method of funding but feel that under the circumstances there are no other options. To avoid forcing a choice between continuing housing assistance for families already receiving such assistance and the provision of housing assistance for additional families, the conferees urge the Administration to consider scoring all increases in section 8 contract renewal costs above the budget baseline as mandatory increases.

Amendment No. 37: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

For those projects in the State of Maine, the owners of which have converted their section 23 leased housing contracts (former section 23 of the Act, as amended by section 103(a), Housing and Urban Development Act of 1965, Public Law 89–117, 79 Stat. 451, 455) to section 8, the subsidy provided shall be for a five-year extension of such projects' current housing assistance payments contracts.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 38: Appropriates $17,700,000 for congregate services, instead of $9,500,000 as proposed by the House and $26,000,000 as proposed by the Senate.

Amendment No. 39: Appropriates $2,450,000,000 for payments for operation of low-income housing projects, instead of $2,188,844,000 as proposed by the House and $2,500,000,000 as proposed by the Senate.

Amendment No. 40: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following: *Provided*, That of the funds provided under this heading, $294,156,000 shall not become available for obligation until September 20, 1992

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 41: Appropriates $6,025,000 for housing counseling assistance, instead of $8,350,000 as proposed by the House and $3,700,000 as proposed by the Senate.

Amendment No. 42: Appropriates $50,000,000 for the flexible subsidy fund as proposed by the Senate, instead of $52,413,000 as proposed by the House.

HOMELESS ASSISTANCE

Amendment No. 43: Appropriates $73,164,000 for the emergency shelter grants program as proposed by the Senate, instead of $71,000,000 as proposed by the House.

Amendment No. 44: Deletes language proposed by the House and stricken by the Senate earmarking funds for two homeless projects.

Amendment No. 45: Appropriates $11,263,000 for supplemental assistance for facilities to assist the homeless as proposed by the Senate, instead of $57,000,000 as proposed by the House. The conferees agree that these funds are not to be used to fund the homeless programs currently being operated by the Departments of Health and Human Services, Education, and Labor.

Amendment No. 46: Appropriates $105,000,000 for section 8 moderate rehabilitation single room occupancy as proposed by the Senate, instead of $55,000,000 as proposed by the House.

Amendment No. 47: Appropriates $73,333,000 for shelter plus care: section 8 moderate rehabilitation, single room occupancy as proposed by the Senate, instead of $50,000,000 as proposed by the House.

Amendment No. 48: Deletes language proposed by the House and stricken by the Senate appropriating $116,000,000 for shelter plus care: homeless rental housing assistance.

COMMUNITY PLANNING AND DEVELOPMENT

Amendment No. 49: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $3,400,000,000 for community development grants, instead of $3,265,000,000 as proposed by the House.

Amendment No. 50: Earmarks $33,930,000 for grants to Indian tribes, instead of $32,600,00 as proposed by the House and $34,000,000 as proposed by the Senate.

Amendment No. 51: Restores language proposed by the House and stricken by the Senate earmarking $500,000 for a grant to develop an integrated data base system and computer mapping tool as authorized by the National Affordable Housing Act of 1990. The conferees are in agreement that this grant is for the Population and Marketing Analysis Center in Towanda, Pennsylvania, for mapping projects in Lackawanna County, Dunmore, Carbondale, Tioga County, Wilkes-Barre, and Hazelton.

Amendment No. 52: Inserts reference to appropriation amount as proposed by the Senate, instead of the amount proposed by the House.

Amendment No. 53: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate earmarking $2,000,000 for the Neighborhood Development Demonstration Program.

POLICY DEVELOPMENT AND RESEARCH

Amendment No. 54: Appropriates $25,000,000 for research and technology as proposed by the Senate, instead of $29,500,000 as proposed by the House.

The conferees are in agreement on the following changes to the budget request:

+$400,000 for the State of Hawaii Real Estate Commission for a nationwide study to be conducted by the Hawaii Real Estate Research and Education Center to evaluate the advantages and disadvantages of reforming the Internal Revenue Code to qualify residential ground lease financing for deductions or tax credits.

+$250,000 for the Alliance to End Childhood Lead Poisoning to convene a consensus group to help facilitate the development of interim containment guidelines on the abatement of lead in housing.

−$10,650,000 as a general reduction to be applied in accordance with normal reprogramming guidelines and to be done in such a way as to have minimal effect on the annual housing survey.

Amendment No. 55: Restores language proposed by the House and stricken by the Senate earmarking $1,000,000 for innovative building technologies research with the Research Center of the National Association of Home Builders.

MANAGEMENT AND ADMINISTRATION

Amendment No. 56: Appropriates $744,078,000 for salaries and expenses as proposed by the House, instead of $879,453,000 as proposed by the Senate.

The conferees are in agreement with the following changes from the budget request:

+$2,000,000 for the Housing Assistance Council.

+$500,000 for the National American Indian Housing Council.

+$1,135,000 for 25 FTE for the field to implement the new Office of Lead Based Paint Abatement and Poisoning Prevention.

+$1,000,000 for 20 FTE for headquarters expenses of the new Office of Lead Based Paint Abatement and Poisoning Prevention.

+$808,000 for 19 FTE for field legal services to increase fair housing enforcement activity.

−$5,443,000 as a general reduction in the salaries and expenses and departmental management accounts, subject to normal reprogramming procedures—other than the Housing Assistance Council, the National American Indian Housing Council, the new Office of Lead Based Paint Abatement and Poisoning Prevention, or field legal services.

Amendment No. 57: Transfers $394,609,000 from the various funds of the Federal Housing Administration as proposed by the House, instead of $435,000,000 as proposed by the Senate.

Amendment No. 58: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following: *Provided, That there shall be established, in the Office of the Secretary, an Office of Lead Based Paint Abatement and Poisoning Prevention to be headed by a career Senior Executive Service employee who shall be responsible for all lead-based paint abatement and poisoning prevention activities (including, but not limited to, research, abatement, training regulations and policy development): Provided further, That such office shall be allocated a staffing level of 20 staff years*

The managers on the part of the Senate will offer a motion to recede and concur in the amendment of the House to the amendment of the Senate.

The conferees deleted the language proposed by the Senate requiring a qualified industrial hygienist for each field office to oversee the lead-based paint abatement and poisoning prevention activities and establish timeframes for such appointments. However, the conferees expect the Department to abide by those requirements as outlined in the Senate's report.

Amendment No. 59: Restores language proposed by the House and stricken by the Senate appropriating $55,580,000 in a new personal services and travel, Office of Housing account, instead of providing such funding in a new consolidated salaries and expenses account as proposed by the Senate.

Amendment No. 60: Restores language proposed by the House and stricken by the Senate appropriating $10,424,000 in a new personal services and travel, Office of Public and Indian Housing account, instead of providing such funding in a consolidated salaries and expenses account as proposed by the Senate.

Amendment No. 61: Restores language proposed by the House and stricken by the Senate appropriating $17,872,000 in a new personal services and travel, Office of Community Planning and Development account, instead of providing such funding in a consolidated salaries and expenses account as proposed by the Senate.

Amendment No. 62: Restores language proposed by the House and stricken by the Senate appropriating $10,705,000 in a new separate personal services and travel, Office of Policy Development and Research account, instead of providing such funding in a consolidated salaries and expenses account as proposed by the Senate.

Amendment No. 63: Restores language proposed by the House and stricken by the Senate appropriating $10,516,000 in a new separate personal services and travel, Office of Fair Housing and Equal Opportunity account, instead of providing such funding in a consolidated salaries and expenses account as proposed by the Senate.

Amendment No. 64: Restores language proposed by the House and stricken by the Senate appropriating $9,293,000 for a new separate personal services and travel, Department of Management account, instead of providing such funding in a consolidated salaries and expenses account as proposed by the Senate.

Amendment No. 65: Restores language proposed by the House and stricken by the Senate appropriating $14,985,000 in a new personal services and travel, Office of General Counsel account, instead of providing such funding in a consolidated salaries and expenses account as proposed by the Senate.

Amendment No. 66: Appropriates $44,665,000 for the Office of Inspector General as proposed by the Senate, instead of $43,645,000 as proposed by the House. The conferees are concerned with the lack of quality financial information regarding section 8 amendment and contract renewal funds. The conferees expect that the Office of Inspector General will begin an audit of such activities and submit at least a preliminary report by January 1, 1992.

ADMINISTRATIVE PROVISIONS

Amendment No. 67: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows:

Notwithstanding any other provision of law or other requirement, the city of Vallejo, California, is authorized to retain any land disposition proceeds or urban renewal grants funds that remain after the financial closeout of the Marina Vista Urban Renewal Project, and to use such funds in accordance with the requirements of the community development block grant program specified in title I of the Housing and Community Development Act of 1974. The city of Vallejo shall retain such funds in a lump sum and shall be entitled to retain and use, in accordance with this paragraph, all past and future earnings from such funds, including any interest.

Notwithstanding any provisions of law or other requirement, the Urban Renewal Authority of the City of Oklahoma City, in the State of Oklahoma, is authorized to retain any land disposition proceeds and other income from the financially closed-out Central Business District Number 1A Urban Renewal Project (OKLA. R–30) and John F. Kennedy Urban Renewal Project (OKLA. R–35) in accordance with the Close-out Agreements executed pursuant to 24 CFR 570.804(b)(5) October 16, 1979, and concurred in by the Secretary, which agreements obligated such proceeds to completion of project activities in consideration for the reduction of an approved categorical settlement grant in satisfaction of the repayment requirements of 24 CFR 570.486. The Urban Renewal Authority of the City of Oklahoma City shall retain such proceeds and other income in a lump sum and shall be entitled to retain and use, subject only to the provisions of 24 CFR 570.504(b)(5), such past and future proceeds, including any interest, for the completion of such project activities.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 68: Restores language proposed by the House and stricken by the Senate limiting the number of non-career senior executive service positions at the Department of Housing and Urban Development to 15.

Amendment No. 69: Restores language proposed by the House and stricken by the Senate establishing separate fair market rents for Monroe County, Pennsylvania.

Amendment No. 70: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows:

Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended by adding at the end the following new subsection:

"(p) With respect to amounts available for obligation on or after October 1, 1991, the criteria established under section 213(d)(5)(B) of the Housing and Community Development Act of 1974 for any competition for assistance for new construction, acquisition, or acquisition and rehabilitation of public housing shall give preference to applications for housing to be located in a local market area that has an inadequate supply of housing available for use by very low-income families. The Secretary shall establish criteria for determining that the housing supply of a local market area is inadequate, which shall require—

"(1)(A) information regarding housing market conditions showing that the supply of rental housing affordable by very low-income families is inadequate, taking into account vacancy rates in such housing and other market indicators; and

"(B) evidence that significant numbers of families in the local market area holding cetificates and vouchers under section 8 are experiencing significant difficulty in leasing housing meeting program and family-size requirements; or

"(2) evidence that the proposed development would provide increased housing opportunities for minorities or address special housing needs.".

Section 14(k)(5)(A) of the Housing Act of 1937, as amended, is hereby amended as follows:

By striking in the first sentence thereof the word "initial"

In subsection (i) thereof by substituting the phrase "for each of the preceding three fiscal years" for the phrase "for each of fiscal years of 1989, 1990 and 1991".

Adding a new subsection (iii) which provides: "(iii) In determining whether an agency is 'troubled with respect to the modernization program', the Department shall consider only the agency's ability to carry out that program effectively based upon the agency's capacity to accomplish the physical work: (a) with decent quality; (b) in a timely manner; (c) under competent contract administration; and (d) with adequate budget controls. No other criteria shall be applied in the determination."

Section 14(k)(5)(E) of said Act is repealed.

No appropriated funds may be used to implement the rule proposed in 56 FEDERAL REGISTER 45814, September 6, 1991 relating to "Low-income Public and Indian Housing—Vacancy Rule" or any revision thereof or any other rule related or similar thereto.

Section 6(j)(1) of the Housing Act of 1937, 42 U.S.C. 1437 d(j)(1), [section 502 a) of the National Affordable Housing Act] is amended as follows:

(1) by adding at the end of subparagraph (H) the following language: "which shall not exceed the seven factors in the Statute, plus an additional five"; and

(2) by adding as subparagraph (I) the following:

(I) "The Secretary shall: (1) administer the system of evaluating public housing agencies

flexibly to ensure that such agencies are not penalized as a result of circumstances beyond their control; (2) reflect in the weights assigned to the various indicators the differences in the difficulty of managing individual projects that result from their physical condition and their neighborhood environment; and (3) determine a public housing agency's status as "troubled with respect to the program under section 14" based upon factors solely related to its ability to carry out that program.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees believe that the Department's April 17, 1991, proposed rule implementing Section 502 of the National Affordable Housing Act subverted Congress' intention to set up a simple, objective system to evaluate public housing agency management. For this reason, the conferees direct the Department to use the indicators in the statute, as amended, rather than the 32 additional factors in the proposed rule. The relative weights of individual factors should be based solely on their importance to effective delivery of public housing services to residents and this system should not penalize housing authorities for circumstances beyond their control.

Amendment No. 71: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate forgiving a public facilities loan to the Sale Creek Utility District in Soddy Daisy, Tennessee.

Amendment No. 72: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

The Secretary of Housing and Urban Development shall transfer title to the repossessed property known as the Roosevelt Homes Project (No. 074–84006) located in Davenport, Iowa, to a nonprofit organization. Such property shall be used only for the provision of an integrated program of shelter and social services to the homeless, or for other nonprofit uses, for a period of not less than 20 years following the date of the transfer. Use of the transferred property before the expiration of the 20-year period following the date of the transfer for any other purpose other than those described herein shall cause title to revert back to the Secretary of Housing and Urban Development. The nonprofit organization selected by the Department shall have the right to use or not use the section 8 certificates attached to the property.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 73: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate regarding section 8 assistance provided for the Ganado Acres project.

Amendment No. 74: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate allowing any public housing agency or Indian housing authority to purchase insurance from a nonprofit insurance standards.

Amendment No. 75: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate establishing the timeframe for insurance standards.

Amendment No. 76: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate regarding standards for nonprofit insurance entities.

Amendment No. 77: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

At the end of matter inserted by said amendment, insert the following:

Hereafter, until the Department of Housing and Urban Development has adopted regulations specifying the nature and quality of insurance covering the potential personal injury liability exposure of public housing authorities and Indian housing authorities (and their contractors, including architectural and engineering services) as a result of testing and abatement of lead-based paint in federally subsidized public and Indian housing units, said authorities shall be permitted to purchase insurance far such risk, as an allowable expense against amounts available for capital improvements (modernization): Provided, That such insurance is competitively selected and that coverage provided under such policies, as certified by the authority, provides reasonable coverage for the risk of liability exposure, taking into consideration the potential liability concerns inherent in the testing and abatement of lead-based paint, and the managerial and quality assurance responsibilities associated with the conduct of such activities.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement modifies language proposed by the Senate relating to the eligibility of nonprofit insurance entities to offer insurance on a noncompetitive basis with the inclusion of additional language expanding the availability of liability insurance for lead-based paint testing and abatement activities.

The added language responds to very serious concerns raised by a September 24, 1991, HUD Inspector General examination of the Department's selection of a particular insurance contract which public housing agencies have been required to purchase to cover potential liability claims associated with the testing and abatement of lead-based paint. This report was prepared at the request of the Senate Committee on Appropriations. The Inspector General found that the Department ". . . did not implement adequate management controls and procedures to justify and support its procurement activities." Additionally, a number of ambiguities were identified by the IG report which have raised substantial questions as to the adequacy of the coverage provided by the vendor's insurance policy.

The conferees are very concerned that the weaknesses of this insurance policy may expose public housing authorities, and ultimately the Federal Government, to substantial financial liability. This adverse potential is also heightened because the form of insurance selected by the Department excludes any underwriting which would otherwise serve to promote safe and effective testing and abatement.

Until the Department addresses the major deficiencies identified in the IG report, and has adopted final regulations regarding this important insurance requirement, the conferees agree that public housing authorities should be permitted to seek more adequate and effective insurance coverage. The provision included in the conference agreement requires that these authorities utilize competitive procedures and certify to HUD that the policies selected are adequate to meet potential liability and serve to limit risk by providing for more effective quality assurance and project management.

Amendment No. 78: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate limiting HUD central office staffing.

Amendment No. 79: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

Section 14(a) of the Housing Act of 1937, as amended, (42 U.S.C. 14371(a)) is amended by:

(1) striking "and" at the end of clause "(1)";

(2) adding clauses (3), (4), and (5) as follows:

"(3) to assess the risks of lead-based paint poisoning through the use of professional risk assessments that include dust and soil sampling and laboratory analysis in all projects constructed before 1980 that are, or will be, occupied by families; and

(4) to take effective interim measures to reduce and contain the risks of lead-based paint poisoning recommended in such professional risk assessments;

(5) the costs of testing, interim containment, professional risk assessments and abatement of lead are eligible modernization expenses. The costs of professional risk assessment are eligible modernization expenses whether or not they are incurred in connection with insurance and costs for such assessments that were incurred or disbursed in fiscal year 1991 from other accounts shall be paid or reimbursed from modernization funds in fiscal year 1992."

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees have included bill language modifying a provision proposed by the Senate that would make clear that public and Indian housing modernization funds can be used for lead-based paint risk assessments and interim containment measures. The provision also makes clear that housing authorities who have paid for risk assessments in fiscal year 1991 shall be paid or reimbursed for modernization funds in fiscal year 1992.

Amendment No. 80: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate waiving the 25 percent presale requirements for the award of Nehemiah funds.

The conferees have included language to amend section 606(c) of the Housing and Community Development Act of 1987 to give past and future Nehemiah recipients flexibility within program presale requirements. Current requirements have been found to impede Nehemiah production in many areas of the country. Jurisdictions have found it difficult to sell 25 percent of all units funded under an allocation prior to the start of any construction activities. Phasing will permit a recipient to presell and construct a portion of units, consistent with a project's development schedule. Land holding costs can be reduced while preserving other program objectives related to economy of scale production. It is intended that the HUD Secretary shall permit phasing upon the request of the Nehemiah grantee and that phasing shall apply to both past and future grantees.

Amendment No. 81: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and

concur in the amendment of the Senate regarding the Pascua Yaqui tribe.

Amendment No. 82: Deletes language proposed by the Senate modifying section 382(a) of the National Affordable Housing Act.

Amendment No. 83: Deletes language proposed by the Senate regarding approval of housing subdivisions.

Amendment No. 84: Deletes language proposed by the Senate modifying section 673 of the Omnibus Reconciliation Act of 1981.

TITLE III—INDEPENDENT AGENCIES

COMMISSION ON NATIONAL AND COMMUNITY SERVICE

Amendment No. 85: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $2,000,000 for salaries and expenses of the Commission, to remain available until September 30, 1993. The language also appropriates $73,000,000 for program activities of the Commission, to remain available until September 30, 1993.

CONSUMER PRODUCT SAFETY COMMISSION

Amendment No. 86: Appropriates $40,200,000 for salaries and expenses of the Consumer Product Safety Commission as proposed by the House, instead of $39,200,000 as proposed by the Senate.

The conferees are in agreement on the following change to the budget request:

+$1,000,000 for the Little Cigar and Cigarette Safety Study.

ENVIRONMENTAL PROTECTION AGENCY

Amendment No. 87: Provides a limitation of $5,500 for official reception and representation expenses, instead of $6,000 as proposed by the House and $5,000 as proposed by the Senate.

Amendment No. 88: Appropriates $1,040,500,000 for salaries and expenses instead of $1,084,000,000 as proposed by the House and $1,029,000,000 as proposed by the Senate.

The committee of conference is in agreement on the following changes to the budget request:

−$3,500,000 from travel and transportation of persons.

−$6,000,000 from other services. The conferees have made this reduction because of increasing concern about the extensive use of contractors by the Agency. EPA should prepare a report to the Committees on Appropriations delineating the Agency's use of other contractural services in all operating program appropriation accounts for the last three fiscal years. This report should be submitted to the Committees on Appropriations by February 1, 1992.

−$40,000,000 to be taken as a general reduction at the discretion of the Administrator.

The conferees direct EPA to reprogram from within the Office of Water, $550,000 and 10 FTEs for the implementation of the section 319 nonpoint source program. The conferees do not concur with the House directive to transfer $200,000 from the Office of Air and Radiation's program management to other elements within the office.

The committee of conference directs EPA to provide such sums as necessary to establish and staff the Long Island Sound program office. The conferees direct the agency to provide such sums as necessary for the implementation of the Medical Waste Tracking Program. Further, the conferees direct the agency to provide such sums as necessary for lead-based paint activities, including the establishment of a national accreditation system for training programs. The use of funds for the above purposes in subject to review by the Committees on Appropriations.

Amendment No. 89: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate withholding $500,000 from the Immediate Office of the Administrator until EPA's Strategic Plan is provided to the Committees on Appropriations.

Amendment No. 90: Appropriates $41,200,000 for the Office of Inspector General as proposed by the Senate, instead of $39,661,000 as propose by the House.

The committee of conference is concerned that the Inspector General has not aggressively pursued potential fraud by EPA contractors, especially with regard to the Superfund program. Therefore, the conferees direct the inspector general to provide increased audit and investigative oversight of Superfund activities. In particular, the inspector general is directed to examine the Superfund alternative remedial contracting system and provide its findings and recommendations to the Committees on Appropriations by February 3, 1992.

Amendment No. 91: Appropriates $323,000,000 for research and development instead of $333,875,000 as proposed by the House and $313,000,000 as proposed by the Senate.

The committee of conference is in agreement on the following changes from the budget request:

+$3,200,000 for the Center for Environmental Management.

+$2,000,000 for indoor air research.

+$1,000,000 for pollution prevention research.

+1,000,000 for electromagnetic field research.

+$3,100,000 for the purchase of specialized equipment for neural science research.

+$1,000,000 for the Center for Excellence in Polymer Research and Environmental Study.

+$600,000 for the Natural Resources Research Institute's Minerals Research Laboratory.

+$800,000 for the Adirondack Destruction Assessment Program.

+$1,300,000 for a research project to recycle mixed office waste at Western Michigan University.

+$90,000 for a pollution abatement demonstration program in Hamburg, New York.

+$250,000 for continued research on the zebra mussel.

+$750,000 for EPA's Earth Observing System activities.

+$3,200,000 for the Southern Oxidants Study.

+$2,000,000 for the Southwest Environmental Research and Policy Center.

+$2,000,000 for the Great Lakes national program office. These funds are to be used for a cooperative agreement between the Duluth/Grosse Ile Labs for Great Lakes work on the Rouge River, Saginaw Bay and Buffalo River as well as enhanced monitoring activities.

The conferees are disappointed that EPA did not meet the June 30, 1991, deadline for the issuance of draft Great Lakes water quality guidance as required by the Great Lakes Critical Programs Act of 1990 (P.L. 101-596). The conferees direct the Administration to provide the Congress, within 30 days of enactment of this Act, with a revised timetable for meeting all missed deadlines under P.L. 101-596 and an estimate of the feasibility of meeting any other deadlines provided in that Act.

+$2,500,000 for global warming and stratospheric ozone depletion mitigation research. This funding will provide for high priority stratospheric ozone and global warming emission reduction research including a 200 kilowatt fuel cell demonstration powerplant which consumes waste methane produced in the anaerobic digestion of solid waste at a sewage treatment plant. The treatment facility should comply with the criteria outlined in the Senate Committee report.

−$2,000,000 from global warming activities, other than mitigation research.

Further, the conferees direct EPA to provide from within its program, additional funds for other priority stratospheric ozone and global warming research including evaluating/demonstrating replacements for ozone depleting compounds, biomass utilization technologies, and tropospheric ozone.

+$1,500,000 for multi-year cost-shared commercialization projects to demonstrate the use of solar and renewable energy.

+$750,000 for an agriculture pollution research model associated with confined feeding operations. While the conferees were not able to provide the amount in the Senate bill, EPA is strongly urged to provide an additional $250,000 from within its existing program.

+$300,000 for the Mickey Leland National Urban Air Toxics Research Center.

+$116,000 for two wetlands research projects at the University of Nebraska.

+$150,000 for a National Center on Solid Waste Research and Management.

−$2,500,000 from the Environmental Monitoring and Assessment Program. The conferees are concerned that EPA may consider disproportionate research reductions applicable to agroecosystems and arid ecosystems. These major resources areas of the country are a critical component of any comprehensive national environmental monitoring effort. Furthermore, termination of ongoing efforts will jeopardize long overdue coordination between Federal and state entities attempting to address ecological concerns of these areas. The conferees therefore agree that prior to making substantial changes in the EMAP research plan, EPA should assess such negative impacts and consult with the Committees on its findings.

The committee of conference supports the proposal to establish a Center for Marine and Environmental Analyses which would establish a data base, computer modeling, and other innovative methodologies for assessing the impacts of human activities, including global climate change, on the Earth's biosphere.

−$4,221,000 from administrative expenses.

−$945,000 from the Limestone Injection Multistage Burner.

−$5,440,000 from other services.

−$2,500,000 from funds previously appropriated for a coke oven emissions demonstration.

The conferees wish to make clear that, except for personnel compensation and benefits and travel costs, all expenses supporting research and development activities are to be paid for out of the research and development account.

Amendment No. 92: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate permitting the agency to use the research and development account for minor facility repair and improvements.

Amendment No. 93: Appropriates $1,133,625,000 for abatement, control, and compliance as proposed by the House instead of $1,142,500,000 as proposed by the Senate.

The conferees are in agreement on the following changes to the budget request:

+$27,500,000 for the section 319 nonpoint source grants.

+$7,000,000 for the Clean Lakes Program. Of this amount, $500,000 is included for Lakes Allatoona and Lanier in Georgia, and $500,000 for Lakes Cranberry, Wawayanda, Marcia, Sylvan and other lakes in New Jersey.

+$37,000,000 for the asbestos in schools loans and grants program. While $37,000,000 in budget authority has been provided for the asbestos in schools loans and grants program, the conferees note that this amount will provide for a total fiscal year 1992 program of approximately $57,000,000. Due to credit reform legislation, only the estimated subsidy portion of loan program levels must be appropriated. Bill language has been included in a later amendment to support up to a $17,000,000 subsidy level and to fund the administrative expenses.

+$1,000,000 for academic training.

+$2,200,000 for multimedia grants to Indian tribes. Of this amount, $500,000 is for the International Council of Arizona; $1,500,000 for the Washington State Indian tribal initiative; and $200,000 is for other Indian reservations.

+$5,250,000 for rural water grants. Of this amount, $3,300,000 is for the National Rural Water Association; $1,000,000 is for NRWA's groundwater protection program; $700,000 is for the Rural Community Assistance Program; and $250,000 is for RCAP's small communities technical assistance program.

+$7,000,000 for the Global Climate Change Protection Program. Of this amount, $1,500,000 is for global change policy activities; $3,000,000 is for methane research; and $2,500,000 is for the phase-out of Chlorofluorocarbons.

+$1,250,000 for wastewater operator training activities.

+$2,000,000 for pollution prevention grants.

+$4,240,000 for EPA's lead paint abatement program. The conferees are concerned with EPA's continued sluggishness on the issue of lead-based paint. The conferees note that EPA has yet to develop a model worker training program for abatement workers, and the model programs for inspectors and supervisors remain unfinished. The conferees direct EPA to move expeditiously to meet the requirements of the certification and training mandate. The conferees understand that EPA may develop a National Exam for lead-based paint abatement contractors. This test would not in any way obviate the training and certification requirement, but would be intended to promote reciprocity among state programs and to serve as a supplement to the accreditation program.

+$1,000,000 for erosion and sedimentation in the Great Lakes Basin.

+$400,000 for the South Coast Air Quality Management District Alternative Fuels Demonstration Project.

+$2,000,000 for the San Francisco Estuary Project.

+$1,000,000 for EPA's National Training Center at West Virginia University.

+$2,200,000 for EPA's supercomputer operations.

+$1,000,000 for a heavy duty engine dynamometer.

+$300,000 for Canaan Valley, West Virginia, wetlands complex.

+$2,000,000 for the Lackawanna Institute for Environmental Renewal.

+$800,000 for the cleanup of the Buffalo River. Of this amount, $125,000 is for waterfront planning activities.

+$1,000,000 for the Small Flows Clearinghouse at West Virginia University.

+$1,300,000 for the Maumee River and Bay basinwide assessment of hazardous waste sites.

+$1,000,000 for the Saginaw Bay National Watershed Initiative Pilot Project.

+$25,000 for the Lackawanna River Corridor Association water quality testing program.

+$300,000 for the Northeast Interstate Ozone Nonattainment and Visibility Project.

+$500,000 for EPA's Water Conservation Task Force.

+$500,000 for the Water Pollution Control Federation Research Foundation. The committee of conference directs the WPCF Research Foundation to provide the Committees with their strategy and schedule for achieving self-sufficiency, work products to be produced in fiscal year 1992, and its relationship to EPA research activities. To ensure that the Foundation does not stifle the development of new technologies for the wastewater treatment industry by usurping the traditional role of the private sector in research and development, the WPCF Research Foundation's research should focus on defining the problems currently confronting the industry, identifying those areas where research and development funds should be directed, and developing scientific data which would aid the private sector in its research and development activities.

+$200,000 for the Underground Injection Control Public Information Program.

+$625,000 for the Florida Keys National Marine Sanctuary.

+$100,000 for a wetlands comprehensive plan in Eugene, Oregon.

+$1,575,000 for a new Small Business Technical Assistance Program under the Clean Air Act Amendments.

+$1,000,000 for the Spokane Aquifer.

+$500,000 for a Lake Roosevelt Water Quality Recovery Plan.

−$15,000,000 from the Montreal Protocol facilitation fund.

−$500,000 from the new Teacher Environmental Awards program.

+$750,000 for a West Virginia rural water demonstration project.

+$300,000 for Water Regulations Compliance Training Project.

+$1,000,000 for the continutation of a stormwater management project on the Patuxent River. The State of Maryland will provide a $500,000 match.

+$500,000 for a Chesapeake Bay water quality model.

+$400,000 for a pollution reduction strategy in the Tar-Pamlico River Basin.

+$1,500,000 for the New Jersey Institute of Technology Integrated Pollution Prevention Initiative.

+$1,200,000 for Medical Waste Tracking Act grants.

+$1,250,000 for drinking water research by the American Water Works Association Research Foundation, to be matched by industry. These resources are to be expended in close consultation with the water utilities industry.

+$750,000 for a solar aquatic wastewater treatment demonstration project.

+$1,200,00 for sewage sludge composting techniques in the State of New Jersey.

+$1,200,000 for a dredge spoil assessment and decontamination project.

$700,000 for identifying and evaluating sources of visibility impairment in class I areas. The 1990 Clean Air Act Amendments authorized the development of regional air quality models to assist in determining the sources of visibility impairment in Class I regions. It is the intent of Congress that this research proceed as rapidly as possible. The conferees urge EPA to use discretionary funds to begin work, in conjunction with the Secretary of the Interior and the National Park Service, on developing computer models and a data base adequate to identify and evaluate sources of visibility impairment in these areas. In addition, EPA is urged to request funding for these studies in fiscal year 1993.

+$500,000 for a National High Altitude Heavy Duty Engine Research and Technology Center.

+$1,500,000 for an alternate fuel vehicle training program.

+$1,450,000 for a nonpoint source pollution project at the University of Kansas, Iowa State University, and University of Nebraska at Lincoln.

+$500,000 for the Illinois River basin nonpoint source pollution program.

+$1,750,000 for the Lake Champlain Management Conference, of which $250,000 is to be used for toxic sediment research.

+$1,250,000 for the Lake Onondaga Management Conference.

+$750,000 for establishment of the Long Island Sound Program Office and for activities specified in the Senate Committee report.

+$100,000 for Connecticut River water quality work.

+$1,000,000 for a demonstration project to clean up contaminated areas resulting from leaking underground storage tanks in Council Bluffs and Shenandoah, Iowa.

+$100,000 for grants to train minority and women contractors in radon mitigation.

+$390,000 for an environmental science course by satellite.

+$800,000 for an inhouse facility for biological testing of pesticides. The conference agreement includes $800,000 and bill language directing EPA to maintain an in-house laboratory facility for the biological testing of pesticides, hospital disinfectants and related products.

The conferees expect the laboratory facility to conduct a pre- and post-registration testing program to verify selective pesticide efficacy claims, ensure the quality and integrity of registrant-submitted data, and assist in enforcement cases. In light of Federal budget constraints, the conferees recommend that the Administrator explore options for pooling resources from the Food and Drug Administration, the Centers for Disease Control, Agricultural Research Service, the states, users groups and industry to implement a national pesticide efficacy testing and enforcement strategy. The Agency should also focus its efforts on those product claims that are of greatest significance to public health, such as sporicidal and tuberculocidal claims, randomly check the efficacy of pesticides in the marketplace, and selectively target those products or chemicals with suspected efficacy problems. The conferees direct the Agency to report back to the Committees on Appropriations not later than May 1, 1992, on the progress in implementing this testing program and provide information on the number and type of products tested and the results.

+$1,250,000 for the implementation of farm worker safety regulations.

+$250,000 for pesticide registration activities.

+$70,000 for the National Wood Energy Association for a biomass gasification demonstration project.

+$600,000 for an environmental health effects study conducted by the State of Louisiana Departments of Health and Hospitals in environmental quality.

−$6,000,000 from the Coastal America Initiative.

−$500,000 from the Environmental Statistics Compendium.

−$1,000,000 from the Health Effects Institute Asbestos Research. The conferees note that the HEI-Asbestos Research was originally funded in fiscal year 1989 in the research and development account. EPA has since moved funding for this program to the abatement, control and compliance account. The conferees question whether this action was appropriate and direct EPA to provide a report within 60 days of enactment of this Act stating the reasons for moving this research activity to abatement, control and compliance. The conferees expect that, should there be a request for future year funding for HEI-AR, it will be in the research and development account so as not to violate the integrity of the individual accounts.

+$350,000 for an interagency effort to restore the Chesapeake Bay oyster community. This project will involve the restoration of oyster reef topography, which has significant implications for the restoration of the Chesapeake Bay's water quality.

The conferees direct EPA to provide $7,300,000 or such sums as necessary for the transportation and storage of hazardous materials in Buyers warehouse in Saint Joseph, Missouri. Further, the committee on conference directs EPA to support an agricultural plastics recycling pilot project in Adison and Franklin Counties, Vermont.

The Committee of Conference believes that, in order to encourage highly effective and innovative state nonpoint source control and water quality programs, section 319 and section 106 grants should be awarded to states with effective programs in an expeditious manner.

Amendment No. 94: Deletes language inserted by the Senate transferring not less than $2,900,000 to the Council on Environmental quality Management Fund for the National Acid Precipitation Assessment Programs.

Amendment No. 95: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following: *: Provided further, That of the amount provided under this heading, up to $1,000,000 shall be available for the chemical Safety and Hazard Investigation Board, as authorized by the Clean Air Act Amendments of 1990 and the sum of $17,000,000 shall be for subsidizing loans under the Asbestos School Hazard Abatement Act, and $2,400,000 shall be for administrative expenses to carry out the loan and grant program*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 96: Appropriates $39,300,000 for buildings and facilities instead of $39,700,000 as proposed by the House and $18,000,000 as proposed by the Senate.

The conferees are in agreement on the following changes to the budget request:

+$200,000,000 for site acquisition and preparation, planning and design of a Training and Ecology Center for dock facilities and infrastructure in Bay City, Michigan.

+$6,700,000 for a grant for the renovation of space and construction of shared and individual laboratories at the Neural Science Center and its related laboratory sites in New York City, New York.

+$5,000,000 for the design of a modern facility in Research Triangle Park (RTP), North Carolina. The current facilities at KTP are overcrowded and in need of repair. The conferees agree that a new, consolidated facility is needed for EPA to achieve its standards in providing quality data, which must be consistently reliable and accurate.

The conferees have provided the seed money for the design of this facility, however, it is their expectation that the construction of this facility will be the responsibility of the General Services Administration (GSA). Based on current reports made by GSA to the House Public Works Committee, federal construction is the most cost-effective means of providing a new facility.

−$5,400,000 from funds previously appropriated for the Environmental Technology and Engineering Center.

Amendment No. 97: Restores language proposed by the House and stricken by the Senate providing $6,700,000 for a neural science center in New York City, New York.

Amendment No. 98: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate providing EPA with the authority to issue a grant to the Christopher Columbus Center.

Amendment No. 99: Appropriates $1,616,228,000 for the Hazardous Substance Superfund as proposed by the Senate, instead of $1,630,000,000 as proposed by the House.

The conferees are in agreement on the following changes from the budget request:

+$10,500,000 for NIEHS worker training grants.

+$18,700,000 for NIEHS basic research grants.

+$12,000,000 for ATSDR. From within this amount, $4,000,000 of the funds provided are for a research program in cooperation with the Association of Minority Health Professions Schools, and $2,000,000 is for a study of human health impacts of contaminated fish.

+$2,500,000 for Superfund research at Clark Atlanta University.

+$2,500,000 for the Gulf Coast Hazardous Substance Research Center.

+$115,000 for technical assistance at Fort Devens Sudbury Annex Superfund site.

+$213,000 for a new pumping system in St. Anthony, Minnesota.

+$300,000 for training grants for small, minority and women contractors.

+$2,500,000 for development of a low-temperature plasma process technology.

−$183,100,000 as a general reduction to be applied at the discretion of the Administrator.

The conferees are concerned about EPA's oversight of the alternative remedial contracting system (ARCS). It is noted that a number of EPA's 45 ARCS contractors either do not have enough work, or do not perform quality clean-ups. The conferees expect that EPA will begin to phase out such contractors immediately while ensuring that the amount of capacity in the Superfund program is not reduced below the projected level of need.

The conferees are also alarmed about the proportion of ARCS funds spent on program management. The conferees direct that EPA spend no more than 15 percent of the total ARCS budget on program management. The Agency projects that program management will make up approximately 12 percent of the total ARCS budget for fiscal year 1992. It is the expectation of the conferees that EPA will make every effort to meet this target. EPA is to report to the Committees on Appropriations on a quarterly basis on the amount of funds spent on both the ARCS program and program management costs. Finally, the conferees expect that expeditious consideration will be given to the recommendations made by the Administrator's Task Force to review the ARCS program. The Administrator's implementation plan of these recommendations is to be submitted to the Committee on Appropriations within 30 days of enactment of this Act.

The conferees are aware of situations in which National Priority List Superfund sites may be experiencing overlapping authorities imposed by EPA and appropriate state agencies, resulting in delays and duplicative costs. In such cases the conferees urge EPA to coordinate with state agencies to ensure that duplicative requirements and costs are mitigated and resolved.

The conferees are pleased with the advances the Agency has made in its research and development program. During this time of fiscal constraint, EPA is encouraged to focus its activities on the development, testing and use of innovative treatment technologies and to continue its support of the Superfund Innovative Technology Evaluation (SITE) program in addressing and achieving this goal.

Amendment No. 100: Provides $1,366,228,000 from the Superfund trust fund and $250,000,000 from general revenues as proposed by the Senate instead of all funds derived from the Superfund trust fund as proposed by the House.

Amendment No. 101: Provides $56,500,000 to the Agency for Toxic Substances and Disease Registry, instead of $50,000,000 as proposed by the House and $59,500,000 as proposed by the Senate.

Amendment No. 102: Limits funds available for administrative expenses to $240,000,000, instead of $260,000,000 as proposed by the House and $180,000,000 as proposed by the Senate.

A Superfund administrative expense limitation of $240,000,000 has been provided. The conferees note that in fiscal year 1987, EPA's Superfund administrative expenses were $135,000,000. Thus, administrative expenses will have grown by 56 percent in that five year period. The conferees are concerned with the escalating growth of Superfund administrative expenses. Therefore, EPA is directed to complete a study, within 90 days of enactment of this Act, to review and evaluate financing for the administrative expenses associated with the Superfund cleanup program.

The design and scope of the study are to be prepared in consultation with the Committees on Appropriations, and should be submitted to the Committees within 30 days. The study should include an examination of various alternatives to financing administrative expenses, including immediately moving administrative expenses to another appropriation, a gradual phase out, and the rationale underlying the continuation of the current structure. The discussion of each alternative financing method is to include the benefits and drawbacks of the alternative, potential benefits to the program, and implications to the workforce. As part of the study, a baseline is to be established that will be used to evaluate the three alternatives. The baseline is to use current definitions of administrative expense activities and available data on current administrative expenses.

In examining the current structure, the study should include a breakdown by office, and object classification within each office, of the amount charged to the Superfund trust fund.

Finally, in examining the possibility of shifting administrative expenses to another appropriation, the study should include EPA's plans and methodologies which would be used to accomplish this beginning in fiscal year 1993.

Amendment No. 103: Restores language proposed by the House and stricken by the Senate providing up to $213,000 for a new pumping station in St. Anthony, Minnesota.

Amendment No. 104: Restores language proposed by the House and stricken by the Senate allowing for relocation of residents at Koppers Texarkana Superfund site from previously appropriated funds.

Amendment No. 105: Appropriates $75,000,000 for the leaking underground storage tank trust fund as proposed by the Senate, instead of $85,000,000 as proposed by the House.

Amendment No. 106: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $2,400,000,000 for construction grants/state revolving loan fund.

Amendment No. 107: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert the following: *$1,948,500,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Provides $1,948,500,000 for the state revolving loan fund, instead of $1,783,500,000 proposed by the House and $2,383,500,000 proposed by the Senate.

Amendment No. 108: Deletes the "and" inserted by the Senate instead of without the "and" as proposed by the House.

Amendment No. 109: Deletes language inserted by the Senate allowing up to one-half of one percent to be available for direct grants to Indian tribes for sewage treatment facility construction.

Amendment No. 110: Restores language proposed by the House and stricken by the Senate providing $49,000,000 for section 510 of the Water Quality Act of 1987 for an international sewage treatment facility in Tijuana, Mexico.

Amendment No. 111: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows:

$340,000,000 shall be for making grants under title II of the Federal Water Pollution Control Act, as amended, to the appropriate instrumentality for the purpose of constructing secondary sewage treatment facilities to serve the following localities, and in the amounts indicated:

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees intend for the Administration to award these funds directly to the cities as 55 percent matching grants under title II.

Amendment No. 112: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows:

Back River Wastewater Treatment Plant, Maryland, $40,00,000; Boston, Massachusetts, $100,000,000;

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 113: Restores language proposed by the House and stricken by the Senate providing $70,000,000 for a construction grant in New York, New York.

Amendment No. 114: Restores language proposed by the House and stricken by the Senate providing $55,000,000 for a construction grant to Los Angeles, California.

Amendment No. 115: Restores language proposed by the House and stricken by the Senate providing $40,000,000 for a construction grant in San Diego, California.

Amendment No. 116: Restores the word "and" as proposed by the House and deleted by the Senate.

Amendment No. 117: Restores language proposed by the House and stricken by the Senate providing $35,000,000 for a construction grant in Seattle, Washington.

Amendment No. 118: Restores language proposed by the House and stricken by the Senate providing $46,000,000 for the Rouge River National Wet Weather Demonstration Project in Wayne County, Michigan.

Amendment No. 119: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken by said amendment, insert the following *: Provided further, That the U.S. Environmental protection Agency shall not prohibit the Massachusetts Water Resources Authority (MWRA) from utilizing the most appropriate technology for the treatment, disposal, and or beneficial re-use of sludge, unsold fertilizer pellets, and grit and screenings outside the Commonwealth of Massachusetts through lease, contract, or by other legal means. The EPA may require sufficient backup capacity for the disposal or treatment of sludge in the Commonweatlh through ownership, lease, contract, or by other legal means. The MWRA shall not be required to construct a backup landfill or facility if other alternatives approved through EPA NEPA review of MWRA long-term residuals management, are or become available through ownership, lease, contract, or other legal means prior to September 1, 1992, and as long as such alternatives remain available.*

Any facility or technology used by the MWRA shall meet all applicable federal and state environmental requirements. Any facility or technology must be on-line when a contract between the MWRA and NEFCO, which is responsible for the marketing and disposal of sludge, expires in 1995

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 120: Changes center heading as proposed by the Senate.

Amendment No. 121: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

During fiscal year 1992, notwithstanding any other provision of law, average employment in the headquarter's offices of the Environmental Protection Agency shall not exceed: (1) 51 workyears for the Immediate Office of the Administrator, (2) 45 workyears for the Office of Congressional and Legislative Affairs, (3) 77 workyears for the Office of Communications and Public Affairs, (4) 187 workyears for the Office of General Counsel, (5) 61 workyears for the Office of International Activities, (6) 32 workyears for the Office of Federal Activities, (7) 259 workyears for the Office of Policy, Planning, and Evaluation, and (8) 1,386 workyears for the Office of Administration and Resources Management.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 122: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

The Administrator shall establish, within 60 days of enactment of this Act, a new staff of 5 workyears within the Immediate Office of the Administrator, which shall be responsible for guiding, directing, and mediating all policy activities associated with Pollution Prevention. The Pollution prevention Policy Council shall be chaired by the Deputy Administrator.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees have included bill language establishing a new staff of 5 workyears within the Immediate Office of the Administrator. This office will guide, direct, and mediate all pollution prevention policy activities and will work in conjunction with the Pollution Prevention Division which will move to the new Office of Pollution Prevention and Toxics. The conferees agree that the current Pollution Prevention Division, and 21 associated workyears, will move from the Office of Policy, Planning, and Evaluation. The balance of 5 workyears will be established concurrently in the Immediate Office of the Administrator. These 5 workyears will become a new Pollution Prevention Policy staff, to be headed by a staff director who is a career service employee. The Pollution Prevention Policy Council will be chaired by the Deputy Administrator. The conferees believe this arrangement will best foster a pollution prevention effort throughout the agency, and will facilitate cross-media coordination of the pollution prevention principle.

Amendment No. 123: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate directing the Administrator of EPA to promulgate specific standards governing training, accreditation, and certification of individuals engaged in lead-based paint abatement activities and laboratories engaged in testing substances for lead content.

Amendment No. 124: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate directing the Administrator of EPA to maintain a facility within EPA to conduct biological testing of pesticides.

The conferees direct EPA to develop, within 60 days and in conjunction with the Secretaries of the Military Departments, expedited procedures for administrative processes associated with a pilot Expedited Environmental Cleanup Program for active military facilities in region IV with Superfund sites for which EPA and the Department of Defense are developing streamlined administrative procedures.

The conferees reiterate their directive to the Administrator off EPA to annually establish a goal of at least eight percent of the total value of prime and subcontracts awarded under this program for minority-and women-owned businesses. As requested in last year's report, the conferrees expect the Administrator to provide a report in November, 1991, outlining the Agency's effort in achieving the eight percent level. Further, the Agency is direct to provide a follow-up report one year after the enactment of this Act.

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

Amendment No. 125: Limits official reception and representation expenses to $875, instead of $1,000 as proposed by the House and $750 as proposed by the Senate.

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

Amendment No. 126: Appropriates $6,010,000 for the Office of Science and Technology Policy, instead of $3,880,000 as proposed by the House and $9,410,000 as proposed by the Senate.

The conference agreement includes the following changes from the budget request:

+$1,600,000 for critical technology.

+$530,000 for the Presidential Council of Advisors on Science and Technology.

The conferees have provided $1,600,000 for the Critical Technologies Institute, which has been authorized as a federally funded research and development center (FFRDC) chartered to aid OSTP and other executive branch officials in the formulation of technology policy. The conferees note that the Institute, like other FFRDCs will not have a policy-making role. Its function is to develop information for and to provide analyses to the executive branch policy-makers it serves. The conferees believe that the Institute could play a particularly important role in bringing a private sector perspective to technology policy formulation and in defining possible approaches to government-industry cooperative activities in pre-competitive development of critical generic technologies. The conferees urge OSTP and OMB to take prompt action to establish the Institute.

POINTS OF LIGHT FOUNDATION

Amendment No. 127: Appropriates $5,000,000 for salaries and expenses of the newly established foundation instead of $7,500,000 as proposed by the Senate.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Amendment No. 128: Appropriates $163,113,000 for salaries and expenses as proposed by the Senate, instead of $165,113,000 as proposed by the House.

The committee of conference is in agreement on the following changes to the budget request:

−$700,000 from civil defense.

−$1,300,000 from Federal preparedness.

−$1,250,000 from the Disaster Relief Administration. This amount was proposed by the Administration in its budget amendment.

The committee of conference agrees to provide $500,000 to establish a disaster assistance office on the Island of Hawaii. However, the conferees further direct that the initial staffing of this office not exceed 3 FTEs. The conferees further direct that FEMA consult in advance with the Committees on Appropriations on any proposed staffing increase above 3 FTEs. To offset this provision, a general reduction should be made.

Amendment No. 129: Appropriates $5,144,000 for the Office of Inspector General as proposed by the Senate, instead of $3,600,000 as proposed by the House.

Amendment No. 130: Appropriates $285,827,000 for emergency management planning and assistance as proposed by the Senate, instead of $277,827,000 as proposed by the House.

The conferees agree to the following changes from the budget request:

+$1,000,000 for the replacement of Chicago's warning siren system.

+$3,000,000 for section 305(a) grants authorized by Superfund Amendments and Reauthorization Act, title III.

+$1,000,000 for a hazardous materials training facility in Waterloo, Iowa.

−$2,875,000 as a general reduction to be taken at the discretion of the Director.

+$2,000,000 to identify, monitor, replace, and clean up the aging underground storage tanks.

+$2,000,000 for emergency management assistance grants.

−$5,705,000 from Federal Preparedness, Government Preparedness program.

+$1,500,000 for an emergency operating center in Iowa.

+$50,000 for the planning and design of an emergency operating center in Vermont.

+$115,000 for a hazardous materials training facility in Vermont.

+$2,500,000 to construct an earthquake research laboratory facility at the University of Nevada, Reno.

+$2,260,000 for building safety and maintenance at the National Emergency Training Center and U.S. Fire Administration facilities, Emmitsburg, Maryland.

The conferees direct that FEMA's next report assessing threats facing local communities (page 125, Senate Report 102–107) shall include an evaluation of the implications that the major political reformations taking place in the USSR and Eastern Europe have for FEMA's program emphases.

Amendment No. 131: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate providing $1,155,000 to install new sirens in Kansas.

Amendment No. 132: Restore language proposed by the House and stricken by the Senate under the National Insurance Development Fund cancelling FEMA's obligation to repay interest on the Federal Crime Insurance Program.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF CONSUMER AFFAIRS

Amendment No. 133: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following: *: Provided, That notwithstanding any other provision of law, that Office may accept and deposit to this account, during fiscal year 1992,gifts for the purpose of defraying its costs of printing, publishing, and distributing consumer information and educational materials; may expend up to $1,100,000 of those gifts for those purposes, in addition to amounts otherwise appropriated; and the balance shall remain available for expenditure for such purposes to the extent authorized in subsequent appropriation Acts*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The U.S. Office of Consumer Affairs has encountered difficulty in achieving funding from other Federal agencies to print a sufficient quantity of the new edition of the "Consumer's Resource Handbook." On a trial basis, USOCA is authorized to seek gifts from non-Federal sources. These funds from the private sector are to be used to offset the costs of developing and printing educational materials for the public such as the *Handbook* and to conduct other consumer education compaigns which USOCA is currently authorized to perform. The Conferees instruct the U.S. Office of Consumer Affairs to maintain its standards of independence and to exert total control over the content of publications funded in any way from the private sector. The Committees will review the success and management of the gifts accepted to insure that funds are used appropriately and in accordance with Federal regulations.

INTERAGENCY COUNCIL ON THE HOMELESS

Amendment No. 134: Limits the availability of salaries and expenses for the Interagency Council on the Homeless until September 30, 1993, as proposed by the Senate, instead of until expended as proposed by the House.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

Amendment No. 135: Appropriates $6,413,800,000 for research and development, instead of $6,023,600,000 as proposed by the House and $6,549,000,000 as proposed by the Senate.

The conferees are recommending the full budget request of $2,028,900,000 for the space station program. In addition, the conference agreement "caps" the fiscal year 1993 funding for space station at $2,250,000,000. In recommending this amount, funding is being provided for the descoped and redesigned space station initiated as a result of the directives of the Committees on Appropriations set forth in House Report 101–900, the conference report for the fiscal year 1991 VA, HUD, and Independent Agencies Appropriations Act.

The conferees believe that the space station's redesigned configuration meets virtually all the conditions set forth in last year's conference report and expects that the commitment to those conditions will be honored in connection with the expenditure of these funds.

The conferees are also in agreement with the report language contained in the Senate Report which directs NASA to seek maximum savings in program management and indirect support areas in order to ensure adequate reserves for hardware and test activities that are needed to achieve mandated capability on the current schedule.

In connection with space station, NASA is urged to establish a bio-medical microgravity protocol in cooperation with the National Institutes of Health and report on such an effort to the Committees on Appropriations by May 1, 1992. NASA is also urged to evaluate, in cooperation with private industry, advanced liquid dispensing technology applicable to both space station and other zero gravity conditions and report to the Committees on Appropriations by May 1, 1992.

The conference agreement reflects the following changes from the budget request:

−$28,900,00 from the CASSINI Upper State consistent with a one year programmatic schedule slip.

−$5,000,00 from the transfer orbit stage (TOS) option. This reduction is made without prejudice, and the Committees on Appropriations urge NASA to submit a funding proposal with the fiscal year 1992 operating plan accommodating long term requirements for shuttle/ELV upper stages.

−$10,000,000 from the shuttle production improvement program.

−$36,000,000 from space lab development.

−$26,000,00 from engineering and technical base.

−10,000,000 from payload operators.

−20,000,000 from advance programs. Within the remaining $33,800,000, $5,000,00 is made available for National Launch System studies.

+$950,000 for a study of a reusable space capsule landing site at the White Sands Missile Test Range.

–$147,000,000 from the National Launch System (NLS). The conferees direct that the remaining $28,000,000 be allocated to new engine development.

–$60,000,000 from the Advance X-ray Astrophysics Facility.

–$15,900,000 (the amount requested) from the space infra-red telescope facility.

–$11,000,00 (the amount requested) from the orbital solar laboratory.

–$2,200,000 from gravity probe "B".

–$5,000,000 from the physics and astronomy research and analysis activity, including $3,700,000 from advanced technology development.

–$15,000,000 from life sciences research and analysis to be derived primarily from activities associated with Moon-Mars efforts.

–$5,000,000 from life science flight experiments.

+$5,000,000 for the astro-two mission.

–$15,000,000 from the LIFESAT project, terminating the program.

+$22,500,000 for the Mars Observer mission.

–$117,300,000 from the Comet Rendezvous Asteroid Flyby/CASSINI mission. The conferees agree that the CRAF mission is restored. In that connection, the conferees are aware that the CRAF/CASSINI mission assumes that the propulsion system will be funded as part of a cooperative agreement with the German government. The conferees are also aware that such agreement may be threatened by funding constraints within the German national space program. In the event that the propulsion system is not provided through the above agreement, NASA should report to the Committee on Appropriations as soon as possible its recommendation concerning the future disposition and funding profile of this mission.

–$1,000,000 from planetary research and analysis.

–$65,000,000 from the Earth Observing System platform. The conferees have included $271,000,000 for the EOS program, including the full budget request of $82,600,000 for the EOSDIS activity. The conferees concur in the Senate language that directs the restructuring of the EOS program with the following adjustments:

First, the program is capped through fiscal year 2000 at $11,000,000,000.

Second, NASA is directed to place the EOS instrument configuration on smaller, multiple platforms rather that the single platform approach proposed in the fiscal year 1992 budget submission. NASA should assess the various launch option configurations available before recommending a final framework to the Committees.

Third, in designing the project as an interdisciplinary effort, NASA should outline how its revised instruments for EOS will answer the issues on global climate change outlined in the EPA report "Policy Options for Stabilizing Global Climate" submitted to the Committees in 1990.

Finally, NASA should submit its restructured EOS program to the Committees for their approval by February 1, 1992. NASA should refrain from any additional contract awards for any instruments until the Committees on Appropriations have approved the restructuring plan.

+$25,000,000 for the Consortium for International Earth Science Network (CIESIN) to continue study and development of an interdisciplinary earth science data and information network consistent with the fiscal year 1990 VA-HUD-Independent Agencies Appropriations Act.

+$20,000,000 for the Earth Probes program, including $5,000,000 for additional instruments on the Tropical Rainfall Measuring Mission (TRMM) and $15,000,000 to initiate the Climsat mission.

–$5,000,000 from the Remotely Piloted Aircraft.

+$2,500,000 for LANDSAT. The conferees direct that these funds should not be released until the Space Council has submitted its plan on LANDSAT for the Committees' review and approval.

+$4,000,000 for Applied Research in Earth Sciences for increased climate modeling studies.

–$5,000,000 for materials research.

–$29,000,000 from commercial programs. Included within the funds provided is not less than $20,000,000 for the commercially provided payload module (SPACEHAB); $14,000,000 for the commercial experiment transporter (COMET); and $9,000,000 for the National Technology Transfer Center.

+$2,000,000 for AdaNET.

–$17,000,000 from aeronautical research and technology, to be taken as a general reduction.

–$16,000,000 from the space research and technology base program. Within the funds provided, not less than $3,100,000 is made available for the rotary engine enablement program.

+$5,000,000 to space research and technology to initiate a modest technology program on solar dynamic power.

+$2,000,000 to space research and technology for a laser beam electric propulsion demonstration project.

–$34,800,000 from the civil space technology initiative. The conferees direct that the aeroassist flight experiment program be terminated.

–$45,000,000 from the flight telerobotic servicer (FTS) within the space automation and telerobotic activity. The remaining $10,000,000 of the $55,000,000 requested for FTS shall be applied to advanced competitive robotics efforts.

–$25,000,000 from exploration technology.

–$10,000,000 from exploration mission studies.

–$67,000,000 from transatmospheric research and technology and the National Aerospace Plane (NASP). The conferees deeply regret, owing to budget pressures, the severe curtailment of this program. A total of $5,000,000 has been provided to maintain a small NASA presence as part of the joint program effort.

+$2,250,000 to academic programs including $1,500,000 for the classroom of the future program at Wheeling Jesuit College, and $750,000 for planning and design activities associated with the Delta College Learning Center, at University Center, Michigan.

–$5,000,000 from information systems.

–$2,900,000 from the Explorer program.

–$18,200,000 from the Upper Atmospheric Research Satellite (UARS).

+$625,000 from within available funds for Rural Enterprises, Inc.

The conferees have agreed to temporarily set aside all programmatic "caps" included in the Senate report (with the exception of the space station program) in fiscal year 1993. However, the conferees direct that NASA submit, in connection with the fiscal year 1992 operating plan, proposed "caps" for all development (and where applicable) operations activities covering all programs funded within the agency. The conferees believe that this action is essential in view of the anticipated extremely limited budget resources available in the coming fiscal year.

Finally, the conferees concur in the Senate language enumerating a series of principles designed to adjust NASA's expectations and strategic planning to leaner budget allocations in the coming years.

Amendment No. 136: Deletes language inserted by the Senate "capping" the CASSINI mission.

Amendment No. 137: Appropriates $5,157,075,000 for space flight, control, and data communications as proposed by the House, instead of $4,907,000,000 as proposed by the Senate.

The conference agreement reflects the following changes from the budget request:

+$115,000,000 for the advanced solid rocket motor (ASRM) program. Taken together with $150,000,000 provided under the construction of facilities account, a total program level of $465,000,000 is available for ASRM.

–$27,700,000 from the structural spares program.

–$40,000,000 from the assured shuttle availability program. The conferees are aware that in connection with the advanced turbo pump program, the improved existing hydrogen fuel pump has met all test criteria and is ready for flight. Therefore, the conferees believe that the fuel pump being developed under the ATP program should be terminated—particularly in view of the $250,000,000 increase in the original program estimate.

–$330,000,000 from shuttle operations.

–$24,300,000 (the requested amount) from the mobile sat expendable launch vehicle. The conferees agree that the Committees on Appropriations will consider reprogramming funds for this activity (consistent with budget limitations) if the conditions enumerated in the Senate report are met.

–$39,000,000 from funds included for the purchase of a launch vehicle for the tracking and data relay satellite (TDRS) "G" payload. The conferees direct that the TDRS G satellite be launched on the space shuttle in view of the severe budget constraints facing the agency.

–$50,900,000 from funds requested for the purchase of a launch vehicle for the CASSINI mission. The conferees understand that NASA has sufficient funds available to proceed with the purchase of Titan IV launch vehicles as part of a joint purchase with the Department of Defense.

–$35,625,000 from space and ground networks, communications and data systems. The conferees direct that none of this reduction shall be taken from tracking operations.

–$10,000,000 as a general reduction from the shuttle production activity.

–$3,400,000 as a general reduction from the shuttle production activity.

–$5,000,000 from launch and mission support.

Amendment No. 138: Appropriates $525,000,000 for construction of facilities as proposed by the Senate, instead of $497,900,000 as proposed by the House.

The conference agreement reflects the following changes to the budget request:

+$11,800,000 for continued long-term rehabilitation at NASA's field centers.

–$30,000,000 to be taken as a general reduction.

+$6,000,000 to construct, equip, and integrate a classroom of the future facility on the campus of Wheeling Jesuit College.

+$3,400,000 for CIESIN architecture and engineering design studies and facility development management.

+$13,500,000 to construct, equip, and integrate facilities related to the National Technology Transfer Center.

+$20,000,000 for construction of the Christopher Columbus Center of Marine Research and Exploration.

+$10,000,000 for the constructing, equipping, and integrating of an independent software validation and verification at West Virginia University, consistent with the Senate report language. The conferees note that this facility will be interdisciplinary in nature, involving multiple NASA programs and program offices. As a result, the conferees direct NASA to review the value of placing a supercomputer at this facility. Such a system could potentially enhance the speed, cost-effectiveness, and efficiency of the work undertaken for NASA at this new facility. It is expected that the agency will complete this assessment in an expeditious fashion.

Finally, the conferees agree that up to $10,000,000 from within available funds may be used to implement the improvement and modernization program at the Poker Flat Research Range located at Fairbanks, Alaska. The conferees expect that these funds will be made available subject to submission of a facilities development plan to the Committees on Appropriations.

Amendment No. 139: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate earmarking funds for various NASA construction projects enumerated above.

Amendment No. 140: Appropriates $2,242,300,000 for research and program management, instead of $2,211,900,000 as proposed by the House and $2,342,300,000 as proposed by the Senate.

The conference agreement reflects the following changes from the budget request:

−$13,600,000 for replacement aircraft at the Marshall Space Flight Center.

−$1,100,000 for replacement vehicles.

−$18,900,000 requested for the conversion of support contractors to civil service status.

−$3,000,000 from funds requested for printing, consistent with the recommendations of a recent inspector general report.

−$173,400,000 to be taken as a general reduction from the operation of installation activity.

Amendment 141: Appropriates $14,600,000 for the Office of Inspector General as proposed by the Senate, instead of $10,500,000 as proposed by the House.

Amendment No. 142: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate modifying language covering contracts or grants that provide a guaranteed customer base in connection with new commercial space hardware.

Amendment No. 143: Deletes language inserted by the House permitting the administrator of NASA to authorize certain grants and contracts, in consultation with the Committees on Appropriations.

Amendment No. 144: Restores language proposed by the House and stricken by the Senate establishing fellowships with funds derived from the National Aeronautics and Space Administration Endeavor Teacher Fellowship Trust Fund.

Amendment No. 145: Deletes language inserted by the House establishing a rate of operations for programs, projects, and activities under the National Aeronautics and Space Administration in fiscal year 1992.

Amendment No. 146: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

During fiscal year 1992, notwithstanding any other provision of law, average employment in the headquarter's offices of the National Aeronautics and Space Administration shall not exceed: (1) 51 staff years for the Office of the Administrator; (2) 117 staff years for the Office of the Comptroller; (3) 56 staff years for the Office of Commercial Programs; (4) 191 staff years for the Office of Headquarters Operations; (5) 30 staff years for the Office of Equal Opportunity Programs; (6) 43 staff years for the Office of the General Counsel; (7) 132 staff years for the Office of Procurement; (8) 4 staff years for the Office of Small and Disadvantaged Business Utilization; (9) 33 staff years for the Office of Legislative Affairs; (10) 520 staff years for the Office of Space Flight, including Level I and Level II Activities for the Space Station; (11) 210 staff years for the Office of Management; (12) 62 staff years for the Office of Space Operations; (13) 64 staff years for the Office of Public Affairs; (14) 183 staff years for the Office of Safety and Mission Quality; (15) 172 staff years for the Office of Aeronautics, Exploration and Technology; (16) 288 staff years for the Office of Space Science and Applications; and (17) 77 staff years for the Office of External Relations: Provided, That the Administrator may reorganize these offices and reallocate the staff years among these Offices as long as the aggregated number of staff years at NASA Headquarters does not exceed 2,220 staff years: Provided further, That no funds may be used from amounts provided in this or any other Act for details of employees from any organization in the National Aeronautics and Space Administration to any organization included under the budget activity "Research and Program Management," except those details which involve developmental or critical staffing assignments: Provided further, That, of the amount provided for "Research and Program Management," up to $675,722,000 may be transferred to "Research and Development" and "Space Flight, Control and Data Communications," and of this amount such sums as may be necessary are provided for the lease, hire, maintenance and operation of mission management aircraft: Provided further, that the funds made available in the preceding proviso may only be used for the purpose of operations of facilities: Provided further, That, notwithstanding any provision of this or any other Act, not to exceed an additional $100,000,000 may be transferred or otherwise made available to the National Aeronautics and Space Administration in fiscal year 1992 from any funds appropriated to the Department of Defense and such funds may only be provided to the "Space flight, control and data communications" appropriation: Provided further, That the limitation in the immediately preceding proviso shall not apply to funds transferred or otherwise made available under existing reimbursement arrangements.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees have agreed to modify the language proposed by the Senate which limits NASA's headquarters staffing by program office in fiscal year 1992. This language gives flexibility to restructure Headquarters offices in view of the major organizational restructuring taking place as a result of the recommendations and findings of the Augustine Commission. The conferees expect to be notified of the final roles, responsibilities and missions of the new offices of Human Resources and Education, Exploration, Space Flight Development and Space Flight Operations, as well as the final staff year allocation for each Headquarters office, as soon as possible.

The conferees also direct that the Committee on Appropriations be notified regarding any other reorganization of offices, programs or activities prior to the planned implementation of such reorganizations.

In addition, the conferees have provided for the permissive transfer of the balance of operation of installation funds (after the reduction enumerated above) to the research and development and space flight, control, and data communications appropriation accounts. This action will provide substantial increased flexibility to the Agency in the use of funds available from within these parent accounts for the operation and maintenance of NASA's facilities. The conferees agree, however, that in providing for this transfer authority, all of the funds transferred must be made available only for operation of installation activities.

NATIONAL COMMISSION ON FINANCIAL INSTITUTION REFORM, RECOVERY, AND ENFORCEMENT

Amendment No. 147: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $1,000,000 for salaries and expenses for this newly established commission.

NATIONAL COMMISSION ON AMERICAN INDIAN, ALASKAN NATIVE, AND NATIVE HAWAIIAN HOUSING

Amendment No. 148: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $500,000 for salaries and expenses to this newly established commission.

NATIONAL COMMISSION ON DISTRESSED PUBLIC HOUSING

The conferees expect the Commission on severely distressed public housing to submit their preliminary report by June 1, 1992. Furthermore, it is expected that this report will address the manner in which the Congress can address this issue through existing public housing funding programs or those programs which the Commission might recommend which serve to preserve this vital national resource.

NATIONAL INSTITUTE OF BUILDING SCIENCES

PAYMENT TO THE NATIONAL INSTITUTE OF BUILDING SCIENCES

Amendment No. 149: Appropriates no funds for the Institute as proposed by the Senate, instead of $250,000 as proposed by the House.

The committee of conference notes that the intent of Cognress was to establish the Institute as a financially self-sufficient entity.

NATIONAL SCIENCE FOUNDATION

Amendment No. 150: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert the following: *$1,879,000,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees are in agreement with the following changes to the budget request:

+$12,500,000 for astronomy facilities for an advanced adaptive optics program and operations and maintenance.

+$7,500,000 for arctic research and logistics.

+$4,000,000 for the Experimental Program to Stimulate Competitive Research (EPSCOR).

−$108,500,000 to be taken as a general reduction subject to the normal reprogramming procedures.

The National Academy of Sciences Astronomy and Astrophysics Survey Group recommended an infrared-optimized eight-meter U.S. telescope operating on Mauna

Kea, Hawaii. The conferees have recommended $16,000,000 be provided for construction of this telescope and suggest that the Foundation arrange for the National Research Council to provide technical advice to ensure the telescope satisfies the survey committee recommendation.

The conferees reiterate their commitment that the United States provide no more than one-half the total required funding for the two eight-meter telescopes requested by the Foundation. An update on the international commitment for the additional 50 percent contribution to this project should be provided by January 1, 1992. In the event that foreign funds are not fully committed by this date, the conferees direct the Foundation to proceed only with the Northern Infrared-Optimized Eight-Meter telescope for U.S. use only at a total cost of $85,000,000.

The conferees agree that there are two areas which require increased national attention and are basic to the NSF mission. These areas are the severe undersupply of computer scientists and computer engineers at advanced degree levels and an even shorter supply of computational scientists and engineers. These shortages are directly related to national economic competitiveness. The White House has transmitted several reports to Congress raising alarms about the lack of high performance computing capability in higher education and the ground the Nation may potentially lose in the struggle to remain economically competitive. The conferees have, therefore, included $2,000,000 for NSF to initiate planning for two national/state demonstration test beds for shared supercomputer use, including teleconferencing capability, by facilities of higher education. Since higher education is an important state responsibility, the conferees direct that the two states must be willing to contribute 50 percent of the cost of the test bed in their state and pay operating costs. The conferees believe that the Nation would be best served if the test beds could be located to build upon the experiences gained in operating NSFNET and in conducting global change research programs. Further, the conferees believe one of the test beds should be located in conjunction with a federal high performance computer center.

Amendment No. 151: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

ACADEMIC RESEARCH FACILITIES AND INSTRUMENTATION

For necessary expenses in carrying out an academic research facilities and instrumentation program pursuant to the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), including services as authorized by 5 U.S.C. 3109 and rental of conference rooms in the District of Columbia, $33,000,000, to remain available until September 30, 1993.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees have agreed to adopt a combined account consolidating the academic research facility modernization and academic research instrumentation activities. A total of $33,000,000 is included for fiscal year 1992 and the Foundation is directed to allocate not less than $16,500,000 to either facilities or instrumentation.

Amendment No. 152: Appropriates $78,000,000 for the United States Antarctic research activities as proposed by the Senate, instead of $118,000,000 as proposed by the House.

Amendment No. 153: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate restricting the purchase of aircraft.

Amendment No. 154: Inserts center head as proposed by the Senate.

Amendment No. 155: Appropriates $10,000,000 for United States Antarctic logistical support activities as proposed by the Senate, instead of $75,000,000 as proposed by the House.

Amendment No. 156: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following: *: Provided further, That up to $9,000,000 may be transferred to and merged with funds made available under "United States Antarctic Research Activities": Provided further, That section 104 of Public Law 100–570 is repealed*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

For many years the legislative authorization for the National Science Foundation has included language permitting the transfer of up to 10 percent from and between various NSF appropriation accounts. In the past, the Committee on Appropriations had no objection to this language. However, in view of exceedingly constrained fund availability for the Antarctic and other Foundation programs, the conferees have agreed to set aside this transfer authority.

Amendment No. 157: Appropriates $465,000,000 for education and human resources activities as proposed by the Senate, instead of $435,000,000 as proposed by the House.

The conference agreement reflects the following changes from the budget request:

+$27,000,000 for teacher preparation enhancement, including not less than $20,000,000 for additional "summer institute program activities".

+$5,000,000 for the systematic statewide initiative program.

+$10,000,000 for informal science education activities.

+$5,000,000 for programs that utilize advanced technology, networks, and distance learning, including the newly authorized Distance Learning Program under section 221(b) of the Excellence in Mathematics, Science, and Engineering Act of 1990.

+$3,000,000 for studies, evaluation, and dissemination.

+$2,000,000 for the NSF career access summer science camp programs.

+$23,000,000 for a new NSF graduate traineeship program.

The conferees believe that through a fully developed telecommunications education network, student access to science and mathematics curriculum, including those students in remote locations, could be greatly expanded. To further progress in this area, the conferees urge NSF to work with States to develop programs built upon existing technology systems (telephone, computer, word processing, data base management, and satellite telecommunications systems) to demonstrate the possibility of using the new technology to further science and mathematics education.

Amendment No. 158: Appropriates $109,000,000 for salaries and expenses as proposed by the House, instead of $117,000,000 as proposed by the Senate. The conferees agree that the $13,000,000 reduction shall be taken at the agency's discretion subject to the normal reprogramming procedure.

Amendment No. 159: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate modifying existing language to allow NSF to compensate visiting scientists and engineer "rotators" with per diem payments in lieu of relocation expenses, for the time they serve at NSF.

Amendment No. 160: Appropriates $3,500,000 for the Office of Inspector General as proposed by the Senate, instead of $3,300,000 as proposed by the House.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

Amendment No. 161: Appropriates $31,900,000 for the Corporation, instead of $26,900,000 as proposed by the House and $36,900,000 as proposed by the Senate.

Amendment No. 162: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following: *: Provided, That of the new budget authority provided herein, $5,000,000 shall be for the purpose of providing local neighborhood revitalization organization revolving homeownership lending capital, and equity capital for affordable lower-income rental and mutual housing association projects, to remain available until September 30, 1994: Provided further, That the $5,000,000 shall be available for obligation to Neighborhood Reinvestment Corporation in quarterly payments of $625,000 beginning with September 1 of fiscal year 1992*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

TITLE IV—CORPORATIONS

FEDERAL DEPOSIT INSURANCE CORPORATION

FSLIC RESOLUTION FUND

Amendment No. 163: Appropriates $15,867,000,000 for the Fund as proposed by the Senate, instead of $15,899,000,000 as proposed by the House.

RESOLUTION TRUST CORPORATION

OFFICE OF INSPECTOR GENERAL

Amendment No. 164: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

The Office of Inspector General of the Resolution Trust Corporation shall review by September 30, 1993, each of the agreements described in section 21(A)(b)(11)(B) of the Federal Home Loan Bank Act and determine whether there is any legal basis sufficient for a rescission of the agreement, including but not limited to, fraud, misrepresentation, failure to disclose a material fact, failure to perform under the terms of the agreement, improprieties in the bidding process, failure to comply with any law, rule or regulation regarding the validity of the agreement, or any other legal basis sufficient for rescission of the agreement. After such review has been completed, and based upon the information available to the Inspector General, the Inspector General shall certify its findings to the Resolution Trust Corporation and to the Congress: Provided, That any agreement which has been

renegotiated and certified pursuant to section 518(b) of this Act may be excluded from further review under this provision based upon a review by the Inspector General of the appropriate evidence, and a determination that the government has achieved significant and substantial savings as a result of the renegotiation: Provided further, That the Inspector General report the basis for the exclusion in writing to Congress prior to any exclusion of further review under this provision.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

TITLE V—GENERAL PROVISIONS

Amendment No. 165: Deletes language proposed by the House and stricken by the Senate regarding first class travel and deletes language proposed by the Senate regarding first class travel.

Amendment No. 166: Deletes language proposed by the House and stricken by the Senate regarding the Chief Financial Officers Act.

Amendment No. 167: Amends section number as proposed by the Senate.

Amendment No. 168: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

At the end of the matter proposed by said amendment, insert the following:

(d) The provisions of this section shall be effective until (1) enactment into law of legislation concerning the price of drugs and biologicals paid by the Department of Veterans Affairs or (2) June 30, 1992, whichever first occurs.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees have agreed to remove the prices paid for drugs paid by the Department of Veterans Affairs from the best price calculations used to determine Medicaid rebates, with a provision that the effect of the section shall terminate upon enactment into law of legislation dealing with this matter or June 30, 1992, whichever first occurs. The conferees have taken this temporary action so that the Department of Veterans Affairs will not be required to needlessly utilize medical care funds to pay higher costs for pharmaceutical products. It is anticipated that the authorizing committees will bring forth legislation to permanently address this matter.

Amendment Nos. 169, 170, and 171: Deletes language proposed by the Senate rescinding and appropriating fiscal year 1991 funds for the Commission on National and Community Service.

Amendment No. 172: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

SEC. 521. Notwithstanding any provision of this Act, none of the funds appropriated or otherwise made available by this Act or by any other Act may be used to move Federal Housing and Urban Development offices from downtown Jacksonville, Florida, (as defined by the Downtown Development Authority of Jacksonville) or to finance the operation of such Federal Housing and Urban Development offices in any area of Florida other than the downtown area of Jacksonville, Florida (as defined by the Downtown Development Authority of Jacksonville).

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 173: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate requiring a General Accounting Office study of the Federal Housing Administration's Mutual Mortgage Insurance Fund.

Amendment No. 174: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

SEC. 526. ESTABLISHMENT OF REGIONAL OFFICE.—The President may establish within the Environmental Protection Agency an eleventh region, which will be comprised solely of the State of Alaska, and a regional office located therein.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 175: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

SEC. 527. EXTENSION OF PERIOD APPLICABLE TO SINGLE FAMILY HOUSING.—(a) IN GENERAL.—Section 21A(c)(2)(B) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(c)(2)(B)) is amended by striking "3-month" each place it appears and inserting "3-month and one week".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to eligible single family properties acquired by the Resolution Trust Corporation on or after the date of enactment of this Act.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1992 recommended by the Committee of Conference, with comparisons to the fiscal year 1991 amount, the 1992 budget estimates, and the House and Senate bills for 1992 follow:

New budget (obligational) authority, fiscal year 1991	$78,940,555,400
Budget estimates of new (obligational) authority, fiscal year 1992	82,230,434,000
House bill, fiscal year 1992	80,926,701,000
Senate bill, fiscal year 1992	80,976,874,000
Conference agreement, fiscal year 1992	80,941,044,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1991	+2,000,488,600
Budget estimates of new (obligational) authority, fiscal year 1992	−1,289,390,000
House bill, fiscal year 1992	+14,343,000
Senate bill, fiscal year 1992	−35,830,000

BOB TRAXLER,
LOUIS STOKES,
ALAN MOLLOHAN,
JIM CHAPMAN,
CHET ATKINS,
MARCY KAPTUR,
JAMIE L. WHITTEN,
BILL GREEN,
LAWRENCE COUGHLIN,
BILL LOWERY,
JOSEPH M. MCDADE,
Managers on the Part of the House.

BARBARA A. MIKULSKI,
PAT LEAHY,
J. BENNETT JOHNSTON,
FRANK R. LAUTENBERG,
WYCHE FOWLER, JR.,
BOB KERREY,
ROBERT C. BYRD,
JAKE GARN,
ALFONSE M. D'AMATO,
CHRISTOPHER S. BOND,
DON NICKLES,
PHIL GRAMM,
MARK O. HATFIELD,
Managers on the Part of the Senate.