

## Calendar No. 116

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### FOREIGN ASSISTANCE AUTHORIZATION ACT, FISCAL YEAR 2004

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Mr. LUGAR, from the Committee on Foreign Relations,  
submitted the following

### REPORT

[To accompany S. 1161]

The Committee on Foreign Relations, having had under consideration an original bill to authorize appropriations for foreign assistance programs for fiscal year 2004, reports favorably thereon with amendments and recommends that the bill as amended do pass.

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#### I. PURPOSE

The Foreign Assistance Authorization Act, Fiscal Year 2004, authorizes funding for a majority of United States economic, security and humanitarian aid programs. In addition, it revises and updates existing authorities to make them consistent with current practices. The bill authorizes full United States participation in several multilateral development bank replenishments, and includes two new initiatives, the Radiological Terrorism Threat Reduction Act, and the Global Pathogen Surveillance Act.

#### II. COMMITTEE ACTION

The Committee held a series of public hearings this year focused on the issues addressed in this legislation. On February 6, Sec-

retary of State Colin Powell testified regarding the President's budget request for international affairs. On March 18, State Department officials testified on the Department's role as coordinator of the non-military war on terrorism overseas. The non-proliferation programs of the Department were the focus of a hearing on March 19. On March 26 and April 2, the Committee held two hearings on the role that U.S. foreign assistance can play in six regions of the world: the Near East, South Asia, East Asia, Eurasia, the Western Hemisphere, and Africa. At these two hearings, the Committee heard testimony from six regional Assistant Secretaries of State and their United States Agency for International Development (USAID) counterparts. The Committee also held a hearing on the President's proposed Millennium Challenge Account on March 4. In other hearings and briefings on such issues as the UN Security Council deliberations on Iraq, developments on the Korean Peninsula, negotiations with Turkey, global hunger, plans for post-conflict Iraq, and the difficult task of helping to build a prosperous and stable Afghanistan, the Committee has probed issues related to the authorization of foreign assistance.

In these hearings and briefings, the Committee examined how the Administration's 2004 budget request will support U.S. foreign policy interests. This process was very informative for Committee members as they undertook the task of writing a foreign assistance authorization bill that carefully examines existing programs and addresses emerging needs.

Since the mid-1980s, Congress has not fulfilled its responsibility to pass an Omnibus Foreign Assistance Authorization Act. Several discrete measures, such as the FREEDOM Support Act, the SEED Act, Security Assistance Acts, and other assistance bills have been enacted. But in the absence of a comprehensive authorization, much of the responsibility for providing guidance for foreign assistance policy has fallen to the Appropriations Committees. Appropriators have kept our foreign assistance programs going, but in many cases, they have had to do so without proper authorization. Appropriators have frequently had to waive the legal requirement for an authorization bill.

The Senate Foreign Relations Committee intends that this legislation will help reinforce the Committee's role in the foreign assistance process. We appreciate the cooperation and consultations provided by the State Department, USAID, and the Appropriations Committee.

This legislation authorizes funding levels for most of the foreign operations accounts within Function 150 for fiscal year 2004. The Committee used the request submitted by the President last February as a starting point. The executive branch works with our embassies around the world to develop its budget requests. That information was supplemented by the hearings and briefings cited above, as well as discussions associated with the State Department authorization bill.

With this information, the Committee has reported a bill that stays within the Budget Resolution's funding levels. The Budget Committee reduced the President's requested amount for the Function 150 account by \$1.15 billion. In response, the Chairman of the Senate Foreign Relations Committee proposed an amendment to the Budget Resolution that sought to restore this cut. That amend-

ment was successful in restoring the amount requested by the Administration for the Function 150 account. In this effort, the Foreign Relations Committee worked with the Budget Committee and within the rules to achieve the final funding levels applicable to the Function 150 account. Many members of the Committee would like to have more funding available. Having worked within the Budget process, however, the Committee has complied with the limits set down in the Budget Resolution.

The Committee has made relatively few changes to the amounts requested by the President. This bill provides a \$70 million increase to fund activities under the FREEDOM Support Act (FSA), a \$40 million increase for the Support for Eastern European Democracy (SEED) Act, a \$15 million increase for Development Assistance, a \$6 million increase for Peacekeeping Operations, and a \$100 million increase for the Non-proliferation, Anti-terrorism, Demining and Related Programs (NADR) account.

On the other side of the ledger, the Committee made a small cut in the Andean Counterdrug Initiative. It has been reduced from \$731 million to \$700 million, the amount appropriated in the previous fiscal year. In addition, the Committee has authorized two new contingency funds at the request of the President: the Complex Foreign Crises Fund and the Famine Fund. But the Committee has not authorized specific amounts for these Funds. The Committee chose to address the President's proposed Millennium Challenge Account as a distinct bill, separate from the foreign assistance authorization bill.

At a Committee meeting on March 21, 2003, the Committee considered an original bill presented by the Chairman. A number of amendments to the bill were adopted, by voice vote:

- An amendment by Senator Boxer expressing the policy of the United States to work toward the participation of women in the reconstruction of Iraq.
- An amendment by Senator Dodd to add restrictions with respect to assistance to Colombia for fiscal year 2004.
- An amendment by Senator Dodd to authorize assistance for programs to educate children in Afghanistan and other affected areas about the dangers of landmines and other unexploded ordnances.
- An amendment by Senator Feingold to express the sense of the Congress related to support for peaceful development in Sierra Leone, to require a report on the feasibility of establishing a United States Mission in Sierra Leone, and to authorize funds in support of programs for Sierra Leone.
- An amendment by Senator Feingold to authorize funds to support independent media in Ethiopia.
- An amendment by Senator Feingold expressing the policy of the United States to support accountability for human rights abuses and crimes against humanity in Central Africa; to require a report on the actions taken by the United States to implement this policy; and to authorize funds to support the development of justice and reconciliation mechanisms in the region.
- An amendment by Senator Feingold to: authorize funds for support of the African Contingency Operations Training and Assistance Program (ACOTA); establish eligibility criteria for

participation in ACOTA; express the sense of Congress that the Department of State should provide information about ACOTA training to nationals of participating countries; and to express the sense of Congress that the Department of State should provide to Congress a report on the performance and conduct of military units receiving ACOTA assistance.

- An amendment by Senator Feingold to impose a certification condition on certain assistance to the Government of Indonesia or the Indonesian Armed Forces.
- An amendment by Senator Enzi to express the sense of Congress relating to exports of defense items to the United Kingdom.
- An amendment by Senator Enzi to exempt certain transfers of marketing information directly related to the sale of commercial communications satellites and related parts from the licensing requirements of the Arms Export Control Act.

The following amendment was adopted following a roll-call vote:

- An amendment by Senator Dodd to include certain nations of the Caribbean Region to the list of countries eligible for assistance from the Combat HIV/AIDS Globally Fund, adopted by a vote of 11 to 7. Ayes: Senators Hagel, Sununu, Biden, Sarbanes, Dodd, Kerry, Feingold, Boxer, Nelson, Rockefeller, and Corzine. Nays: Senators Lugar, Chaffee, Allen, Enzi, Voinovich, Alexander, and Coleman.

The Committee ordered the bill reported, as amended, by a vote of 19 to 0. Ayes: Senators Lugar, Hagel, Chafee, Allen, Brownback, Enzi, Voinovich, Alexander, Coleman, Sununu, Biden, Sarbanes, Dodd, Kerry, Feingold, Boxer, Nelson, Rockefeller, and Corzine.

### III. FUNDING FOR FOREIGN OPERATIONS PROGRAMS

#### FUNDING FOR FOREIGN OPERATIONS PROGRAMS

[in millions of U.S. dollars]

Foreign Operations Programs	FY 03 Reg. <sup>1</sup>	FY 03 Sup.	FY 03 Total	FY 04 Request	FY 04 Auth.
<b>TOTAL</b> .....	13,403	4,927	18,330	15,434	<sup>2</sup> 15,034
Child Survival and Health Programs Fund (CSH) .....	1,825	90	1,915	1,495	1,495
Development Assistance .....	1,380	—	1,380	1,345	1,360
International Disaster Assistance .....	288	144	432	236	236
Transition Initiatives .....	50	—	50	55	55
USAID Operating Expenses (OE) .....	568	25	593	604	604
USAID Credit Programs .....	8	—	8	8	8
USAID Capital Investment Fund .....	43	—	43	146	146
USAID Inspector General .....	33	—	33	35	35
Economic Support Fund (ESF) .....	2,255	2,422	4,677	2,535	2,535
Support for Eastern European Democracy (SEED) .....	522	—	522	435	475
Assistance for the Independent States (FSA/NIS) .....	755	—	755	576	646
Inter-American Foundation .....	16	—	16	15	15
African Development Foundation .....	19	—	19	18	18
Millennium Challenge Account .....	—	—	—	1,300	1,000
International Narcotics Control and Law Enforcement (INCLE) .....	196	25	221	285	285
Andean Counterdrug Initiative (ACI) .....	696	34	730	731	700

FUNDING FOR FOREIGN OPERATIONS PROGRAMS—CONTINUED  
[in millions of U.S. dollars]

Foreign Operations Programs	FY 03 Reg. <sup>1</sup>	FY 03 Sup.	FY 03 Total	FY 04 Request	FY 04 Auth.
Nonproliferation, Anti-Terrorism, Demining (NADR) .....	304	28	332	385	485
Treasury Technical Assistance .....	11	—	11	14	14
International Military Education & Training (IMET) .....	80	—	80	92	92
Foreign Military Financing (FMF) .....	4,046	2,059	6,105	4,414	4,414
Peacekeeping Operations (PKO) .....	114	100	214	95	101
International Organizations & Programs (IO&P) <sup>3</sup> .....	194	—	194	315	315
U.S. Emergency Fund for Complex Foreign Crises .....	—	—	—	100	—
Famine Fund .....	—	—	—	200	—

<sup>1</sup> Amounts adjusted to reflect a rescission of 0.65%

<sup>2</sup> The reduction to this account was necessary because of increases made to State Department operating accounts in S. 925.

<sup>3</sup> FY 04 amounts include \$120 million for UNICEF which was funded in FY03 in the CSH account.

#### IV. SECTION-BY-SECTION ANALYSIS

##### TITLE I—AUTHORIZATION OF APPROPRIATIONS

###### SUBTITLE A—DEVELOPMENT ASSISTANCE AND RELATED PROGRAMS AUTHORIZATIONS

###### *Sec. 101. Development Assistance*

This section authorizes the appropriation of \$1,360,000,000 for Development Assistance programs as requested, including programs in the agriculture, education, environment sectors, as well as the Development Fund for Africa. Although there are various separate accounts in the Foreign Assistance Act authorizing Development Assistance, funding for those accounts has been consolidated into this single account and appropriated in this manner in recent years.

###### *Sec. 102. Child Survival and Health Programs Fund*

This section authorizes the appropriation of \$1,495,000,000 for child survival, health, and family planning programs for fiscal year 2004, the same amount as proposed by the President. This account provides funding for a variety of accounts that are separately authorized in the Foreign Assistance Act but have been appropriated out of this single account in recent years.

###### *Sec. 103. Development Credit Authority*

This section amends the Foreign Assistance Act to provide the President authority to provide assistance in the form of loans and partial loan guarantees to private lenders in developing countries to achieve economic development purposes. Authority for this program has been included in appropriations acts over the past several years. This section also provides that funds available for the purposes of economic assistance under the Foreign Assistance Act and for assistance under the Support for Eastern European Democracy Act in Fiscal Year 2004 may be used to provide loans and partial loan guarantees under this section. It authorizes the appropria-

tion for administrative expenses to carry out this section for Fiscal Year 2004.

This section also authorizes not more than \$21,000,000 of the funds made available for fiscal year 2004 for economic assistance, including assistance for the former Soviet Union and Eastern Europe, for loans and loan guarantees in order to carry out the economic assistance objectives of the Foreign Assistance Act.

*Sec. 104. Program to Provide Technical Assistance to Foreign Governments and Foreign Central Banks of Developing or Transitional Countries*

This section authorizes the appropriation of \$14,000,000 for fiscal year 2004 for the Department of the Treasury's program to provide technical assistance to foreign governments and foreign central banks in developing or transitional countries.

*Sec. 105. International Organizations and Programs*

This section authorizes the appropriation of \$314,500,000 for fiscal year 2004 for voluntary contributions to international organizations and programs. This is the same as proposed by the President.

*Sec. 106. Continued Availability of Certain Funds Withheld From International Organizations*

This section tracks authority provided in recent appropriations acts whereby any funds available in any fiscal year to carry out the provisions of this chapter that are returned or withheld from international organizations and programs as a result of the restrictions of section 307 of the Foreign Assistance Act shall remain available for obligation until the end of the following fiscal year for which such funds were appropriated.

*Sec. 107. International Disaster Assistance*

This section authorizes the appropriation of \$235,500,000 for fiscal year 2004 for international disaster assistance, the same as requested by the President.

*Sec. 108. Transition Initiatives*

This section authorizes the appropriation of \$55,000,000, as proposed, for fiscal year 2004 for the Transition Initiatives Program administered by USAID, including assistance to develop, strengthen and preserve democratic institutions and processes, revitalize basic infrastructure, and foster the peaceful resolution of conflict. Although this program has not been specifically authorized in the Foreign Assistance Act, funds have been appropriated for this activity since 1994 when USAID established the Office of Transition Initiatives.

*Sec. 109. Famine Assistance*

This section authorizes the appropriation of such sums as may be necessary for fiscal year 2004 for a new Famine Fund, requested for the first time for fiscal year 2004. Assistance is authorized for famine prevention and relief, including mitigation of the effects of famine. The President is to provide fifteen-day advance notification to the authorization and appropriations committees each time the authority is used.

*Sec. 110. Assistance for the Independent States of the Former Soviet Union*

This section authorizes the appropriation of \$646,000,000 for fiscal year 2004 for assistance for the independent states of the former Soviet Union under the Freedom Support Act.

The Committee received a request of \$576 million for programs in the Freedom Support Act (FSA) account for the Newly Independent States of the former Soviet Union for Fiscal Year 2004. The Committee notes that the Administration's request is \$184 million below the appropriated level of Fiscal Year 2003. The request for this account is substantially lower than previous years. The Committee recommends a \$70 million increase for this account, to total \$646 million.

The Committee believes that the Administration's proposed cuts in funding for assistance under the FSA are too steep and, if implemented, would seriously harm U.S. interests in stability, democracy and market reform in the Newly Independent States. The additional funding authorized is primarily intended to increase resources available for programs to support democratic development, civil society, and market reform in the former Soviet states. The Committee also supports using additional funds to bolster counter-narcotics programs underway in Central Asian states bordering Afghanistan which are critical to maintaining stability in that region. The Committee urges the Administration to ensure that funding for Educational and Cultural Exchanges (ECE) Account programs, in the FSA countries, which are now funded in the State Department Authorization bill, are maintained at fiscal year 2003 levels.

Since the passage of the FSA, funds have been committed to help support non-governmental organizations that focus on environmental issues. The environmental impact from the weapons of mass destruction and their means of delivery created by the former Soviet Union continues to be a major problem. As the State Department and USAID work toward a policy of graduation for the Newly Independent States from a number of development programs, the Committee believes that environmental issues should continue to play an important role in the development of stable, civil societies.

*Sec. 111. Assistance for Eastern Europe and the Baltic States*

This section authorizes the appropriation of \$475,000,000 for fiscal year 2004 for assistance for Eastern Europe and the Baltic states, under the Support for East European Democracy (SEED) and the Foreign Assistance Act.

The President requested \$435 million for the Support for Eastern Europe Democracies (SEED) account for Fiscal Year 2004. The Committee notes that this request is \$90 million below the appropriated level for Fiscal Year 2003, substantially lower than previous years. The Committee recommends an increase of \$40 million, to total \$475 million, which the Committee believes is vital to assisting Europe's eastern half achieve democracy and free market economies.

The Committee believes that these proposed cuts in funding for assistance under the SEED account are too steep and, if implemented, would seriously harm U.S. interests in a vitally important region still recovering from three Balkan wars in the 1990s. The additional funding is primarily intended to increase resources

available for programs to enhance law enforcement to combat organized crime in the Balkans and security on the ground for U.S. peacekeeping troops in Kosovo and Bosnia, and to speed up the stabilization process in the countries of the former Yugoslavia and in Albania. The additional funding would also be used to assist with market reform programs in European Union (EU) candidate countries, Bulgaria and Romania, to maximize their potential for successful and timely entry into the EU, and to assist them in addressing the challenges of organized crime and corruption. The Committee urges the Administration to ensure that funding for Educational and Cultural Exchanges (ECE) Account programs, in the SEED countries, which are now funded in the State Department Authorization bill, are maintained at a robust level.

*Sec. 112. Operating Expenses of the United States Agency for International Development*

This section authorizes the appropriation of \$750,400,000 for fiscal year 2004 for the operating expenses of the United States Agency for International Development, the same amount requested. Of this total, \$146,300,000 is authorized to be appropriated for overseas construction and related costs and for enhancement of information technology and related investments. In addition, \$35,000,000 is authorized to be appropriated for operational costs of the Office of Inspector General of the Agency.

SUBTITLE B—COUNTERNARCOTICS, SECURITY ASSISTANCE, AND  
RELATED PROGRAMS AUTHORIZATIONS

*Sec. 121. Complex Foreign Contingencies*

This section amends the Foreign Assistance Act to authorize the establishment of a complex foreign contingencies fund. The fund can be used to support a range of foreign assistance activities including support for peace and humanitarian intervention operations to prevent or respond to foreign territorial disputes, armed ethnic and civil conflicts that pose threats to regional and international peace, and acts of ethnic cleansing, mass killing or genocide. The President is required to notify the relevant committees of the Congress at least 5 days prior to the obligation of funds from the Fund.

The President currently has the authority under the Foreign Assistance Act to provide assistance when crises occur, but this authority does not provide funding with which to address those crises. Currently, in order to address such events, the administration is required to reprogram funds from other accounts, most of which have already been cut to a level that threatens program efficacy. This fund would permit the President, during times of crises, to continue funding at an appropriate level those programs that the Committee supports, while at the same time having the resources to address immediate and unanticipated crises. The Committee expects that the Administration will consult extensively with the Committee prior to exercising this authority.

*Sec. 122. International Narcotics Control and Law Enforcement*

Subsection (a) of this section authorizes the appropriation of \$985,000,000 for fiscal year 2004 for international narcotics control



and law enforcement assistance, of which \$700,000,000 is authorized to be appropriated for the Andean Counterdrug Initiative. This is a reduction of \$30,500,000 from the request.

Subsection (b) restates current law by permitting funds under this section to be provided for assistance to the Government of Colombia and used, notwithstanding any other provision of law, to support a unified campaign against narcotics trafficking and terrorist activities, and to take actions to protect human health and welfare in emergency circumstances. The provision maintains the current ceiling of 400 each on the numbers of U.S. civilian and military personnel in Colombia and precludes their participation in any combat operation in connection with such assistance. It also continues conditions on assistance with respect to the Government of Colombia's human rights practices, conditions which are currently in effect for fiscal year 2003.

*Sec. 123. Economic Support Fund*

The Committee has authorized in subsection (a) of this section the appropriation of \$2,535,000,000 for fiscal year 2004 for Economic Support Fund (ESF) programs. The Committee supports the full request level for Economic Support Funds to provide assistance to allies and countries in transition to democracy, to support the Middle East peace process, including the Administration's efforts to make progress under the Road Map, and to finance economic stabilization programs.

The Committee has, in subsection (b), amended the Security Assistance Act of 2000 to authorize ESF assistance to continue strong support for Israel's economic and political stability and to redress the economic impact of Israel's isolation in the volatile Middle East region. The Committee recognizes that the Administration continues to phase out U.S. economic assistance to Israel and encourages Israel's efforts to increase the role of the private sector, promote productive investment, reform taxes and promote more efficient use of resources. This assistance contributes to Israel's economic growth, enhances Israel's ability to repay its debt to the United States and opens new investment opportunities for U.S. investment and exports.

The Committee has amended the Security Assistance Act of 2000 to authorize ESF assistance to continue strong support for stability and prosperity in Egypt. The Committee recognizes Egypt is a key partner in the region and elements of this assistance may be integrated into the Middle East Partnership Initiative. This ESF will help reinvigorate economic development and foster economic reforms, alleviate poverty, and support development of democratic institutions and bolster public health services.

*Sec. 124. International Military Education and Training*

This section authorizes the appropriation of \$91,700,000 for fiscal year 2004 for International Military Education and Training programs, the same as the request.

The Committee is encouraged by the executive branch's careful approach to security assistance for Nigeria, in accordance with section 557 of the Foreign Operations Export Financing, and Related Programs Appropriations Act of 2003 (P.L. 108-007). The Committee believes that concrete progress on accountability for abuses

of civilians reportedly perpetrated by the Nigerian military will demonstrate a shared commitment to professionalism and respect for basic human rights, restoring confidence in the U.S.-Nigerian security assistance relationship.

*Sec. 125. Peacekeeping Operations*

This section authorizes the appropriation for fiscal year 2004 of \$101,900,000 for voluntary Peacekeeping Operations programs. The Committee notes with concern that the budget request for fiscal year 2004, in the amount of \$94.9 million, is 30 percent less than fiscal year 2002 and 18 percent less than regular 2003 appropriations. The Committee is concerned that such a significant reduction in funding over the last few years does not properly reflect any diminution of conflict, especially in Sub-Saharan Africa, and has therefore provided an additional \$6 million above the President's request for this account.

The Committee recognizes the importance placed on support for voluntary peacekeeping activities as a critical aspect of national security that is responsive and flexible. It supports the understanding that well-funded peacekeeping operations can also assist in the broader war on terrorism, as terrorist organizations often fill the political and social void created by conflict. The African continent has seen a sharp reduction in the peacekeeping budget from nearly \$55 million in fiscal year 2002, to \$40 million in 2003, to \$24 million for 2004. The Committee is concerned that after fulfilling the planned funding of \$15 million for training regional peacekeepers through the Africa Contingency Operations Training and Assistance (ACOTA) program, there will only be \$9 million remaining for ongoing crises and potential hotspots across the entire continent. The Committee is further concerned that past investments in ongoing peacekeeping and conflict resolution programs in the Mano River region of West Africa, Cote d'Ivoire, Burundi, and in Democratic Republic of the Congo, as well as other areas, risk being lost completely. The Committee recognizes the particular value of such programming reducing the likelihood of expensive international interventions.

*Sec. 126. Nonproliferation, Anti-Terrorism, Demining, and Related Assistance*

The budget request for fiscal year 2004 for the NADR account totaled \$385.2 million, an amount that is \$78.8 million higher than the original fiscal year 2003 request (\$50.8 million higher including the emergency supplemental). The Committee authorizes \$485.2 million for fiscal year 2004 for the NADR account, an increase of \$100.0 million over the amount of the budget request. In keeping with appropriations legislation over the past several years, this section consolidates the authorization of appropriations for nonproliferation, anti-terrorism, demining and certain related functions into a single account.

The Committee recommends the authorization for this account be allocated as follows:

	(\$ in thousands)
Nonproliferation and Disarmament Fund .....	\$45,000
Export Control and Border Security .....	\$45,000
Science Centers and Bioredirection .....	\$69,000
IAEA Voluntary Contribution .....	\$50,000
International Monitoring System (CTBT) .....	\$19,300
Anti-Terrorism Assistance .....	\$116,400
Terrorist Interdiction Program .....	\$14,000
CT Engagement with Allies .....	\$2,500
Humanitarian Demining Program .....	\$60,000
International Trust Fund for Demining .....	\$10,000
Small Arms/Light Weapons Destruction .....	\$4,000
Radiological Terrorism Threat Reduction Act .....	\$15,000
Global Pathogen Surveillance Act .....	\$35,000

The increased authorization level above the President's request for this account reflects the Committee's strong support for efforts contained in this account: efforts to prevent the spread of weapons of mass destruction, their materials, and associated knowledge; the need to educate and assist other countries in effective export controls and border security; the necessity to provide adequate support for the war on terrorism; the value of humanitarian demining and small arms/light weapons destruction; the urgency of reducing the international threat posed by radiological dispersion devices; and the importance of enhancing assistance to developing countries to better monitor and contain infectious disease epidemics.

The Committee notes that the Department of State has been increasing its efforts to work with countries on a regional basis to improve their anti-terrorism and border control capabilities. The tri-border region of Latin America (Argentina, Brazil and Paraguay) is a prime example. The United States takes part in annual meetings with these three countries and has sent teams to consult with local officials. FY 2002 supplemental funds provided \$1 million for a needs assessment in the tri-border area, limited training and enhancements to bridge gaps in information sharing about persons suspected of involvement in international terrorist groups.

The Committee urges the Department to follow up these efforts, in conjunction with other interested Departments, and to pay particular attention to training and related equipment for countering terrorist financing, transnational crime intelligence sharing, and border security in the tri-border area. More broadly, the committee also urges the Department to work closely with other U.S. Government agencies, the United Nations Counter-Terrorism Committee, and regional groups, such as the Organization of American States' CICTE and CICAD, to help countries strengthen their counterterrorism capabilities, including improving their counterterrorism laws, regulations and implementation capabilities.

*Sec. 127. Foreign Military Financing Program*

Subsection (a) of this section authorizes the appropriation of \$4,414,000,000 for fiscal year 2004 for Foreign Military Financing programs, as requested.

Subsection (b) amends the Security Assistance Act of 2000 to authorize the appropriation for fiscal year 2004 of FMF assistance for Israel, to require rapid disbursement of that assistance, and to increase the level of offshore procurement allowable with FMF funds made available in fiscal year 2004 for Israel.

Subsection (c) amends the Security Assistance Act of 2000 to authorize FMF assistance for Egypt and continues the requirement to disburse FMF assistance for Egypt in an interest-bearing account.

SUBTITLE C—INDEPENDENT AGENCIES AUTHORIZATIONS

*Trade and Development Agency.*—Current law provides permanent authorization of such sums as may be necessary for the Trade and Development Agency. This authorization was provided as part of the Export Enhancement Act of 1999, which also authorized funding for the Overseas Private Investment Corporation. The Committee recommends funding of \$65 million for the Trade and Development Agency for fiscal year 2004. This amount is \$5 million above the budget request. The Committee recommends that the additional amount be directed to trade capacity building assistance. In fiscal year 2003, the Congress provided an additional \$2.5 million for the Trade and Development Agency for trade capacity building assistance. This year the United States has initiated negotiations on free trade agreements with Australia, Morocco, the Central American countries of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua, and the Southern African Customs Union countries of Botswana, Lesotho, Namibia, South Africa, and Swaziland. The Administration has recently indicated that it will initiate negotiations on a free trade agreement with Bahrain. The dramatic increase in the number of free trade agreements that the United States is negotiating with developing countries necessitates an increase in funding for trade capacity building assistance designed to enhance these countries' abilities to participate fully in the negotiations and to derive the benefits of any resulting agreements.

*Sec. 131. Inter-American Foundation*

This section authorizes the appropriation of \$15,185,000 for fiscal year 2004 for the Inter-American Foundation. This is identical to the President's request.

*Sec. 132. African Development Foundation*

This section authorizes the appropriation of \$17,689,000, as requested, for fiscal year 2004 for the African Development Foundation.

SUBTITLE D—MULTILATERAL DEVELOPMENT BANK AUTHORIZATIONS

*Sec. 141. Contribution to the Seventh Replenishment of The Asian Development Fund*

This section amends the Asian Development Bank Act to authorize the United States contribution to the seventh replenishment of

the Asian Development Fund, the concessional lending arm of the Asian Development Bank. It authorizes the appropriation without fiscal year limitation and the contribution of \$412 million for payment by the Secretary of the Treasury to the Asian Development Fund to satisfy fully the four-year United States commitment to the seventh replenishment.

*Sec. 142. Contribution to the Thirteenth Replenishment of the International Development Association*

This section amends the International Development Association Act (22 U.S.C. 284 et seq.) to authorize the United States contribution to the thirteenth replenishment of the International Development Association, the concessional lending arm of the World Bank. It authorizes the appropriation without fiscal year limitation and the contribution of \$2.85 billion for payment by the Secretary of the Treasury to the International Development Association to satisfy fully the three-year United States commitment to the thirteenth replenishment.

As part of the agreement establishing the thirteenth replenishment of the International Development Association, the United States achieved agreement to enhance the institutional focus on performance and results measurement. The United States developed a performance-based contribution structure under which the United States will provide an additional \$100 million in fiscal year 2004 and an additional \$200 million in fiscal year 2005 if the International Development Association meets certain performance targets.

Subsection (c) of the amendment contained in this section supports the United States efforts to enhance transparency and accountability at the multilateral development institutions. Paragraph (1) states the policy of the United States that each multilateral development institution that has a United States Executive Director should adopt certain policies designed to enhance transparency and accountability. Paragraph (2) establishes an implementation goal for the adoption of these policies prior to the conclusion of the thirteenth replenishment of the International Development Association on June 30, 2005. Paragraph (3) calls on the Secretary of the Treasury or his representative to brief the Committee on Foreign Relations of the Senate and the Committee on Financial Services of the House at their request on the steps taken to implement the measures described in this subsection. Paragraph (4) calls on the Secretary of the Treasury to publish the written statements of the United States Executive Directors in board meetings concerning projects on which claims have been made to the institution's inspection mechanism or where board decisions on inspection mechanism cases are being taken no later than sixty calendar days after such meeting. Paragraph (4) further calls on the Treasury Department to publish a record of all votes and abstentions made by the United States Executive Directors on its website each month.

*Sec. 143. Contribution to the Ninth Replenishment of the African Development Fund*

This section amends the African Development Fund Act to authorize the United States contribution to the ninth replenishment of the African Development Fund, the concessional lending arm of

the African Development Bank. It authorizes the appropriation without fiscal year limitation and the contribution of \$354 million for payment by the Secretary of the Treasury to the African Development Fund to satisfy fully the three-year United States commitment to the ninth replenishment.

SUBTITLE E—AUTHORIZATION FOR IRAQ RELIEF AND RECONSTRUCTION

*Sec. 151. Authorization of Assistance for Relief and Reconstruction Efforts*

The Committee recognizes that the United States and Coalition Forces' decisive, quick military success in Iraq, with minimal loss of life, was only a first step toward victory in Iraq. The Committee strongly supports the Administration's efforts to ensure that a new, independent, stable, democratic and self-sufficient Iraq emerges from this military success. The Committee expects, however, that this effort will take years, require more personnel and equipment resources than anticipated and will be a difficult and expensive process.

This section authorizes the \$2,475,000,000 appropriated in the fiscal year 2003 Emergency Wartime Supplemental Appropriations Act for humanitarian assistance in and around Iraq and rehabilitation and reconstruction in Iraq for use through fiscal year 2004. It also specifies that this assistance is authorized for the purposes provided for in the Supplemental Appropriations Act. These funds also are authorized to be used to reimburse accounts for obligations incurred for these purposes prior to the enactment of this Act. Finally, the bill contains a statement that it is United States policy to work toward the full and active participation of women in the reconstruction of Iraq by promoting the involvement of women in all levels of Government and decision making bodies, the planning and distribution of assistance, and job promotion and training programs.

*Sec. 152. Reporting and Consultation*

The Committee has expressed concerns about inadequate planning and the lack of information provided on the planning and execution of Iraq stabilization and reconstruction efforts. The Committee expects greater transparency and more regular consultations on these issues to ensure the Committee can perform its oversight function and inform the American people whose continued support is essential for the success of U.S. efforts in Iraq.

This section provides that any requirements in the Supplemental Appropriations Act requiring reporting to or consultation with the Appropriations Committees with respect to funds appropriated to carry out this section shall require the same reporting to and consultation with the Senate Foreign Relations Committee and the House International Relations Committee.

*Sec. 153. Special Assistance Authority*

Recognizing the uncertainty of circumstances in Iraq and the existing laws that restrict provision of assistance to Iraq, the Committee has provided flexibility to carry out Iraq relief and reconstruction efforts. This section authorizes the President to provide assistance to Iraq notwithstanding any other provision of law.

*Sec. 154. Inapplicability of Certain Restrictions*

To ensure flexibility for Iraq relief and reconstruction efforts, this section authorizes the President to suspend or otherwise make inapplicable to Iraq certain restrictions on assistance or exports to Iraq, including restrictions under the Iraq Sanctions Act, restrictions that apply to countries that have supported terrorism, and restrictions on the export of non-lethal military equipment. This section also makes permanently inapplicable to Iraq provisions of law that require the United States to withhold its proportionate share of funding for international organization programs for Iraq and direct U.S. opposition to loans or assistance to Iraq by International Financial Institutions.

*Sec. 155. Termination of Authorities*

The Committee believes that the relief and reconstruction efforts in Iraq will require a long-term U.S. commitment to complete. This section provides that certain authorities contained in sections 153 and 154 will expire two years after the enactment of this Act. The Supplemental Appropriations Act provides the President these same authorities, but provides that they will expire no later than September 30, 2004. The Committee intends to monitor the relief and reconstruction efforts and will authorize funds and extend authorities as appropriate.

## TITLE II—AMENDMENTS TO GENERAL FOREIGN ASSISTANCE AUTHORITIES

### SUBTITLE A—FOREIGN ASSISTANCE ACT AMENDMENTS AND RELATED PROVISIONS

*Sec. 201. Development Policy*

This section amends the Foreign Assistance Act's Statement of Development Assistance Policy to recognize the importance of public-private partnerships in maximizing resources available for foreign assistance activities.

*Sec. 202. Assistance for Nongovernmental Organizations*

This section amends the Foreign Assistance Act to make permanent an authority that has been contained for a number of years in annual foreign assistance appropriations and which is similar to the current section 123(e) of the Foreign Assistance Act.

New subsection (e)(1) states that restrictions on assistance to a country are not to be construed to bar assistance to that country that is provided through nongovernmental organizations using funds provided for development assistance, assistance for Eastern Europe and the former Soviet Union, and Economic Support Fund assistance.

New subsection (e)(2) requires notification to the relevant Committees 15 days in advance of the obligation of funds pursuant to this authority.

New subsection (e)(3) clarifies that this authority may not be used to furnish assistance through nongovernmental organizations to the central government of a country. Although prohibitions on assistance to the government of a country normally would apply to all levels of government in a country, this provision makes it clear

that for purposes of the authority provided in this subsection, assistance through nongovernmental organizations could be provided to levels of government below the national level.

*Sec. 203. Authority for Use of Funds for Unanticipated Contingencies*

This section amends section 451 of the Foreign Assistance Act to permit this authority to be applied to the use of funding made available to carry out the Arms Export Control Act, and to raise the annual ceiling on the use of this authority to \$50 million.

*Sec. 204. Authority to Accept Lethal Excess Property*

This section amends section 482(g) of the Foreign Assistance Act to permit the Secretary of State to receive lethal excess property from other agencies of the U.S. Government for the purpose of providing such property to foreign governments. A similar provision has been contained in prior appropriations acts. Currently, this authority is limited to non-lethal excess property. This section also requires the Secretary to notify the Congress before obligating funds to obtain excess lethal property under this section.

*Sec. 205. Reconstruction Assistance Under International Disaster Assistance Authority*

This section amends section 491 of the Foreign Assistance Act to conform the authority of this section to authority provided in appropriations acts over a number of years to allow funds under this heading to be used for reconstruction assistance after natural or man-made disasters.

*Sec. 206. Funding Authorities for Assistance for the Independent States of the Former Soviet Union*

This section amends the Foreign Assistance Act to make permanent the authorities applicable to provision of assistance that are contained in that Act. Appropriations acts since the inception of the program for the independent states of the former Soviet Union have continued these authorities.

*Sec. 207. Waiver of Net Proceeds Resulting From Disposal of United States Defense Articles Provided to a Foreign Country on a Grant Basis*

This section amends section 505(f) of the Foreign Assistance Act to broaden the existing authority of the President to waive the requirement that net proceeds resulting from the disposal of defense articles provided to a foreign country on a grant basis be paid to the United States. Existing law limits the waiver authority to items delivered before 1985.

*Sec. 208. Transfer of Certain Obsolete or Surplus Defense Articles in the War Reserve Stockpiles for Allies to Israel*

This section provides the President authority to transfer certain obsolete or surplus defense items to Israel, in exchange for concessions of equivalent value to be negotiated by the Secretary of Defense with the concurrence of the Secretary of State. This section requires advance Congressional notification before any transfer is made under this section.



*Sec. 209. Additions to United States War Reserve Stockpiles in Israel for Fiscal Year 2004*

This section extends through fiscal year 2004 the President's authority to transfer excess items to the Department of Defense War Reserve Stockpile in Israel.

*Sec. 210. Restrictions on Economic Support Funds for Lebanon*

This section amends section 1224 of the Foreign Relations Authorization Act, fiscal year 2003, to permit assistance to address the needs of southern Lebanon. The Committee notes that such assistance will be provided to non-governmental organizations that promote democracy and economic development. The Committee specifically notes that, given scarce water resources and critical water management issues in the region, water projects in southern Lebanon can help defuse Lebanese-Israeli tensions in the region.

*Sec. 211. Administration of Justice*

This section amends section 534 of the Foreign Assistance Act to provide for the continuation of the Administration of Justice program on a worldwide basis. The program's sunset provision and overall funding ceiling have been deleted. The amendments made by this section conform the Administration of Justice authority to the authority provided for a number of years in appropriations acts.

*Sec. 212. Demining Programs*

Subsection (a) amends section 551 of the Foreign Assistance Act to make it clear that, in accordance with previous interpretations of the Peacekeeping program's statutory authorities, the Peacekeeping program may include demining activities.

Subsection (b) continues and makes permanent an authority contained in prior year appropriations Acts to allow the Department of State and USAID to dispose of demining equipment on a grant basis in foreign countries.

Subsection (c) highlights the Committee's concern regarding the continuing problems posed to children by mines and unexploded ordnance in Afghanistan and other affected areas. It authorizes funds to be used to educate children as to the hazards posed by mines and unexploded ordnance. The Committee is particularly aware of the challenges that demining and ordnance disposal pose for the nascent national government and ongoing operations in that country. The Committee takes note of a new non-governmental organization, "No Strings," which is proposing to use theatre and puppetry to provide life-saving education about landmines to children in Afghanistan.

*Sec. 213. Special Waiver Authority*

This section amends section 614 of the Foreign Assistance Act by updating authorities and funding limitations.

New subsection (a) provides that the authority of section 614 may be used to waive provisions of law that limit the President's ability to authorize assistance, sales, or other action (for example, export licenses) under the authority of the Foreign Assistance Act, the Arms Export Control Act, and any Act authorizing or appropriating foreign assistance funds without regard to the provisions

of law cited in subsection (b). The standards used to allow the provision of both economic and military assistance are the same as current law. The provision also increases the annual country limitations.

New subsection (d) lists the provisions of law that may be waived. In addition to provisions contained in foreign assistance authorization and appropriations acts, provisions of law contained in other legislation that limit the provision of assistance under those acts may also be waived under the authority of this section.

The requirements for prior consultation with the appropriate committees of the Congress and submission of a written policy justification before the President may exercise the authority contained in section 614 remain unchanged.

*Sec. 214. Prohibition of Assistance for Countries in Default*

This section amends section 620(q) of the Foreign Assistance Act to make two changes. First, it makes the restriction applicable only to aid to governments. Second, it amends the period of default (from 6 months to 12 months) that results in a cutoff of assistance under the Foreign Assistance Act.

*Sec. 215. Military Coups*

This section amends the Foreign Assistance Act to prohibit assistance to a country if the duly elected head of government of such country is deposed by decree or military coup. Similar restrictions have been included in appropriations acts since 1986. Exempted from this restriction is assistance to promote democratic elections, and a presidential waiver would permit assistance upon a determination that such assistance is important to the national security interest of the United States.

*Sec. 216. Designation of Position for Which Appointee is Nominated*

This section requires the President to designate the particular position within the Agency for International Development for which any individual is being nominated.

*Sec. 217. Exceptions to Requirement for Congressional Notification of Program Changes*

This section amends section 634A(b) of the Foreign Assistance Act to conform to provisions contained for a number of years in annual foreign assistance appropriations acts. New subsection (b)(3) provides an exception to prior notification in the case of substantial risk to human health or welfare, but continues the requirement to notify no later than 3 days after the obligation of funds. New subsection (b)(4) contains a de minimis threshold for reprogramming under the Arms Export Control Act that has been included for a number of years in appropriations acts.

*Sec. 218. Commitments for Expenditures of Funds*

This section amends section 635(h) of the Foreign Assistance Act to allow contracts or agreements which entail the commitment or expenditure of funds made available under the Foreign Assistance Act to be extended at any time for not more than five years. Under current law, this authority is limited only to certain accounts.

*Sec. 219. Alternative Dispute Resolution*

The amendment to section 635(i) of the Foreign Assistance Act expands the current arbitration and claims settlement authority for investment guarantee operations to also cover claims arising from other activities carried out under the Act, which could include claims under contracts, grants, cooperative agreements, credit agreements, personal services contracts, and other arrangements and agreements. It also adds a specific authority for alternative dispute resolution.

*Sec. 220. Administrative Authorities*

This section amends and updates certain administrative authorities contained in section 636 of the Foreign Assistance Act.

Section 636(a)(3) is amended to permit the hiring of personal services contractors for work in the United States. The authority already exists under the Act for hiring such contractors abroad.

Section 636(a)(5) is amended to allow the procurement of passenger motor vehicles without various restrictions in current law, most of which are not possible to administer across agencies using this authority.

Section 636(a)(10) is amended to delete the 10 year limitation on leases, thereby providing the ability to obtain the most favorable lease terms under long-term leases.

Section 636(c) is amended to strike the \$6 million limitation on the acquisition or construction of living and office space overseas for U.S. Government personnel.

Section 636(d) is amended to strike the \$2.5 million limitation on the provision of assistance for schools for dependents of U.S. Government personnel.

*Sec. 221. Assistance for Law Enforcement Forces*

This section amends section 660 of the Foreign Assistance Act of 1961.

Paragraph (1) amends subsection (b)(6), consistent with current law, to make it clear that the authority of this paragraph may be used in cases where instability has occurred at the sub-national level.

Paragraph (1) further amends subsection (b) to add exceptions to the prohibition on assistance for law enforcement forces. New paragraph (8) permits the provision of assistance to combat corruption consistent with the objectives of section 133 of the Foreign Assistance Act. New paragraph (9) is the same as current law but is included as a separate paragraph to make it clear that the authority to provide human rights, rule of law, and other training is not limited to post-conflict situations. New paragraph (10) is an authority related to assistance to combat trafficking in persons.

Paragraph (2) amends section 660 to provide the Secretary of State with the authority to waive the limitations of this section on a case-by-case basis if the Secretary determines that it is important to the national interest to do so. The obligation of funds pursuant to such a waiver is subject to prior notification of the appropriate congressional committees under section 634A of the Foreign Assistance Act.

*Sec. 222. Special Debt Relief for the Poorest*

This section amends the Foreign Assistance Act by adding a new Part VI. This part authorizes the President to forgive certain debts owed by the poorest countries to the United States. The exercise of this authority is subject to, among other things, the prior appropriation of funds for this purpose and prior notification of the appropriate congressional committees in accordance with section 634A of the Foreign Assistance Act. The authority is very similar to authority previously enacted in foreign assistance appropriations acts.

*Sec. 223. Congo Basin Forest Partnership*

This section contains findings and expresses the Sense of the Congress in support of the Congo Forest Basin Partnership, the largest conservation effort currently undertaken by the U.S. government in Africa. It affirms U.S. support of the Congo Basin Forest Partnership because the forests and wildlife of the Congo Basin are of global significance, because the forests are a major factor in the social, economic and environmental health of Congo Basin countries, and because of the impressive structure of cooperation between governments, NGOs and the private sector operating in the region. It further identifies the Congo Basin Forest Partnership as an initiative that fully recognizes the integral and equal nature of economic development, social development and environmental protection in the quest for sustainable development.

Funds recommended for use in this section were requested by the administration as part of a 3-year effort to capitalize on the strong cooperation and momentum of state governments, international organizations and non-governmental organizations in protecting the continent's essential natural resources while also addressing other challenging development issues in the region. The Committee expresses support for economic and conservation opportunities including improvement of forest management and sustainable forest-based livelihoods development such as employment through ecotourism, wildlife law enforcement, reduced impact logging and park management. The Committee specifically identifies as targets those activities that are unsustainable and destabilizing to the region, such as illegal logging and illegal trade in wildlife.

*Sec. 224. Landmine Clearance Programs*

This section provides the Secretary of State authority to support public-private partnerships for landmine clearance programs through grant or cooperative agreement.

The Committee commends the State Department's Political-Military bureau for its attention to this global problem through the Bureau's Office of Mine Action Initiatives.

*Sec. 225. Middle East Foundation*

The Committee strongly supports the Middle East Partnership Initiative announced by the Secretary of State in December 2002. The Committee seeks to contribute to efforts to bring democratic and economic reforms to the Middle East region and has authorized the Secretary of State to designate an appropriate private, non-profit organization as the Middle East Foundation and to provide funding to the Foundation through the Middle East Partner-

ship Initiative. The Committee recommends an initial funding level of an estimated \$15 million for Fiscal Year 2004.

The purposes of this assistance are to support civil society, political participation, women's rights, educational reform, human rights, independent media, economic reform, the rule of law and other democratic development in the Middle East through grants, technical assistance, training and other measures. The Committee favors the Foundation supporting democracy-related activities in countries with struggling movements for reform and democracy, including Iran. The Secretary may also make a grant to an institution of higher education in the Middle East to create a Center for Public Policy to permit scholars and professionals from the Middle East and other countries, including the United States, to carry out research, training programs and other activities to inform public policy making in the Middle East and promote broad economic, social and political reforms. The Committee considers such activities are entirely consistent with the "Arab Human Development Report for 2002." The Committee notes this section also provides for reporting, financial accountability and oversight measures of such a Foundation.

The Committee expects to work closely with the Department of State as such a Foundation establishes operations. The Committee recognizes the positive role played by the Asia Foundation and Eurasia Foundation in supporting civil society development in their respective regions of operations and hopes that the Middle East Foundation can play a similar role in the Middle East.

The Committee further expects that, prior to providing any funding to the Foundation, the administration will ensure that the Foundation has in place a system for vetting potential grantees to reduce the risk of funding activities that are contrary to the national interests of the United States. This section also provides for reporting, financial accountability and oversight measures of such a Foundation.

#### SUBTITLE B—ARMS EXPORT CONTROL ACT AMENDMENTS AND RELATED PROVISIONS

##### *Sec. 231. Thresholds for Advance Notice to Congress of Sales or Upgrades of Defense Articles, Design and Construction Services, and Major Defense Equipment*

This section raises the minimum dollar thresholds at which sales of certain defense articles, design and construction services, and major defense articles (or upgrades of such sales) must be reported to the Congress under section 36 of the Arms Export Control Act.

The Committee raised the level of notification thresholds from \$14 million to \$50 million for major defense equipment, from \$50 million to \$100 million for defense articles and defense services, and from \$200 million to \$350 million for design and construction.

This section also allows for notification of additional cases (i.e., ones below the new dollar thresholds) "if the President determines it is appropriate." The Committee understands that the executive branch is prepared to provide the Committee informal notice of planned arms transfers above existing dollar thresholds and to submit formal notification under section 36 of the Arms Export Control Act for certain transfers if requested by the Chairman or ranking

member. The Committee expects that an exchange of letters will be used to specify the State Department's commitment in this regard before this section is enacted.

*Sec. 232. Clarification of Requirement for Advance Notice to Congress of Comprehensive Export Authorizations*

This section requires the President to make certifications to the Congress under section 36(c)(1) of the Arms Export Control Act before issuing comprehensive authorizations under section 126.14 of the International Traffic in Arms Regulations (ITAR) for the export of defense articles or defense services to an eligible foreign country or foreign partner.

*Sec. 233. Exception to Bilateral Agreement Requirement for Transfers of Defense Items Within Australia*

This section provides an exception to the requirements on bilateral agreements for country exemptions from International Traffic in Arms Regulations contained in section 38(j)(2)(A) of the Arms Export Control Act with respect to transfers within Australia of certain U.S.-origin defense items.

*Sec. 234. Authority to Provide Cataloging Data and Services to Non-NATO Countries*

This section authorizes the President to provide cataloging data and services to non-NATO countries on a reciprocal basis. Currently, authority exists only to provide such data and services to NATO and to NATO-member governments.

*Sec. 235. Freedom Support Act Permanent Waiver Authority*

This section provides a permanent annual waiver for the requirements of section 502 of the Freedom Support Act (Public Law 102-511). Section 1306 of the National Defense Authorization Act for fiscal year 2003 (Public Law 107-314) provided authorization for an annual waiver only for fiscal years 2003 through 2005. This permanent authority to invoke an annual waiver would ensure continuity for program planning purposes.

*Sec. 236. Extension of Pakistan Waivers*

This section extends the authority contained in previous legislation (Public Law 107-57) to make inapplicable through fiscal year 2004 foreign assistance restrictions relating to coups and loan defaults with respect to Pakistan.

*Sec. 237. Consolidation of Reports on Non-Proliferation in South Asia*

This section requires that the annual report on nonproliferation in South Asia to be submitted by April 1, 2004, pursuant to section 620F(c) of the Foreign Assistance Act of 1961, include a description of the efforts of the United States Government to achieve objectives on nuclear and missile nonproliferation in the region, as described in section 1601 of the Foreign Relations Authorization Act for Fiscal Year 2003, the progress made toward achieving such objectives, and the likelihood that such objectives will be achieved by September 30, 2004. This avoids the need for a separate report on those efforts, which was required in 2003.

*Sec. 238. Haiti Coast Guard*

This section grants eligibility to the Government of Haiti for the purchase of defense articles and services for the Haitian Coast Guard under the Arms Export Control Act subject to existing notification requirements.

*Sec. 239. Sense of Congress Relating to Bilateral Agreement on Exports of Defense Items to the United Kingdom*

This section expresses the sense of the Congress that once a bilateral agreement with the United Kingdom for an exemption from the International Traffic in Arms Regulations [ITAR] for certain United States-origin defense items is finalized, the United States should approve an appropriately-crafted exception to the requirements of section 38 (j) of the Arms Export Control Act.

*Sec. 240. Marketing Information for Commercial Communication Satellites*

This section provides that under section 38 of the Arms Export Control Act a license is not required for sharing marketing data for the purposes of a potential sale of a commercial communications satellite to a NATO-member country, Australia, New Zealand and Japan. Under the definition of marketing data contained in the section, an export license would still be required for sensitive encryption and source code data, detailed design data, engineering analysis, or manufacturing know-how. The section further provides that nothing in this section exempts commercial communications satellites from any of the other licensing requirements under the Arms Export Control Act.

### TITLE III—RADIOLOGICAL TERRORISM THREAT REDUCTION ACT

The Committee is concerned that orphaned, unused, surplus, or other radioactive sources pose a major proliferation risk, and that the use of such materials by terrorists in a radiological dispersion attack could lead to catastrophic economic and social damage. The Committee finds that the security of these materials should be a priority in United States nonproliferation efforts, and that international cooperation will be critical to guarantee the success of these efforts.

At a hearing held March 6, 2002, the Committee received testimony regarding the terrorist nuclear threat from: Dr. Richard A. Meserve, then-Chairman of the Nuclear Regulatory Commission; Dr. Donald D. Cobb, Associate Laboratory Director for Threat Reduction at the Los Alamos National Laboratory; Dr. Harry C. Vantine, Division Leader for Counterterrorism and Incident Response at the Lawrence Livermore National Laboratory; Dr. Steven E. Koonin, Provost of the California Institute of Technology and chairman of the JASON group of scientific advisers to the Department of Defense; and Dr. Henry C. Kelly, President of the Federation of American Scientists. The witnesses warned that there was a real possibility that terrorists could obtain radioactive material and then disperse it with the intent to cause harm. Although few people, if any, would die from a radiological attack, it could force

the evacuation and destruction of large numbers of buildings in order to comply with federal decontamination regulations.

Radioactive sources must be kept in responsible hands; but that is difficult because they are widely used in industry. Radioactive sources are indispensable to modern medicine, where they are used to treat cancer and to perform diagnostic tests. Some cancer treatments implant radioactive material within our bodies; other procedures use intense beams from large, highly radioactive sources. Both the former Soviet Union and the United States also developed power sources using intensely radioactive material for use in remote areas and in spacecraft.

Poorly guarded radioactive materials in the former Soviet Union represent a large source of potential ingredients for radiological dispersion devices. The United States works with the International Atomic Energy Agency (IAEA) to ensure the physical protection and accountability of significant radioactive sources world-wide, but additional targeted programs are needed to secure dangerous radiological sources both in the states of the former Soviet Union and elsewhere.

This title authorizes the Secretary of State to propose that the IAEA conclude agreements with up to 8 countries, under which each country would provide temporary secure storage for orphaned, unused, surplus, or other radioactive material sources; to provide assistance for an IAEA program to promote the discovery, inventory, and recovery of radioactive sources in member nations of the IAEA; to provide substitute non-nuclear power sources for radioisotope thermal power units operated by the Russian Federation and other independent states in the former Soviet Union; and to assist foreign countries, or to propose that the IAEA assist foreign countries, in the development of appropriate national response plans and the training of first responders for a possible radiological event.

The Committee has made funding available for each of these initiatives from the funds authorized in this title for fiscal year 2004 to be appropriated to the State Department account for Non-proliferation, Anti-terrorism, Demining, and Related Programs (NADR). All amounts authorized to be appropriated by this title are authorized to remain available until expended.

The Committee is also concerned with the threat posed to U.S. missions abroad by terrorist radiological attacks. The Secretary is therefore required to submit a report within 180 days after the enactment of this title (and on an annual basis thereafter) detailing the preparations made at U.S. diplomatic missions abroad to detect and mitigate such an attack, listing improvements for radiological safety and consequence management at those missions, and providing a rank-ordered list of the missions where such improvements are the most critical. As part of this report the Secretary is required to submit a budget request to carry out these improvements.

#### *Sec. 304. International Storage Facilities for Radioactive Sources*

Section 304 authorizes the Secretary of State to propose that the International Atomic Energy Agency conclude agreements with up to 8 countries under which each country would provide temporary secure storage for orphaned, unused, surplus, or other radioactive



sources (other than special nuclear material, nuclear fuel, or spent nuclear fuel). The agreements must be consistent with the IAEA Code of Conduct on the Safety and Security of Radioactive Sources, and shall address the need for storage of such radioactive sources in countries or regions of the world where convenient access to secure storage of such radioactive sources does not exist.

The Secretary is authorized to make voluntary contributions to the IAEA for use by the Department of Nuclear Safety of the IAEA to fund the United States share of the costs of activities associated with or under the above agreements, and in fiscal year 2004 that share may be 100 percent of the costs of such activities in that fiscal year. The Secretary is also authorized to provide the IAEA and other countries with technical assistance to carry out activities under the above agreements in a manner that meets the standards of the IAEA Code of Conduct on the Safety and Security of Radioactive Sources. To carry out this section, \$4,000,000 is authorized for fiscal year 2004.

The Committee intends that the Secretary make full use, as appropriate, of his authorities, in the Economy Act and especially in section 632(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2392(b)), to use the services of other departments and agencies in implementing this section. Such intent applies equally to sections 305-308 of this title. Subsection (d) of this section provides that the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) shall not apply with respect to any temporary secure storage facility constructed outside the United States under an agreement under subsection (a). Rather, the construction and operation of such a facility shall be governed by any applicable environmental laws of the country in which the facility is constructed.

*Sec. 305. Discovery, Inventory, and Recovery of Radioactive Sources*

Section 305 authorizes the Secretary of State to provide assistance, including through voluntary contributions to the IAEA, to support a program of the Division of Radiation and Waste Safety of the Department of Nuclear Safety of the IAEA to promote the discovery, inventory, and recovery of radioactive sources in member nations of the IAEA. The Secretary is also authorized to provide the IAEA and other countries with technical assistance to carry out the program. To carry out this section, \$4,000,000 is authorized for fiscal year 2004.

*Sec. 306. Radioisotope Thermal Generator Power Units in the Independent States of the Former Soviet Union*

Section 306 authorizes the Secretary of State to assist the Government of the Russian Federation to substitute solar (or other non-nuclear) power sources for radioisotope thermal power units operated by the Russian Federation and other independent states of the former Soviet Union in applications such as lighthouses in the Arctic, remote weather stations, and for providing electricity in remote locations. Any power unit utilized as a substitute power unit under this section shall, to the maximum extent practicable, be based upon tested technologies that have operated for at least one full year in the environment where the substitute power unit will be used.

Subsection (b) of this section requires that the Secretary of State consult with the Secretary of Energy to ensure that substitute power sources provided under this section are for facilities from which the radioisotope thermal generator (RTG) power units have been or are being removed. The Department of Energy has primary responsibility for assisting the Government of the Russian Federation to locate, remove and securely store the RTG power units, and the Government of Norway has a program to replace RTG power units in the Kola Peninsula region. Close consultation with the Department of Energy will help ensure that the State Department does not provide non-RTG power units for facilities that are not ready for the replacement units or that are receiving replacement power units from other sources. To carry out this section, \$5,000,000 is authorized for fiscal year 2004. Not more than 20 percent of those funds may be used to replace dangerous radioisotope thermal power facilities in countries other than the independent states of the former Soviet Union that are similar to the facilities described above.

*Sec. 307. Foreign First Responders*

Section 307 authorizes the Secretary of State to assist foreign countries, or to propose that the IAEA assist foreign countries, in the development of appropriate national response plans and the training of first responders to: detect, identify, and characterize radioactive material; understand the hazards posed by radioactive contamination and the risks encountered at various dose rates; enter contaminated areas safely and speedily; and evacuate persons within a contaminated area. Subsection (b) requires the Secretary of State to take into account the findings of the threat assessment report required by section 308 and the location of any storage facilities for radioactive sources under section 304. To carry out this section, \$2,000,000 is authorized for fiscal year 2004.

*Sec. 308. Threat Assessment Reports*

Section 308 requires the Secretary of State to submit to the appropriate congressional committees a report detailing the preparations made at United States diplomatic missions abroad to detect and mitigate a radiological attack on United States missions and other United States facilities under the control of the Secretary. This report is to include a rank-ordered list of the Secretary's priorities for improving radiological security and consequence management at United States missions, a rank-ordered list of the missions where such improvement is most important, and a proposed budget to carry out those improvements. Each report shall be submitted in unclassified form, but may include a classified annex. The first report required by this section shall be submitted not later than 180 days after the date of the enactment of this Act. Subsequent reports under this section shall be submitted with the annual budget justification materials submitted by the Secretary of State to Congress for each fiscal year commencing with fiscal year 2006.

#### TITLE IV—GLOBAL PATHOGEN SURVEILLANCE

In January 2001, the National Intelligence Council released a National Intelligence Estimate entitled, *The Biological Warfare Threat*. The report not only points to the growing biological warfare

capabilities of state and non-state actors but, more importantly, highlights the similar patterns and symptoms of a deliberately initiated disease outbreak and a naturally occurring outbreak. Once an outbreak is detected and begins to spread, it is very difficult to distinguish between a deliberate versus a natural disease outbreak. Furthermore, both are potentially devastating to human, animal, and plant life, as well as economically costly. Epidemiologists and public health experts rely on similar tools to help prevent, detect, and contain both intentional and naturally occurring disease outbreaks.

The Committee believes that the threat of bioterrorism poses significant challenges not only for the United States, but for the entire world. It is difficult to protect our nation's health alone in an age of unprecedented air travel and international trade, as infectious pathogens are transported across borders each day. The recent global outbreak of severe acute respiratory syndrome, or SARS, is an unfortunate reminder of this vulnerability.

Infectious disease outbreaks are transnational threats and the defense of our homeland is not an isolated activity. Rather it requires a comprehensive strategy, including a critical international component. Whether intentional or natural, infectious diseases do not recognize the boundaries set by national borders.

The Committee held a hearing regarding the threat of bioterrorism and the spread of infectious diseases on September 5, 2001. Witnesses included former Senator Sam Nunn, Dr. Donald A. Henderson of Johns Hopkins University (later a scientific advisor to the White House and the Department of Health and Human Services), and Dr. David L. Heymann, Executive Director for Communicable Diseases at the World Health Organization. At a March 18, 2002, hearing on the chemical and biological weapons threat, Dr. Alan P. Zelicoff, Senior Scientist at Sandia National Laboratories, testified on the role of syndromic surveillance in bioterrorism prevention.

Developing nations represent one of the weak links in a comprehensive global surveillance and monitoring network. Unfortunately, naturally occurring disease outbreaks are most likely to occur in these areas where poor sanitary conditions, poverty, and a weak medical infrastructure combine to offer ideal breeding grounds for pathogens. In addition, some developing countries border rogue states or states that offer sanctuaries for international terrorist groups, where there is documented interest in biological agents.

The Committee has sought to identify and enhance the capability of the international community to detect, identify, and contain infectious disease outbreaks, whether the cause of those outbreaks is intentional or natural in origin. The primary authority for implementation of the bill's provisions is vested in the Department of State, but the Committee expects that the Department of Health and Human Services will also play a critical role, including consultation to the greatest extent possible.

#### *Sec. 404. Priority for Certain Countries*

Section 404 requires that priority in allocating assistance under the provisions of this bill be given to those eligible developing countries that permit personnel from the World Health Organization (WHO) and the Centers for Disease Control and Prevention (CDC)

to investigate infectious disease outbreaks on their territory, provide early notification of such outbreaks, and share pathogen surveillance data with appropriate U.S. governmental entities and international health organizations.

*Sec. 405. Restriction*

Section 405 restricts access that foreign nationals participating in programs authorized under this Act may gain to select agents that may be used as, or in, a biological weapon, except in a supervised and controlled setting. The Committee does not believe that such a restriction will constrain foreign nationals from fully participating in various training and educational programs under this Act.

*Sec. 406. Fellowship Program*

Section 406 authorizes the Secretary of State to award fellowships to eligible nationals of developing countries to pursue a master of public health degree or advanced public health training in epidemiology. The Committee believes that carefully chosen programs of this sort should be encouraged as they not only impart technical skills utilizing state-of-the-art technology, but also help cultivate the management and organizational skills of future leaders for developing country public health programs. The Secretary of State shall require the recipient to enter into an agreement under which the recipient, upon completing said education or training, will return to the recipient's country of nationality or last habitual residence (so long as it is an eligible developing country) and complete at least four years of employment in a public health position in the government or a nongovernmental, not-for-profit entity in that country. If the recipient is unable to meet these requirements, the recipient will be required to reimburse the U.S. government for the value of the assistance provided.

Subsection (e) allows for the participation of United States citizens, on a case-by-case basis, if the Secretary determines that it is in the national interest of the United States to do so. Such participants would be required, upon completion of education or training, to complete at least five years of employment in a public health position in an eligible developing country or an international health organization.

*Sec. 407. In-Country Training in Laboratory Techniques and Syndrome Surveillance*

Section 407 supports short-term training courses, outside the United States, in laboratory techniques for laboratory technicians and public health officials. Such training courses offer the opportunity for public health personnel to train in their indigenous environment, utilizing the available technology. Subsection 407(a) complements the assistance authorized in section 408 for the purchase and maintenance of public health laboratory equipment. Subsection 407(b) supports training in syndrome surveillance techniques. Syndrome surveillance systems provide the means for early detection and recognition, limit infection and mortality rates, and help to more efficiently focus limited public health resources.

*Sec. 408. Assistance for the Purchase and Maintenance of Public Health Laboratory Equipment; and Sec. 409. Assistance for Improved Communication of Public Health Information*

Sections 408 and 409 authorize the President to provide assistance, subject to the availability of appropriations, to eligible developing countries to purchase and maintain: (1) public health laboratory equipment necessary for the collection, analysis, and identification of pathogens which may cause disease outbreaks or be used as biological weapons; and (2) communications equipment and information technology, along with supporting equipment, necessary to effectively collect, analyze, and transmit public health information. The equipment should be appropriate for ready use in the intended geographical area and compatible with general standards established by the WHO and, as appropriate, the CDC to ensure interoperability with regional and international networks. Recipient countries must provide the resources, infrastructure, and other assets required to house, support, maintain, secure, and maximize use of this equipment and appropriate technical personnel.

The Committee believes that equipment purchased with assistance provided under these sections should be in compliance with the Export Administration Act of 1979 and that no funds should be made available for the purchase from a foreign country of equipment that, if made in the United States, would be subject to the Arms Export Control Act.

The Committee favors standardizing the reporting of public health information between and among developing countries and international health organizations. Standardized reporting requirements will enable information to be more easily transmitted and understood. Thus, the President is authorized under subsection (e) of section 409 to provide assistance for this purpose.

*Sec. 410. Assignment of Public Health Personnel to United States Missions and International Organizations*

Section 410 authorizes the heads of executive branch departments and agencies to assign public health personnel to U.S. diplomatic missions and international health organizations when requested. These details, intended to be flexible in nature, should be for the purpose of enhancing disease and pathogen surveillance efforts in developing countries. The Secretary of State must concur with any such detail.

*Sec. 411. Expansion of Certain United States Government Laboratories Abroad*

Section 411 authorizes the expansion of the overseas laboratories and other related facilities of the Centers for Disease Control and the Department of Defense, as appropriate, to further the goals of global pathogen surveillance and monitoring. This expansion applies to both numbers of personnel and the scope of operations. Overseas CDC and DoD facilities, working with host governments, play a crucial role in enhancing the capability of developing countries to monitor disease outbreaks and suspected biological weapons attacks.

*Sec. 412. Assistance for Regional Health networks and Expansion of Foreign Epidemiology Training Programs*

Section 412 authorizes the President to provide assistance for the purposes of enhancing the surveillance and reporting capabilities of the World Health Organization and existing regional networks. The President is also authorized to provide funding for the development of new regional health networks, as a means of continuing to expand the reach of a global surveillance network. Additionally, subsection (b) authorizes the Secretary of Health and Human Services to establish new country or regional Foreign Epidemiology Training Programs in eligible developing countries.

*Sec. 413. Authorization of Appropriations*

Section 413 authorizes appropriations for carrying out provisions of this title for Fiscal Year 2004. The Committee has made funding available for this title from the funds authorized to be appropriated to the State Department account for Nonproliferation, Anti-Terrorism, Demining, and Related Programs (NADR). All amounts authorized to be appropriated by this title are authorized to remain available until expended. The section authorizes \$35 million in total. Of this amount, \$25 million is authorized to carry out sections 406, 407, 408 and 409; \$500,000 to carry out section 410; \$2.5 million to carry out section 411; and \$7 million to carry out section 412. All of these authorization levels are subject to the availability of appropriations.

The Committee recognizes that the level of required assistance for global pathogen surveillance will be modest in comparison to other foreign assistance efforts. Targeted U.S. assistance can leverage other international assistance and, more importantly, establish benchmarks for public health programs in developing countries to strive for in sustaining and expanding pathogen surveillance efforts. Global surveillance does not command large-scale investments nor does it require high-tech equipment. The Committee hopes that U.S. allies and partners will contribute a proportionate share in funding these types of efforts to develop a comprehensive global surveillance network. The absence of authorized funding beyond FY 2004 does not indicate the need for a re-authorization of these programs.

## TITLE V—MISCELLANEOUS PROVISIONS

### SUBTITLE A—ELIMINATION AND MODIFICATION OF CERTAIN REPORTING REQUIREMENTS

*Sec. 501. Annual Report on Territorial Integrity*

This section repeals an annual report from the 1994 Foreign Operations, Export Financing, and Related Programs Act on steps taken by the governments of Eurasia concerning violations of the territorial integrity or national sovereignty of other Eurasian states “such as those violations included in Principle Six of the Helsinki Final Act.” This report is no longer necessary because the countries of Eurasia (designated in the 1994 Act as “New Independent States”) have maintained their sovereignty and territorial integrity for over a decade.

*Sec. 502. Annual Reports on Activities in Colombia*

This section permits the Secretary to satisfy the reporting requirements of section 694 of the fiscal year 2003 Foreign Relations Authorization Act by consolidating the required information with the report required by section 489 of the Foreign Assistance Act.

*Sec. 503. Annual Report on Foreign Military Training*

This amendment changes the date upon which the report is due to the Congress from January 31 to March 1.

*Sec. 504. Report on Human Rights in Haiti*

This section combines reports that derive from subsections 616 (c) (2), (3) and (4) of the Commerce, Justice and State Appropriations Act Fiscal Year 1999, as amended, concerning the status of the Government of Haiti's investigations and prosecution of certain extra judicial and political murders, the list of individuals implicated in those murders, and list of aliens denied visas as a result of the legislation. The two reports had been submitted on the same date but in two separate packages, so the timing of the receipt of this information will not be affected.

SUBTITLE B—OTHER MATTERS

*Sec. 511. Certain Claims for Expropriation by the Government of Nicaragua*

This section authorizes the Secretary of State to exclude from consideration for the purposes of foreign assistance restrictions related to property expropriation certain U.S. citizen property claims against the Government of Nicaragua not filed within 120 days of a deadline to be set by the Secretary of State.

*Sec. 512. Amendments to the Arms Control and Disarmament Act*

This section adds the term “formal commitments” to the elements for which the Verification and Compliance Bureau of the Department of State shall provide compliance analysis (arms control, nonproliferation, and disarmament agreements) under the Arms Control and Disarmament Act. To facilitate faster submission of the annual report on objectives and negotiations, it separates that report from the annual report on compliance, which is required to be prepared in coordination with the Director of Central Intelligence. This section also allows the annual report on Chemical Weapons Convention compliance, required by condition 10 (C) of the resolution of advice and consent to U.S. ratification of that Convention, to be incorporated in the annual compliance report required by section 403 of the Arms Control and Disarmament Act.

*Sec. 513. Support for Sierra Leone*

This section contains findings and a sense of Congress that there have been significant amounts expended in stabilizing Sierra Leone through the United Nations Mission in Sierra Leone (UNAMSIL) and Operation Focus Relief, and that this investment should be secured through appropriate continued support for the country. It also requires a one-time report of the U.S. Agency for International Development on the feasibility of opening a USAID mission in Sierra Leone and recommends that funding may be made available

to support education, poverty-reduction and anti-corruption efforts in fiscal year 2004.

*Sec. 514. Support for Independent Media in Ethiopia*

This section recognizes the need for an independent media in Ethiopia and recommends the provision of necessary sums to strengthen the capacity of journalists and increase their access to printing facilities. The Committee finds it essential to maintain principles of democratic participation in all states, regardless of their level of support in the global war on terrorism.

*Sec. 515. Support for Somalia*

This section contains a sense of Congress that the United States has a national interest in supporting stability in Somalia by working to strengthen state capacity, engaging in small-scale human development initiatives, and curtailing opportunities for terrorists and international criminals within Somalia's borders. It also calls for a one-time report by the Secretary of State to outline a multi-year strategy to increase access to education and health care services, to support effective regulation of Somali remittance companies and to assist in the rehabilitation of the Somali livestock sector.

The Committee continues to be concerned about existing and potential terrorist activity and influence in Somalia, and supports a policy of engagement with relatively stable and responsible actors including Somaliland, in order to provide alternative influences and opportunities to the Somali people.

*Sec. 516. Support for Central African States*

This section contains specific findings drawn from the State Department's Human Rights Report for 2002, and reaffirms U.S. policy supporting efforts aimed at accounting for grave human rights abuses and crimes against humanity, encouraging reconciliation and preventing such crimes in the future. It also requires a report from the Secretary of State within 180 days after enactment on the actions taken pursuant to the above policy. This section also authorizes that up to \$12 million may be made available for fiscal year 2004 to support justice and reconciliation mechanisms in the Democratic Republic of the Congo, Rwanda, Burundi, and Uganda.

The Committee is deeply disturbed by ongoing reports of gross human rights abuses in Ituri province and the eastern portion of the Democratic Republic of the Congo, and believes that regional instability will not be resolved until the climate of impunity for such abuses is changed. The Committee considers that the mounting frequency of reports of atrocities perpetrated by local and proxy militias, and the politicization and arming of the population, warrant responsive actions in order to avert further atrocities.

*Sec. 517. Africa Contingency Operations Training and Assistance Program*

This section authorizes the Africa Contingency Operations Training and Assistance Program (ACOTA), codifies the criteria for eligible countries, and expresses a sense of the Congress on local consultations prior to ACOTA implementation and monitoring of post-training performance and conduct of military units trained. It pro-



vides that the full amount requested for fiscal year 2004 may be made available for ACOTA training.

The Committee finds that several years of experience with ACOTA and its predecessor, the Africa Crisis Response Initiative (ACRI), have confirmed their value.

*Sec. 518. Conditions on the Provision of Certain Funds to Indonesia*

This section conditions the release of any funds available for Indonesia in fiscal year 2004 under the Foreign Military Financing program or the International Military Education and Training program (with the exception of funds under the expanded IMET program) on the receipt of a certification submitted by the President that the Government of Indonesia and the Indonesian Armed Forces are taking effective measures to conduct an investigation of the attack on United States citizens in Indonesia on August 31, 2002 and to criminally prosecute the individuals responsible for the attack.

*Sec. 519. Assistance to Combat HIV/AIDS in Certain Countries of the Caribbean*

This section's purpose is to include certain nations of the Caribbean Region where HIV/AIDS prevalence is second only to sub-Saharan Africa, on the list of countries eligible for assistance from the Combat HIV/AIDS Globally Fund.

*Sec. 520. Repeal of Obsolete Assistance Authority*

This section repeals various authorities that have been included in the Foreign Assistance Act over the last twenty years in response to one-time crises to provide for the relief and rehabilitation of various peoples around the world.

*Sec. 521. Technical Corrections*

This section makes technical corrections to several foreign assistance laws.

## V. REGULATORY IMPACT STATEMENT

In accordance with rule XXVI, paragraph 11(b) of the Standing Rules of the Senate, the Committee has concluded that section 240 of the bill will slightly lessen the burden for producers of commercial communications satellites.

## VI. COST ESTIMATE

Rule XXVI, paragraph 11(a) of the Standing Rules of the Senate requires that Committee reports on bills or joint resolutions contain a cost estimate for such legislation. The provisions of Rule XXVI paragraph 11(a) were not complied with because of time constraints. The Chairman will publish the Congressional Budget Office estimate of the bill in the Congressional Record when it is provided.

## VII. CHANGES IN EXISTING LAW

It is the opinion of the Committee that it is necessary to dispense with the requirements of Rule 26.12 of the Standing Rules of the Senate in order to expedite the business of the Senate.

