
LEGISLATION AND POLICY

Military Assistance Legislation for Fiscal Year 1995

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INTRODUCTION

This report provides a detailed outline of new FY1995 legislative provisions which impact on the conduct of U.S. security assistance programs. Regular readers of *The DISAM Journal* will recognize that this outline approach differs from our previous annual legislative reports which were presented in a textual format. The use of an outline style permitted us to capitalize on the early enactment (23 August 1994) of the FY1995 Foreign Operations Appropriations Act and to publish this material in our Fall issue. For reference purposes, this approach may be preferable, since the use of boldface print to identify key topics, together with the outline format, should help in locating specific statutory provisions. Although this format permitted an expeditious presentation of the new legislation, the expected Department of State announcement of country and program funding allocations had not occurred by press-time, and this data has been deferred to our Winter issue.

- Two laws are examined herein:

- The report opens with an analysis of the *Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1995* (P.L. 103-306, dated 23 August 1994). During the legislative process preceding enactment, this law was identified as H.R. 4426.

- New expanded title for P.L. 103-306: On 1 August 1994, the Appropriations Conference Committee issued its Report of Conference on H.R. 4426, in which it adopted a Senate proposal to expand the Act's title so as to clarify the various purposes for which funds are made available under P.L. 103-306; the new formal title is:

- *An Act Making Appropriations For Foreign Operations, Export Financing, And Related Programs For The Fiscal Year Ending September 30, 1995, And For Other Purposes, And For A Fiscal Year 1994 Supplemental, And For Other Purposes."*

- As used herein, the Act is cited in its common usage, as *P.L. 103-306, Foreign Operations Appropriations Act, 1995*.

- A second new law which contains provisions which impact on security assistance activities is the *Foreign Relations Authorization Act Fiscal Years 1994 and 1995* (P.L. 103-236, dated 30 April 1994).

- This law was passed prior to P.L. 103-306, and it provides authorizations for a variety of Department of State programs, including several security assistance-related activities.

- This law should not be mistaken for a Foreign Assistance authorization act; for the tenth consecutive year, since 1985, Congress has failed to enact such an authorization act.

- A detailed discussion of P.L. 103-236, is provided later in this paper following a review of the principal provisions of the FY1995 Foreign Operations Appropriations Act. Here, it is useful to review the status of a related and much-discussed proposal to enact a new basic foreign assistance authorization act.

- Since 1988, various efforts have been made to revise the Foreign Assistance Act of 1961 (FAA) and the Arms Export Control Act (AECA). In February 1994, the Administration formally presented Congress with a thoroughly rewritten foreign assistance authorization act to replace the FAA. An earlier discussion draft of the new bill was made available to Congress in November 1993. No comparable effort was made to rewrite the Arms Export Control Act.

- Entitled the *Peace, Prosperity and Democracy Act of 1994*, this proposed law involved a major restructuring of the foreign policy and foreign assistance orientation of the United States to meet the policy and program challenges of the post-Cold War period. Accordingly, as designed by the Administration, the foreign policy objectives and functional categories listed below served for budget purposes as the foundation for identifying and justifying for FY1995 all the many programs of U.S. foreign assistance. These proposed foreign policy objectives/categories, as related to specific security assistance programs, are:

- Promoting and maintaining peace:
 - Peacekeeping and Related Programs (PKO);
 - Nonproliferation and Disarmament (NPD);
 - Regional Peace and Security (FMF and IMET); and,
 - International Narcotics Trafficking, Terrorism, and Crime Prevention.
- Building Democracy:
 - New Independent States;
 - Central and Eastern Europe;
 - Countries in Transition to Democracy (IMET); and,
 - Information and Exchange.

- In terms of FY1995 security assistance program funding, the Administration provided Congress with separate budget justifying documents for the “Promoting Peace” and “Building Democracy” objectives, using the format of the proposed authorization act rewrite.

- The involvement of Congress in Anti-Crime, Health Care, and other domestic legislation, plus related political considerations, precluded the passage of the proposed act, or any other foreign assistance authorization act for FY1995, thereby leaving the Foreign Assistance Act of 1961 as the principal and continuing source of foreign assistance legislative authorities.

- In place of an authorization act for FY1995, all required authorizations for the obligation of FY1995 foreign assistance funds have necessarily been provided in the FY1995 Foreign Operations Appropriations Act (§526, “Authorization Requirement,” P.L. 103-306).

• Table 1 provides a summary of the security assistance appropriations process for FY1995. It first lists the FY1994 appropriations (P.L. 103-87, 30 September 1993) to serve as a reference base for the FY1995 appropriations. It then tracks the FY1995 funding proposal from its initial submission to Congress as an element of the Administration's FY1995 budget request for foreign assistance, through its subsequent passage by the House, Senate, and reconciliation by the Conference Committee, to Presidential signature and enactment as P.L. 103-306. (The Conference Committee recommendations on 1 August 1994 for program appropriations levels, are identical to the final levels that were enacted on 23 August 1994 in P.L. 103-306, as shown below.)

Table 1

**SECURITY ASSISTANCE PROGRAM APPROPRIATIONS
FISCAL YEARS 1994 AND 1995 FUNDING LEVELS
(Dollars In Millions)**

	<u>P.L. 103-87 30 SEP 1993 FY 1994 LEVELS</u>	<u>FY 1995 BUDGET REQUEST 12 FEB 1994</u>	<u>H.R. 4426 HOUSE PROPOSAL 25 MAY 1994</u>	<u>H.R. 2295 SENATE PROPOSAL 15 JUL 1994</u>	<u>P.L. 103-306 23 AUG 1994 FY 1995 LEVELS</u>
FMFP	\$3,918.779	\$3,932.458	\$3,768.929	\$3,770.929	\$3,770.929
(GRANTS)	(3,149.279)	(3,162.458)	(3,149.279)	(3,151.279)	(3,151.279)
(LOANS)	(769.500)[1]	(770.000)[2]	(619.650)[3]	(619.650)[4]	(619.650)[5]
IMET	21.250	26.350	25.500	25.500	25.500
ESF	2,364.562	2,414.502	2,339.000	2,359.200	2,349.000
PKO	75.623	75.000	75.000	75.000	75.000
NPD	10.000	50.000	10.000	10.000	10.000
TOTALS	<u>\$6,390.214</u>	<u>\$6,498.310</u>	<u>\$6,218.429</u>	<u>\$6,240.629</u>	<u>\$6,230.429</u>

[1] The direct loan component of the FY1994 FMFP account included an appropriation of \$46.530M in loan subsidy funding to support a maximum of \$769.500M in commercial loans to be issued at current average market interest rates.

[2] The direct loan component of the Administration's proposed FY1995 FMFP account included a recommended appropriation of \$59.598M to support a commercial loan program not to exceed \$770M, of which \$317M was planned for Greece, and \$453M for Turkey.

[3] The House bill proposed an FMFP commercial loan program not to exceed \$619.650M, to be supported by a subsidy appropriation of \$47.917M.

[4] The Senate's FMFP commercial loan program provisions were identical to those of the House.

[5] The FMFP total value of \$3,770.929M appropriated for FY 1995 includes \$3,151.279M in grants and \$47.917M in loan subsidy funding to support a maximum of \$619.650M in commercial loans to be issued at current average market interest rates. Congress established ceilings for these loans at no more than \$255.150M for Greece, and no more than \$364.500M for Turkey.

- The following section of this report examines the various provisions of the Foreign Operations Appropriations Act, FY1995 (P.L. 103-306) as they impact on the management and execution of U.S. security assistance programs, beginning with the Foreign Military Financing Program.

<u>Table 2</u>			
PROMOTING PEACE, AND REGIONAL PEACE AND SECURITY Military Financing [Foreign Military Financing Program (FMFP)] FY 1994 and FY 1995 Funding (Dollars in Millions) (E - Earmark; C - Ceiling)			
<u>Country/Program by Geographical Region</u>	<u>FY1994 FMFP Allocations</u>	<u>FY1995 Budget Request</u>	<u>FY 1995 FMFP Allocations [1]</u>
<u>NEAR EAST</u>			
Egypt	\$1,300.000E	\$1,300.000	\$1,300.000E
Israel	1,800.000E	1,800.000	1,800.000E
Jordan	9.000	7.300	
	-----	-----	-----
Subtotals	3,109.000	3,107.300	
<u>EUROPE</u>			
Greece [Loans]	283.500C	317.000	255.150C
Portugal [Loans]	81.000C	0.000	
Turkey [Loans]	405.000C	453.000	364.500C
	-----	-----	-----
Subtotals	769.500	770.000	
<u>COUNTERNARCOTICS [2]</u>			
Andean Narcotics Initiative	12.421	0.000	
[Bolivia]	[4.721]	[0.000]	
[Colombia]	[7.700]	[0.000]	
[Peru]	[0.000]	[0.000]	
Potential Source and Transit Counternarcotics Initiative	0.800	0.000	
[Belize]	[0.160]	[0.000]	
[Dominican Republic]	[0.110]	[0.000]	
[Eastern Caribbean]	[0.130]	[0.000]	
[Ecuador]	[0.130]	[0.000]	
[Guyana]	[0.060]	[0.000]	
[Jamaica]	[0.110]	[0.000]	
[Trinidad & Tobago]	[0.100]	[0.000]	
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Subtotals	13.221	0.000	

FMFP, Table 2 (Continued)

<u>SECURITY ASSISTANCE PROGRAMS BY FUNCTION</u>	<u>FY1994 FMFP Allocations</u>	<u>FY1995 Budget Request</u>	<u>FY 1995 FMFP Allocations</u>
<u>MISCELLANEOUS</u>			
FMFP Operating Expenses	23.558C	23.558	22.150
Landmine Clearing & Training	2.500	5.000	
Prior Year Reobligations	0.000	0.000	
Reserved	1.000	0.000	
Unallocated	0.000	26.600	29.129
	-----	-----	-----
Subtotals	27.058	55.158	
<u>PROGRAM TOTALS</u>	<u>\$3,918.779</u>	<u>\$3,932.458</u>	<u>\$3,770.929</u>

[1] Other than the commercial loans approved for Greece and Turkey, all other FY1995 country and program funding is to be provided as grants. FMFP discretionary funding allocations for FY1995 had not been made public by the time this issue of *The DISAM Journal* went to press in mid-October 1994. Such information should be available for inclusion in the Winter 1994-95 issue of the *Journal*.

[2] No FMFP funding was requested or appropriated specifically for use in the FY1995 international narcotics program.

Sources: FY1994 FMFP allocations and budget request levels for FY 1995 may be found in the joint Department of State/Department of Defense annual *Congressional Presentation for Peace, Prosperity, and Democracy, FY 1995*.

- Foreign Military Financing Program (FMFP) Provisions (see Table 2 above):
 - FMFP Grant Funding: The Conference Committee adopted the Senate FMFP grant funding proposal of \$3,151,279,000 in place of the lower House proposal of \$3,149,279,000.
 - Grant Earmarks ("nonrepayable credits"): Israel, \$1,800,000,000 and Egypt, \$1,300,000,000, for a total of \$3,100,000,000.
 - The special FMFP-related provisions for Israel have again been renewed for FY1995, to include:
 - Authority for the early disbursement by cash transfer of Israel's entire FMFP funding, to occur within 30 days of enactment or by 31 October 1994, whichever is later;
 - To the extent that Israel requests the use of its FMFP grants for advanced fighter aircraft programs or for other advanced weapons systems, and as agreed by Israel and the United States, the following provisions apply:
 - Up to \$150M of Israel's FMFP appropriation may be used for research and development in the U.S.

- Not less than \$475M of Israel's FMFP appropriation may be used for procurement in Israel of defense articles and defense services, including research and development.

- P.L. 103- 306 does not include any special FMFP provisions for Egypt.

- **FMFP General Costs.** Congress placed a ceiling of **\$22,150,000** on FMFP grant funding for the general costs of administering military assistance and sales programs for FY1995.

- These funds are used to finance certain security assistance operating expenses of MILDEPS, DSAA, and SAOs.

- At \$22,150,000, the FY1995 funding level for these FMFP general costs was \$1,408,000 below the Administration's funding request of \$23,558,000 for this account.

- **Discretionary FMFP grant funding: \$29,129,000** remains available in the FMFP FY1995 account for allocation for other countries/programs:

- The allocation of these funds (as well as other discretionary security assistance funds) had not been announced by the Administration before the mid-October publication date of this article. These allocations will be reported in the Winter 1994-95 issue of *The DISAM Journal*.

- **FMFP Loans ("repayable credits"):**

- These are direct loans which are to be provided at commercial market rates of interest.

- Congress appropriated \$47,917,000 to subsidize a total direct loan program of \$619,650,000, with funding ceilings not to exceed \$255,150,000 for Greece and \$364,500,000 for Turkey. (The Conference Committee Report observes that this funding, "is at a 7 to 10 ratio" for the distribution of military assistance to the two countries, but no specific mention of the ratio is present in P.L. 103-306.)

- The Administration's budget request had proposed a larger FMFP loan program for the two countries: \$317,000,000 for Greece, and \$453,000,000 for Turkey.

- Congress placed a restriction on the allocation of these funds which is unique in its application to NATO member countries, since it requires the conditional withholding of ten percent of the principal of these FY1995 loans for both Greece and Turkey.

- Release of these funds in FY1995 is contingent upon reports to Congress from the Secretary of State, in consultation with the Secretary of Defense, addressing the following:

- Turkey: "Allegations of abuse committed against civilians by Turkish armed forces and the situation in Cyprus;" and,

- Greece: "Allegations of violations of the United Nations sanctions against Serbia and of the U.N. Charter."

- A separate notification to the Committees on Appropriations is required at least fifteen days before any of these funds may be obligated.

- The House-passed version of P.L. 103-306 called for the withholding of 25 percent of each country's FMFP account, but the SAC bill contained no withholding provision whatsoever. The reduction of the House bill's recommended holdback level to 10 percent was accomplished by the Conference Committee.

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- **FMS Administrative Budget:**
 - * A spending ceiling of \$335,000,000 was placed on the FY1995 FMS Administrative Budget.
 - The FMS Administrative Budget is financed by charges that are added to all FMS cases to recover USG expenses for the following: sales negotiation, case implementation, program control, computer programming, accounting and budgeting, and administration of the FMS Program at command headquarters and higher levels. The funds derived from the charges provide the source of the Administrative Budget.
 - FY1995 represents the third consecutive year that Congress has imposed a ceiling on this budget.
 - The FY1993 Administrative Budget was limited to \$300M.
 - For FY1994, the Administrative Budget was initially capped at \$290M; however, a 16 November 1993 request by the Administration to increase it by \$42.1M to \$332.1M was approved by Congress.
 - For FY1995, the Administration originally proposed a FY1995 Administrative Budget of \$335.9M, but this was reduced by Congress to \$335M.
 - An increase above the FY1995 ceiling may be effected only through the regular notification procedures of the Committees on Appropriations. As noted above, the FY1994 increase in this budget was accomplished through such a notification.
 - **Limitations on Representation Allowances (§505, P.L. 103-306)**
 - Ceilings on FY1995 allowances are as follows:
 - FMF: Not to exceed \$2,000 shall be available for entertainment expenses, and not to exceed \$50,000 shall be available for representation allowances.
 - IMET: Not to exceed \$50,000 shall be available for entertainment.
 - **Countries prohibited from receiving FMFP assistance:** Guatemala, Liberia, Peru, Sudan, and Zaire.
 - **Counternarcotics FMFP provision:** No FMFP assistance may be made available for Columbia or Bolivia until the Secretary of State certifies that such funds will be used primarily for counternarcotics activities.
 - **FMFP funding of Direct Commercial Contracts** is limited to a total of \$100M of FMF, but such funding for Israel and Egypt is excluded from this ceiling.
 - **Cash Flow Financing (§543, P.L. 103-306)**
 - The FY1995 Foreign Operations Appropriations Act continues a special Congressional reporting requirement for each country that has been approved for FMFP cash flow financing as defined in §25(d), AECA).
 - The two Appropriations Committees must be notified of any proposed procurement which meets all of the following conditions:

- An LOA or other purchase agreement, or amendment thereto, which is proposed for a country that has been approved for cash flow financing;

- The proposed acquisition by such a country must be reported if it involves a defense procurement valued in excess of \$100,000,000; and,

- The proposed purchase is to be financed in whole or in part with funds made available under the annual Foreign Operations Appropriations Act [i.e., FMFP funds].

- **Demining Activities**

- Notwithstanding any other provision of law, FMFP funds may be used in FY1995 for demining activities, including activities implemented through nongovernmental organizations and international organizations. No earmark or ceiling is identified in the FY1995 appropriations for this purpose, and the Administration's FY1995 funding allocation for demining remains to be announced.

- For FY1993, Congress earmarked \$1M in FMFP funds for mine clearing and related training activities.

- No funds were earmarked for this purpose in FY1994, but a total of \$2.5M in FMFP funds was allocated for demining activities; this was in addition to a FY1994 appropriation of \$10M for DoD for this same purpose.

- Also of interest here is the statutory continuation of a **moratorium on the sale, transfer, or export of anti-personnel mines**. This ban went into effect on 23 October 1992 and is currently scheduled to expire on 22 October 1996.

- **Air and Trade Shows:** P.L. 103-306 extends through FY1995 the ban on DSAA employees and the use of any FMFP funds "to facilitate the transport of aircraft to commercial arms sales shows." This ban first went into effect in FY1993 and has been extended annually since then.

- **International Military Education and Training (IMET)** (See Table 3 below.)

- Congress appropriated \$25,500,000 for the FY1995 IMET account. This represents an increase of \$4,250,000 over the FY1994 IMET appropriation of \$21,250,000.

- The FY1995 IMET account may also be increased by a transfer of an additional \$850,000 from the FY1995 Peacekeeping Operations account. This additional funding is for training PKO personnel from Botswana and Senegal.

- As in FY1993 and FY1994, the FY1995 Foreign Operations Appropriations Act *authorizes* up to \$300,000 for grant financed military education and training for any country whose annual per capita Gross National Product (GNP) exceeds \$2,349; the availability of such funding is conditioned on the requirement that a recipient country agrees to fund from its own resources the transportation costs and living allowances of its students.

- Dropped from the FY1995 Act is the statutory language that *prohibited* countries which have an annual per capita GNP exceeding \$2,349 from using IMET funds for student travel and living allowances.

- This provision appeared in each annual foreign operations appropriations act from FY1989 through FY1994. Its absence from the FY1995 Act acknowledges that the statutory *authorizing* provision for FY1995 sufficiently covers these requirements.

Table 3

DIRECT TRAINING
[International Military Education And Training (IMET)]

FY1994 and FY1995 Funding
(Dollars in Thousands)

For FY1995, the new term "Direct Training" embraces all programs previously identified as International Military Education and Training (IMET). Funding for Direct Training was requested under two foreign policy objectives: "Building Democracy" and "Promoting Peace" (the latter including both Peacekeeping and Regional Peace and Security). Actual IMET Funding allocations for FY1995 had not been announced by the mid-October publication date of this article.

<u>REGION</u>	<u>FY1995</u> <u>Request</u> <u>for</u> <u>Building</u> <u>Democracy</u>	<u>FY1995</u> <u>Request</u> <u>for</u> <u>Regional</u> <u>Peace &</u> <u>Security</u>	<u>FY1995</u> <u>Total</u> <u>Funding</u> <u>Request</u>	<u>FY1995</u> <u>Allocated</u> <u>Funding</u>
<u>AFRICA</u>				
Benin	100	0	100	
Botswana	100	350[1]	450	
Burundi	100	0	100	
Cape Verde	75	0	75	
Central African Republic	100	0	100	
Chad	175	0	175	
Congo	150	0	150	
Cote d'Ivoire	150	0	150	
Djibouti	150	0	150	
Eritrea	200	0	200	
Ethiopia	250	0	250	
Gambia, The	100	0	100	
Ghana	200	0	200	
Guinea	150	0	150	
Guinea-Bissau	75	0	75	
Kenya	200	0	200	
Lesotho	50	0	50	
Malawi	125	0	125	
Mali	130	0	130	

[1] For the convenience of presentation, the funding shown here for Botswana (\$350K) and for Senegal (\$500K) under the objective of "Regional Peace and Security," was actually reported under "Peacekeeping." These were the only countries for which funds for peacekeeping training were requested.

(Continued on following page.)

IMET, Table 3, Continued

<u>REGION</u>	<u>FY1995 Request for Building Democracy</u>	<u>FY1995 Request for Regional Peace & Security</u>	<u>FY1995 Total Funding Request</u>	<u>FY1995 Allocated Funding</u>
<u>AFRICA, Cont'd</u>				
Mozambique	125	0	125	
Namibia	0	150	150	
Niger	200	0	200	
Rwanda	150	0	150	
Sao Tome & Principe	0	75	75	
Senegal	100	500[1]	600	
South Africa	250	0	250	
Swaziland	50	0	50	
Tanzania	100	0	100	
Uganda	150	0	150	
Zambia	100	0	100	
Zimbabwe	0	250	250	
Regional Totals	3,805	1,325	5,130	
<u>EAST ASIA AND PACIFIC</u>				
Cambodia	200	0	200	
Korea	0	10	10	
Malaysia	0	500	500	
Mongolia	100	0	100	
Papua New Guinea	125	0	125	
Philippines	0	1,195	1,195	
Singapore	0	20	20	
Solomon Islands	0	100	100	
Thailand	0	1,000	1,000	
Tonga	0	50	50	
Vanuatu	0	50	50	
Western Samoa	0	50	50	
Regional Totals	425	2,975	3,400	
<u>EUROPE</u>				
Albania	200	0	200	
Austria	0	15	15	
Belarus	100	0	100	

(Continued on next page.)

IMET, Table 3, Continued

<u>REGION</u>	<u>FY1995 Request for Building Democracy</u>	<u>FY1995 Request for Regional Peace & Security</u>	<u>FY1995 Total Funding Request</u>	<u>FY1995 Allocated Funding</u>
<u>EUROPE, Cont'd</u>				
Bulgaria	500	0	500	
Czech Republic	500	0	500	
Estonia	200	0	200	
Finland	0	15	15	
Georgia	75	0	75	
Greece	0	50	50	
Hungary	700	0	700	
Kazakhstan	100	0	100	
Kyrgyzstan	50	0	50	
Latvia	200	0	200	
Lithuania	200	0	200	
Macedonia	125	0	125	
Malta	0	65	65	
Moldova	50	0	50	
Poland	700	0	700	
Portugal	0	500	500	
Romania	500	0	500	
Russia	700	0	700	
Slovakia	350	0	350	
Slovenia	125	0	125	
Spain	0	50	50	
Turkey	0	1,000	1,000	
Turkmenistan	50	0	50	
Ukraine	600	0	600	
Uzbekistan	50	0	50	
Regional Totals	----- 6075	----- 1,695	----- 7,770	-----
<u>LATIN AMERICA & CARIBBEAN</u>				
Argentina	0	100	100	
Belize	40	0	40	
Bolivia	350	0	350	
Brazil	0	100	100	
Chile	0	100	100	
Colombia	600	0	600	

(Continued on next page.)

IMET, Table 3, Continued

<u>REGION</u>	<u>FY1995 Request for Building Democracy</u>	<u>FY1995 Request for Regional Peace & Security</u>	<u>FY1995 Total Funding Request</u>	<u>FY1995 Allocated Funding</u>
<u>LATIN AMERICA AND CARIBBEAN, Cont'd</u>				
Costa Rica	0	50	50	
Dominican Republic	0	200	200	
Eastern Caribbean	0	200	200	
Ecuador	0	300	300	
El Salvador	400	0	400	
Guatemala	200	0	200	
Guyana	75	0	75	
Honduras	325	0	325	
Jamaica	0	170	170	
Mexico	0	200	200	
Nicaragua	100	0	100	
Panama Canal Area				
Military School (SCIATTS)	0	425	425	
Paraguay	125	0	125	
Peru	325	0	325	
Suriname	50	0	50	
Uruguay	0	100	100	
Venezuela	0	250	250	
Regional Totals	----- 2,690	----- 2,195	----- 4685	-----
<u>NEAR EAST</u>				
Algeria	0	75	75	
Bahrain	0	75	75	
Egypt	0	1,000	1,000	
Jordan	0	1,000	1,000	
Lebanon	0	400	400	
Maldives, Republic of	50	0	50	
Morocco	0	800	800	
Oman	0	110	110	
Tunisia	0	800	800	
Regional Totals	----- 50	----- 4,260	----- 4,310	-----

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IMET, Table 3, Continued

<u>REGION</u>	<u>FY1995 Request for Building Democracy</u>	<u>FY1995 Request for Regional Peace & Security</u>	<u>FY1995 Total Funding Request</u>	<u>FY1995 Allocated Funding</u>
<u>SOUTH ASIA</u>				
Bangladesh	0	175	175	
India	0	200	200	
Nepal	100	0	100	
Sri Lanka	100	0	100	
	-----	-----	-----	-----
Regional Totals	200	375	575	
<u>NON-REGIONAL</u>				
Defense Administrative Costs	0	380	380	
	-----	-----	-----	-----
Non-Regional Totals	0	380	380	
TOTAL BUDGET REQUEST AND FY 1994 BUDGET AUTHORITY	<u>\$13,145</u>	<u>\$13,205</u>	<u>\$26,350</u>	<u>\$25,500</u>

- P.L. 103-306 continues to authorize the provision of IMET to civilian personnel who are members of national legislatures and are responsible for the oversight and management of the military.

- Also, IMET funds are now authorized to be used in FY1995 to train "individuals who are not members of a government;" this is the first time that this authority has been instituted.

- For FY 1995, P.L. 103-306 continues the prohibition on the provision of IMET to **Indonesia**, but does not prohibit the purchase of U.S. military training through an FMS case or a direct commercial contract.

- P.L. 103-306 also includes prohibitions on the provision of IMET assistance during FY 1995 to **Rwanda** and **Zaire**. Similarly, IMET and Military-to-Military Contact Program funding (see below) during FY1995, only may be made available to **Thailand** or **Algeria** through the special notification procedures of the Congress.

- The restriction on aid to Thailand is accompanied by a special provision requiring the Secretary of State to submit a report to Congress by 1 February 1995 which addresses "the Thai military's support for the Khmer Rouge and the Thai Government's efforts to impede support for Burmese democracy advocates, exiles, and refugees."

- P.L. 103-306 also requires a report to the Committees on Appropriations addressing how the proposed School of the Americas IMET program for FY1995, “will contribute to the promotion of human rights, respect for civilian authority and the rule of law, the establishment of legitimate judicial mechanisms for the military, and achieving the goal of right sizing military forces.” [Note: this is the first known reference in U.S. law regarding the “right sizing” of *foreign* military forces.]

- **Military-to-Military Contact Program (MMCP)**

- Jurisdiction over this program and its funding was transferred by the House Appropriations Committee from the Department of Defense Budget (Function 050) to the Foreign Operations Budget (Function 150). This was approved in Conference, and has had the effect of creating a separate Function 150 budget account for this program. The Military-to-Military Contact Program is now subject to the same funding, justification, and notification procedures of other foreign assistance programs. It is placed in the Foreign Operations Appropriations Act under, “Title III—Military Assistance.”

- The Administration requested \$46.3M in DoD Budget Authority for this program, but the House and Senate agreed to reduce the program to \$12M for FY 1995. The \$12M appropriation may be used only for programs in East European countries, the Baltic States, and the U.S. Pacific Command Area of Responsibility [PACOM AOR]. Moreover, P.L. 103-306, calls for “the Committees of jurisdiction” [unnamed, but presumably Appropriations] to be provided a document from the Administration justifying the FY1995 MMCP before any funds may be obligated.

- The Conference Committee Report states further that the conferees expect the Secretary of Defense, in conjunction with the Secretary of State, to “prepare and submit a report addressing the future of military training of foreign armed forces.”

- Specifically, this requested report, “should address purposes, resources, coordination among programs, and the appropriate roles of the respective Departments in carrying out military training.” Further, the report “should also detail the process by which the Departments of State and Defense intend to coordinate the initial planning for country specific programs.” Finally, the conferees indicated that they “will consider expanding the authorities for this program beyond the two regions” (i.e., Eastern Europe/the Baltic States, and the PACOM AOR) upon the submission of this report.

- **Economic Support Fund (ESF)**

- The House proposed \$2,339,000,000 for ESF funding in FY1995. The Senate voted to increase the House proposal by \$20,200,000 to \$2,359,200,000. The Conference Committee resolved the disparity by settling on an ESF appropriation of \$2,349,000,000, all of which will be provided in FY1995 as grant aid. (See Table 4 which follows.)

- **ESF earmarks: Israel, \$1.2B, Egypt, \$815M, and Cyprus, \$15M.**

- Israel’s ESF monies shall be made available as a cash transfer and shall be disbursed within thirty days of enactment of the Foreign Operations Appropriations Act, or by 31 October 1994, whichever is later. Cash transfer assistance may be provided to Egypt, “with the understanding that Egypt will undertake significant economic reforms which are additional to those which were undertaken in previous years.” Also, not less than \$200 million of Egypt’s ESF assistance shall be provided as Commodity Import Program assistance.

- Cyprus’ ESF monies may be “used only for scholarships, bicomunal projects, and measures aimed at the reunification of the island and designed to reduce tensions, and promote peace and cooperation between the two communities on Cyprus.”

- No ESF assistance may be made available to Zaire.
- Up to \$3,000,000 of ESF assistance may be used in support of anti-narcotics activities (see "international narcotics control" subject below). Actual ESF funding allocations for FY1995 had not been announced by the mid-October publication date of this article.

Table 4
PROMOTING PEACE
REGIONAL PEACE AND SECURITY
Economic Assistance
[Economic Support Fund (ESF)]
FY1994 and FY1995 Funding
(Dollars in Thousands) (E=Earmark)

<u>Country/Program by Geographical Region</u>	<u>Actual FY1994 Funding</u>	<u>FY1995 Budget Request</u>	<u>FY1995 Allocated Funding</u>
<u>EAST ASIA AND PACIFIC</u>			
Cambodian Economic Development	\$8,000	0	
South Pacific Tuna Treaty	14,000	\$14,000	
Regional Totals	----- 22,000	----- 14,000	-----
<u>EUROPE</u>			
Cyprus	15,000E	15,000	15,000E
Ireland Fund	15,000[1]	15,000	
Macedonia	5,000	0	
Turkey	125,000	100,000	
Regional Total	----- 160,000	----- 130,000	-----
<u>LATIN AMERICA & CARIBBEAN</u>			
Andean Narcotics	35,000	0	
Eastern Caribbean	1,000	0	
El Salvador	45,000	0	

[1] The FY1994 appropriation for the International Fund for Ireland (\$19,600,000) was identified, as in previous years, as a separate account under Title II—Bilateral Assistance of the annual Foreign Operations Appropriations Act. For FY1995, it has been reported as an ESF program element.

(Continued on next page.)

ESF, Table 4, Continued

<u>Country/Program by Geographical Region</u>	<u>Actual FY1994 Funding</u>	<u>FY1995 Budget Request</u>	<u>FY1995 Allocated Funding</u>
Haiti	12,000	0	
Nicaragua	10,000	0	
Panama	4,000	0	
	-----	-----	-----
Regional Totals	107,000	0	
<u>MIDDLE EAST</u>			
Egypt	815,000E	815,000E	815,000E
Israel	1,200,000E	1,200,000E	1,200,000E
Jordan	9,000	7,200	
Lebanon	4,000	4,000	
Middle East Regional Cooperation	7,000	7,000	
Morocco	3,000	0	
Multilateral Working Group (Middle East Peace Process)	1,000	5,000	
Tunisia	1,000	0	
West Bank-Gaza	25,000	75,000	
	-----	-----	-----
Regional Totals	2,065,000	2,113,200	
<u>NEAR EAST</u>			
<u>SOUTH ASIA</u>			
Afghanistan Humanitarian	2,000	0	
Southeast Asia Regional	7,000	0	
	-----	-----	-----
Regional Totals	9,000	0	
<u>AFRICA</u>			
Africa Democracy Support	15,000	0	
<u>NON-REGIONAL</u>			
Defense Administrative Costs	380	0	0
	-----	-----	-----
<u>PROGRAM TOTALS</u>	<u>\$2,364,562</u>	<u>\$2,414,502</u>	<u>\$2,349,000</u>

- **Peacekeeping Operations (PKO)**

- P.L. 103-306 appropriates \$75,000,000 for voluntary FY1995 PKO activities, including \$850,000 which may be transferred from the PKO account to the IMET account for the training of PKO personnel from Botswana and Senegal.

- The Appropriations Act also specifies that the \$850,000 is in addition to any other amounts that may be transferred between accounts under the authority of any other provision of law.

- **Nonproliferation and Disarmament Fund (NPD)**

- This security assistance program was first introduced in FY1994.

- For FY1994, the Administration sought an appropriation of \$50,000,000, but Congress limited that year's appropriation to \$10,000,000.

- For FY1995, the Administration again requested \$50,000,000; Congress, however, maintained NPD funding for FY 1995 at the \$10,000,000 level.

- The NPD Fund supports efforts to control the spread of weapons of mass destruction in the New Independent States [NIS] of the former Soviet Union [FSU]; the Fund may also be used for other countries and international organizations, "when it is in the national security interest of the United States to do so."

- Congress again stipulated that, notwithstanding any other provision of law, this funding will remain available until expended, to promote both bilateral and multilateral activities, and may be used pursuant to the authorities contained in §504 of the FREEDOM (Freedom for Russia and Emerging Eurasian Democracies, and Open Markets) Support Act of 1992 (P.L. 192-511).

- **Special Defense Acquisition Fund (SDAF)**

- P.L. 103-306 makes \$140,000,000 available as FY1995 SDAF obligational authority (OA). This OA was originally authorized (but not used) during FY1993.

- P.L. 103-306 also makes available an additional \$20M in OA (requested by DSAA) to remain available until 30 September 1998.

- This total \$160M OA is necessary for the orderly close out of the SDAF.

- None of this OA may be used to initiate new procurements.

- **General Provisions**

- **Special Notification Requirements (§520, P.L. 103-306)**

- A special, 15-day notification to Congress is required prior to the obligation or expenditure of any funds appropriated in P.L. 103-306 for any of the following countries: Colombia, Dominican Republic, El Salvador, Guatemala, Haiti, Indonesia, Liberia, Nicaragua, Pakistan, Peru, Rwanda, Sudan, or Zaire.

- Exempted from this special notification requirement are any funds appropriated for development assistance programs for El Salvador and Nicaragua under the provisions of Chapter 1 of Part I of the FAA of 1961.

-
- **Location of [War Reserve] Stockpiles (§535, P.L. 103-306)**
 - This provision authorizes the transfer to war reserve stockpiles in Israel in FY1994 and FY1995 of defense items of a total value for the two years of \$200,000,000; also, up to \$40,000,000 worth of defense items may be transferred in FY1995 to stockpiles in Korea, and up to \$10,000,000 worth may be transferred in FY1995 to stockpiles in Thailand.

 - **Prohibition Against Direct Funding for Certain Countries (§507, P.L. 103-306).**
 - The FY1995 list of countries prohibited from receiving *direct U.S. assistance* includes: Cuba, Iran, Iraq, Libya, North Korea, Serbia, Sudan, and Syria.
 - Vietnam, which had been on the FY1994 and prior year lists, was deleted for FY1995.
 - North Korea, which had not been on the FY1994 list, was added for FY1995.

 - **Prohibition Against Indirect Funding for Certain Countries (§523, P.L. 103-306).**
 - The FY1995 list of countries prohibited from receiving *indirect U.S. assistance* includes: the People's Republic of China, Cuba, Iran, Iraq, Libya, North Korea, and Syria.
 - Vietnam and Laos, which were on the FY1994 and prior year lists, were deleted for FY1995; and no additions were made to the FY1995 list.

 - **POW/MIA Military Drawdown (§539, P.L. 103-306).**
 - This provision authorizes the continuation of a foreign assistance program begun in FY1993 to support efforts to locate and repatriate USG military and civilian personnel who have remained unaccounted for since the Vietnam War.
 - Under the POW/MIA Military Drawdown program, the President is authorized during FY1995 to drawdown DoD defense articles, defense services, and military education and training of an aggregate value not to exceed \$15M, without any reimbursement by the recipient of these items.
 - In previous years, the only authorized recipients of these drawdown items were Cambodia and Laos.
 - For FY1995, Vietnam has been added to the list of countries eligible to receive these items.
 - Any aircraft provided under this authority may only be furnished to Laos, and only on a lease or loan basis, but may be provided at no cost (not withstanding AECA, §61, "Leasing Authority), and may be maintained with defense articles, services and training provided under §539, P.L. 103-306.

 - **Israel Drawdown (§542, 103-306).**
 - The special drawdown authority for Israel, which was initiated for FY1991 and extended annually since then, has been further extended for FY1995.
-

- This authority has also been increased in value for FY 1995 to permit the drawdown and grant transfer of defense articles, services, and military education and training of an aggregate value since FY1991 of \$775M.

- Previously, from FY1991 through FY1994, the annual Appropriations Acts provided a drawdown authority with an aggregate value of \$700M.

- The HAC Report states that the additional \$75M authority for FY1995, "should enable Israel to complete the drawdown of F-16 aircraft" [for a total transfer of 50 aircraft].

- **Authority to Assist Bosnia-Hercegovina (§546, P.L. 103-306))**

- Conditional authority to furnish U.S. military assistance to Bosnia-Hercegovina has been extended from FY1994 when it was first authorized (§548, P.L. 103-87).

- Defense articles and defense services from DoD stocks are authorized to be provided to the government of Bosnia-Hercegovina, without reimbursement by that nation, of an aggregate value not to exceed \$50,000,000 in FY1995. This authority is contingent upon either a lifting of the United Nations arms embargo on Bosnia-Hercegovina, or upon a unilateral lifting of the arms embargo by the President, and is subject to a Presidential certification to Congress together with a 15-day notification to the Committees on Appropriations.

- The Presidential certification should state that:

- the transfer of such articles would assist Bosnia-Hercegovina in self-defense and thereby promote the security and stability of the region; and,

- U.S. allies are prepared to join in such a military assistance effort.

- Within 60 days of any such transfer, and every 60 days thereafter, the President shall report in writing to the Congress concerning the articles transferred and the disposition thereof.

- Funds are authorized to be appropriated to the President to reimburse the applicable appropriation, fund, or account for defense articles and defense services provided under this section.

- **International Narcotics Control:** Congress approved a direct appropriation of \$105M for this program for FY1995. This funding level was established in the Conference Committee as a compromise between the House proposal of \$115M and the Senate proposal of \$100M. Additional FY1995 resources available under P.L. 103-306 for narcotics control activities are discussed below.

- **Anti-narcotics Activities (§549, P.L. 103-306)**

- Up to \$3,000,000 from the FY1995 ESF account may be made available for technical assistance, training, and commodities in support of the following anti-narcotics related objectives:

- Creating a professional civilian police force for Panama and for programs in Panama to improve penal institutions and the rehabilitation of offenders in Panama.

- Such technical assistance shall not include more than \$1,000,000 for the procurement of equipment for law enforcement purposes, and shall not include lethal equipment.

- An additional, but non-specified, amount of funds from the ESF Account may be used to strengthen the administration of justice in countries in Latin America and the Caribbean, to include programs to enhance the protection of participants in judicial cases.

- **Non-lethal Excess Property for International Narcotics Control Programs:**

- During FY1995, the Department of State may use the authority of Section 608 of the FAA of 1961 [*“Advance Acquisition of Property”*] without regard to its restrictions, to receive non-lethal excess property from any agency of the USG for the purpose of providing it to a foreign country under Chapter 8 of Part of I of that Act [*“International Narcotics Control”*].

- **Excess Defense Articles (§553, P.L. 103-306)**

- Eligibility to receive EDA during FY1995 under §516, FAA, the “Southern Region Amendment,” has been extended to Jordan.

- The Conference Committee stated that the conferees expect that this authority, “will be used only for the transfer of small arms and ammunition until such time as Jordan and Israel conclude a peace agreement. Thereafter, the conferees will consider notifications [of other proposed transfers] with respect to other items.”

- This §516, FAA authority is subject to the provisions of §538 of P.L. 103-306, the FY1995 Foreign Operations Appropriations Act, covering **Compliance with United Nations Sanctions Against Iraq.**

- Section 538 denies assistance to any country which is not in compliance with U.N. sanctions against Iraq, as well as in non-compliance with sanctions against Serbia, and Montenegro, the latter two having been added to §538 by a Conference Committee amendment.

- This restrictive provision may be waived if the President determines and certifies to Congress that:

- Such assistance is in the national interest of the United States;
- Such assistance will directly benefit the needy people in the recipient country; or,

- The assistance will be humanitarian assistance for foreign nationals who have fled Iraq and Kuwait.

- With respect to Jordan, although the provision of EDA under §516, FAA, is authorized in FY1995 under §553, P.L. 103-306, a Presidential waiver under §553, P.L. 103-306, will be required to allow the EDA to be transferred.

- Notwithstanding any other provision of law, the authority of §518, FAA, concerning the transfer of nonlethal EDA in support of biodiversity programs, has also been expanded to facilitate the use of simplified procedures for making such transfers to nonmilitary recipients (e.g., international organizations and non-governmental organizations).

- The Foreign Operations Appropriations Act extends for FY1995 the amended authority first provided for FY1994 under §519, FAA, to provide nonlethal excess defense articles

to countries for which United States *foreign assistance* has been requested and separately justified for FY1995.

- Prior to FY1994, the §519, FAA authority was narrower in coverage, since it could be used only for countries for which *an FMF program* had been justified for the year in which the EDA transfer was authorized.

- **Special Debt Relief for the Poorest (§561, P.L. 103-603)**

- This new provision authorizes the President to reduce the amounts owed to the U.S. by the poorest countries of the world as a result of loan guarantees issued to such countries under the FAA, or for credits extended or guarantees issued under the AECA. This authority may be exercised:

- only to implement multilateral official debt relief and referendum agreements, commonly referred to as "Paris Club Agreed Minutes;"

- only in such amounts or to such extent as is provided in advance by appropriations acts; and,

- only with respect to countries with heavy debt burdens that are eligible to borrow from the International Development Association (commonly referred to as "IDA-only countries"), but not from the International Bank for Reconstruction and Development (i.e., The World Bank).

- In addition to the above eligibility criteria, this debt reduction authority may be exercised only with respect to a country whose government:

- does not have an excessive level of military expenditures;

- has not repeatedly provided support for acts of international terrorism;

- is not failing to cooperate on international narcotics control;

- (including its military or other security forces) does not engage in a consistent pattern of gross violations of internationally recognized human rights; and,

- has not nationalized, expropriated or otherwise seized ownership or control of property owned by a United States person, and has not redressed or made efforts to redress the dispute.

- **Prohibition on Assistance to Foreign Governments that Export Lethal Military Equipment to Countries Supporting International Terrorism (§563, P.L. 103-306)**

- No funds appropriated or otherwise made available by the FY1995 Foreign Operations Appropriations Act may be made available to any foreign government which provides lethal military equipment to a country whose government has been determined by the Secretary of State to be a terrorist government.

- This provision applies to lethal military equipment provided under a contract entered into after the date of enactment of this Act (i.e., after 23 August 1994).

- With respect to a particular foreign government, this prohibition shall terminate 12 months after that government ceases to provide such military equipment.

- A waiver of this prohibition may be granted if the President determines that providing such assistance is important to the national interests of the United States.

- **Withholding of Assistance for Parking Fines Owed by Foreign Countries (§564, P.L. 103-306)**

- First introduced for FY1994, this provision has been extended through FY1995.

- Dubbed “meter maid diplomacy” and also “Deadbeat Foreign Parking Policy,” this provision requires withholding the obligation of U.S. *economic assistance* for any country which has unpaid, fully adjudicated parking fines and penalties owed to the District of Columbia.

- The economic assistance to be withheld shall be equivalent to 110 percent of a country’s unpaid fines and penalties.

- U.S. assistance for such a country may be resumed upon the certification and report to Congress by the Secretary of State that the parking fines and penalties charged against such a country are fully paid to the government of the District of Columbia.

- **Use of American Resources (§556, P.L. 103-306)**

- This provision provides that, “To the maximum extent possible, assistance provided under this Act should make full use of American resources, including commodities, products, and services.

- **Purchase of American-Made Equipment and Products (§568, P.L. 103-306)**

- This non-binding provision expresses the *sense of Congress* that, “to the greatest extent practicable, all equipment and products purchased with funds made available in this Act [i.e., P.L. 103-306] should be American-made.”

- §568(b) clarifies the method of notice to companies on contract opportunities. “In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency shall provide notice to such entity, to the greatest extent practicable, consistent with §568(a) and §604(a) of the FAA” which places limitations on (and provides waiver authority for such limitations) on procurements outside the U.S.

- **Mongolia (§573, P.L. 103-306)**

- Mongolia is removed from the list of Communist countries identified in §620(f)(1), FAA, 1961, for which U.S. assistance is prohibited.

- Only five countries remain on the list: the People’s Republic of China; the Republic of Cuba; the Democratic People’s Republic of Korea; the Socialist Republic of Vietnam; and Tibet.

- Prior to the collapse of the Soviet Union, virtually every country in the world which was governed politically and economically by communist leaders and were said to be “controlled by the international Communist conspiracy,” was included on this list.

- **War Crimes Tribunals (§575, P.L. 103-306)**

- This Senate-initiated provision authorizes assistance for the financing of international war crimes tribunals.

- If the President should determine that such a tribunal or commission will contribute to a just resolution of charges regarding genocide or other violations of international humanitarian law, this new provision allows the President to authorize the drawdown of up to \$25,000,000 in USG commodities and services to assist such a judicial body.

- This authority was specifically designed to provide assistance to the United Nations War Crimes Tribunal established with regard to the former Yugoslavia, but may also be used for any other such tribunals or commissions that the U.N. Security Council may establish, without regard to certain other existing limitations on similar authorities. For example, §522(c), FAA, authorizes a ceiling of \$15,000,000 that may be furnished in any fiscal year for these purposes, with that ceiling raised to \$25,000,000 for meeting the immediate requirements of an unforeseen emergency.

- The Conference Committee reported that it was "the intent of the conferees that a substantial portion of these funds be used for training and other assistance for prosecutors."

- **Nonlethal Excess Defense Articles for Albania (§577), P.L. 103-306)**

- Authority to transfer nonlethal EDA on a grant basis to Albania was first provided in the FY1994 Foreign Operations Appropriations Act (§555, P.L. 103-87) and has been continued for FY1995. Such assistance is furnished under the general authority of §519, FAA, discussed above.

- For FY1995 only, §577, P.L. 103-306, authorizes the expenditure of DoD funds for packing, crating, handling, and transportation (PCH&T) of nonlethal EDA transferred to Albania under §519, FAA.

- **Prohibition on Payment of Certain Expenses (§579, P.L. 103-306)**

- This new provision prohibits the obligation or expenditure of IMET Informational Program (IP) funds or FMFP funds for Informational Program activities other than regular student travel and living allowances.

- Section 579 specifically prohibits funding for students for the following:

- alcoholic beverages;

- food (other than food provided at a military installation) not provided in conjunction with Informational Program trips where students do not stay at a military installation; or

- entertainment expenses for activities that are substantially of a recreational character, including entrance fees at sporting events and amusement parks.

- **Landmines (§578, P.L. 103-306)**

- Under this new provision, demining equipment available to any USG department or agency (and used in support of landmine clearing for humanitarian purposes) may be disposed of on a grant basis in foreign countries, subject to such terms and conditions as prescribed by the President.

- **Indonesia (§582, P.L. 103-306)**

- During FY1995, the U.S. shall continue to refrain from selling to Indonesia (or licensing for export to Indonesia) certain defense articles such as small or light arms and crowd control items.

- Sales/export licenses for such items may resume when the Secretary of State determines and reports to the Committees on Appropriations that significant progress has been made on human rights in East Timor and elsewhere in Indonesia.

- This provision does not bar the sale of major weapons to Indonesia, but rather places into law the current USG policy that precludes such sales. The Conference Committee deleted a House proposal that would have required that any agreement which might be entered into by the United States in FY1995 for the sale to Indonesia or the provision to Indonesia of any equipment on the U.S. Munitions List, would have to "expressly state the understanding that the equipment may not be used in East Timor."

- **Miscellaneous Provisions of General Interest in P.L. 103-306:**

- **Anti-Terrorism Assistance:** The FY1995 appropriation for this program was set at \$15,244,000.

- **Migration and Refugee Assistance:** For this program, the Conference Committee adopted the Senate's proposal of \$671,000,000 instead of the House proposal of \$670,688,000.

- **United States Emergency Refugee and Migration Assistance:** This program has been funded at \$50,000,000 for FY1995.

- **International Disaster Assistance:** The FY1995 appropriation for this program is \$169,998,000.

- **Assistance to Eastern Europe and the Baltic States**

- FY1995 funding for economic assistance and related programs appropriated for Eastern Europe and the Baltic States totals \$359,000,000.

- The Conference Committee adopted the Senate proposal of \$359,000,000 instead of the House proposal of \$360,000,000.

- **FY1995 Assistance for the New Independent States (NIS) of the Former Soviet Union (FSU)**

- Congress appropriated \$850,000,000 for assistance to the NIS during FY1995.

- The FY1995 NIS appropriation for the represents a Conference Committee compromise between the House proposal of \$875,500,000 and the Senate proposal of \$839,000,000.

- A more sizeable \$2,500,000,000 was appropriated for NIS assistance during FY1994..

- The Conference Committee Report states that the conferees believe that not less than not less than 50 percent of the \$850,000,000 NIS appropriation (i.e., \$425,000,000) should be provided to NIS countries other than Russia.

- **NIS Earmarks:**

- Not less than \$150,000,000 of the funds appropriated for the NIS should be made available for programs for Ukraine.

- Not less than \$25,000,000 of the funds earmarked for Ukraine should be for programs related to land privatization and small and medium-sized businesses and agricultural enterprises.

- Not less than the following amounts of assistance should be made available, from all funding sources, for programs and activities for:

- Armenia , \$75,000,000
- Georgia, \$50,000,000.

- Not less than \$15,000,000 of the NIS funds should be provided to support family planning programs in the NIS. The Conference Committee reported that it believes that this funding should be allocated, as follows:

- \$6,000,000 of these funds for programs in Russia;
- \$3,000,000 for Ukraine, Moldova, and Belarus; and,
- \$6,000,000 is for the Central Asian Republics (CAR).

- Not less than \$50,000,000 of the funds appropriated for the NIS should be made available for programs and activities which match United States private sector resources with Federal funds.

- An unspecified amount of NIS funds may be made available for assistance for Mongolia.

- Funds for the NIS are now subject to the environmental and natural resources provisions of §117, FAA, which, among other requirements, mandates environmental impact statements for USG-funded development assistance programs or projects funded.

- None of the assistance funds appropriated for the NIS may be made available for any state to enhance its military capability.

- This restriction does not apply to demilitarization, defense conversion, or non-proliferation programs, or programs to support troop withdrawal, including the support of an officer resettlement program, and technical assistance for the housing sector.

- Of the funds appropriated for the NIS and for Eastern Europe and the Baltic States, not less than 50 percent should be made available for country specific activities within bilateral, regional, or multilateral programs, except as provided through special notifications to the Committees on Appropriations.

- Of the funds designated for the NIS and for Eastern Europe and the Baltic States, not to exceed \$30,000,000 shall be made available for police training and exchanges, and investigative and technical assistance activities related to international criminal activity.

- **Baltic Troop Withdrawal (§584, P.L. 103-306)**

- All funds made available for Russia, other than humanitarian assistance funds, may not be obligated or expended unless the President has certified to the Congress that Russia,

Latvia, and Estonia have established a timetable for the withdrawal of Russian and Commonwealth of Independent States troops, and that all parties are complying with such timetable.

- The certification must be made not more than six months in advance of the obligation or expenditure of the funds.

- A Presidential national security waiver of these provisions is authorized.

- **Military Spending by Recipient Countries (§526, P.L. 103-306)**

- The FY1995 Foreign Operations Appropriations Act includes an amendment to Title XV of the International Institutions Act, (22 U.S.C. 262o-1), entitled "*Section 1502, Military Spending By Recipient Countries; Military Involvement In The Economies Of Recipient Countries.*"

- This amendment provides instructions to the U.S. Executive Directors of the various international financial institutions in which the U.S. participates.

- When considering whether to support or oppose country loan proposals at these institutions, these Executive Directors are now required to take into account the extent to which a recipient government has demonstrated a commitment to achieving the following goals:

- (A) to provide accurate and complete data on the annual expenditures and receipts of the armed forces;

- (B) to establish good and publicly accountable governance, including an end to excessive military involvement in the economy; and

- (C) to make substantial reductions in excessive military spending and forces.

- **Additional Countries Eligible for Participation in Allied Defense Cooperation:**

- The Senate proposed making Poland, Hungary, and the Czech Republic eligible for certain security assistance programs provided to NATO members.

- The Conference Committee rejected the Senate's proposal, but the Committee recognized that "the security and stability of these countries is of great importance to the United States," and that these countries "are working to expand their security relationship with NATO."

- The Conferees, therefore, "urged the Administration to submit legislation consistent with the security interests of the United States, at the earliest opportunity, to extend the benefits of close cooperation with NATO to Poland, Hungary, and the Czech Republic," to include:

- Transfers of excess defense articles;
- Eligibility for leases/loans of major defense equipment and other defense articles;
- Loan of materials, supplies and equipment for research and development;
- Cooperative military airlift agreements;
- Procurement of communications support and related supplies and services; and,
- Inclusion in all activities relating to increased standardization of NATO forces.

- **FY 1994 Supplemental Appropriations Act**

- **Jordan Debt Forgiveness**

- This is one of three *FY1994* supplemental appropriations included in the *FY1995* Foreign Operations Appropriations Act.

- This supplemental appropriation provides a \$99,000,000 subsidy for *FY1994* to forgive a portion of the debt owed by Jordan for loans entered into under programs administered by the Agency for International Development (AID).

- The \$99,000,000 in subsidy appropriations will permit the forgiveness of up to (and no more than) \$220,000,000 of Jordan's debt.

- The Conference Committee report indicates that broad Congressional support for further debt relief (for the remainder of Jordan's \$700,000,000 U.S. debt) will be dependent on:

- Progress by Jordan in reaching a final peace agreement with Israel;

- An increase in economic trade that would clarify that Jordan is not abiding by an economic embargo of Israel; and,

- Jordan's compliance with the United Nations embargo of Iraq, so long as the embargo remains in effect.

- **Fiscal Year 1994 Emergency Assistance for Rwanda**

- This second *FY1994* supplemental appropriation provides a total of \$50,000,000 in emergency refugee and migration assistance, and in international disaster assistance for Rwanda.

- The Conference Committee reported that this funding "will be used to enhance emergency assistance the United States has been providing over the past several months, and to encourage European and other countries to increase their levels of assistance to help address the emergency situation.

- \$30,000,000 of the *FY1994* Rwanda Supplemental Appropriation will be provided to the U.S. Emergency Refugee and Migration Assistance Fund to supplement other refugee assistance for Rwanda.

- The remainder of the Supplemental Appropriation provides \$20,000,000 for the International Disaster Assistance account administered by the Agency for International Development.

- This latter assistance will be provided through private voluntary organizations to furnish humanitarian relief for the estimated two million (of a total population of six million) who are either refugees or displaced victims of hostilities in Rwanda, and will include:

- medicine and support for medical teams;

- local food procurement;

- and assistance to help safely bury refugees who have died of cholera.

FY1994-FY1995 Funding Data Summary:

- FY1994 New Budget (obligational) authority: \$14,342,886,866
- FY1995 Presidential Budget Request \$14,024,957,094
- FY1995 Conference agreement: \$13,679,235,750 (\$13,828,235,750)*
- FY1995 Reduction from FY 1994: -\$663,651,116 (-\$514,651,110)*
- FY1995 Reduction from Request \$345,721,344 (\$196,721,344)*

* Note: These figures include the \$149,000,000 1994 supplemental appropriation included in P.L. 103-306.

* * * * *

The following section of this report examines a variety of security assistance-related provisions which were enacted in the *Foreign Relations Authorization Act, Fiscal Years 1994 and 1995*, P.L. 103-236, dated 30 April 1994.

- **Congressional Notification Requirements (Offsets) [§732(a) and §732(b), P.L. 103-236]**

- These sections amend §36(b)(1) and §36(c)(1), AECA, which now require Congressional notifications of proposed FMS and Commercial Export Sales to include a report of any proposed/known offset agreements connected to such sales. Reports should include a description of the agreement as provided by the FMS contractor or the DCS export license applicant.

- **Prohibition on Incentive Payments [§734, P.L.103-236]**

- This provision adds a new §39A to the AECA which now prohibits the making of any incentive payments for the purpose of satisfying, in whole or in part, an offset agreement with a purchasing foreign country with respect to either an FMS case or a direct commercial contract.

- This prohibition applies to any supplier of defense articles or services, as well as any employee, agent, or subcontractor thereof.

- The new §39A(d), AECA, also provides the following useful definitions:

- “The term ‘offset agreement’ means an agreement, arrangement, or understanding between a United States supplier of defense articles or defense services and a foreign country under which the supplier agrees to purchase or acquire, or to promote the purchase or acquisition by other United States persons, of goods or services produced, manufactured, grown, or extracted, in whole or in part, in that foreign country in consideration for the purchase by the foreign country of defense articles or defense services from the supplier.

- “The term ‘incentive payments’ means direct monetary compensation made by a United States supplier of defense articles or defense services or by any employee, agent, or

subcontractor thereof to any other United States person to induce or persuade that United States person to purchase or acquire goods or services produced, manufactured, grown, or extracted, in whole or in part, in the foreign country which is purchasing those defense articles or services from the United States suppliers.”

- **Assistance for Taiwan** [§531, P.L. 103-236]

- This provision sets forth four *declarations* which Congress chose to make in support of the self-defense needs of Taiwan:

- 1. §531(1) reaffirms sections 2 & 3 of the *Taiwan Relations Act* (TRA, P.L. 96-8) to include the following:

- It is U.S. Policy to provide arms of a defensive character to Taiwan (§2, TRA) and to maintain the capacity of the U.S. to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economical system, of the people on Taiwan; and,

- It is also U.S. Policy to make defense articles and services available to Taiwan in such quantity as may be necessary “to enable Taiwan to maintain a sufficient self-defense capability”(§3, TRA).

- 2. Section 3 of the *TRA* takes primacy over statements of U.S. Policy, including communiqués, regulations, directives, and derivative policies;

- By this declaration, Congress has asserted that the TRA takes precedence over the *Joint US-PRC Communiqué* of 17 August 1982 which stated a U.S. intention to decrease arms sales to Taiwan until reaching a zero-export level;

- 3. In assessing the extent to which the PRC is pursuing its “fundamental policy” to strive peacefully to resolve the Taiwan issue, the U.S. *should take into account* both the capabilities and intentions of the People’s Republic of China; and,

- 4. The President *should*, on a regular basis:

- “assess changes in the capabilities and intentions of the People’s Republic of China” [§531(4), P.L.103-236], and,

- “consider whether it is appropriate to adjust arms sales to Taiwan accordingly.” [§531(4), P.L.. 103-236]

- The Conference Committee Report accompanying P.L. 102-236, provides insight into the objectives of these Congressional declarations regarding Taiwan..

- The conferees reported that Congress was concerned over the effect on stability in the Asia-Pacific region [and on Taiwan’s security] of the People’s Republic of China’s military modernization, its increased military spending, and its territorial claims. These concerns prompted the issuing of the four declarations above, as well as the following additional comments:

- Congress states that transfers of particular defense articles and defense services *should be based* on Taiwan’s needs, not on arbitrary [DoD] principles. Thus, if needed by Taiwan, U.S. advanced missile defense systems may be incorporated on defensive platforms produced by other nations; and conventionally powered coastal patrol submarines may also be furnished to Taiwan.

- **Transfer of WRSA Material to Korea** [§509(a)(1), P.L. 103-236]

- This new authority permits the transfer to the Republic of Korea of any or all the following listed items (categorized as war reserve stocks for allies—WRSA) in return for concessions by the Republic of Korea, to be negotiated by the Secretary of Defense in coordination with the Secretary of State:

- Equipment, tanks, weapons, ammunition, and repair parts that are:
 - obsolete or surplus items;
 - in the DoD inventory;
 - intended as reserve stocks for Korea; and,
 - located, as of 30 April 1994, in a stockpile (i.e., a WRSA) in Korea.

- The value of the Korean concessions to be negotiated pursuant to this authority shall be at least equal to the fair market value of the items transferred.

- These Korean concessions may include cash compensation, services, waiver of charges otherwise payable by the U.S., and other items of value.

- A 30-day advance notification of the proposed transfer must be provided to Congress.

- The Congressional notification must identify the items to be transferred and the concessions to be received.

- This authority will expire on 29 April 1996.

- **International Peacekeeping Provisions** [§404, P.L. 103-236]

- This provision calls upon the permanent representative of the United States to the United Nations to “make every effort to ensure that the United Nations completes an overall review and assessment of each nation’s assessed contributions for United Nations Peacekeeping Operations” [§404(a)].

- Annually *assessed* funding for PKO programs is in addition to the annual, *voluntary* U.S. security assistance PKO appropriation, which totals \$75,000,000 for FY1995.

- U.S. assessed contributions to international peacekeeping activities shall be limited to 30.4% of all total assessed contributions in FY1994 and in FY1995 [§404(b)(1)].

- U.S. assessed contributions after FY1995 shall not exceed 25% of all such contributions [§404(b)(2)].

- **Excess Defense Articles (EDA) Grant Transfers** [§408, P.L. 103-236]

- This provision adds a new §520 to the FAA of 1961, entitled: “Transfers of EDA for International Peacekeeping Operations.”

- The President is authorized to transfer EDA to international and regional organizations of which the U.S. is a member, "to support international peacekeeping operations and other activities and operations to maintain and restore international peace and security."

- Transfer authority for EDA is to be permitted only if the recipient organization has entered into a written agreement with the U.S. to credit the transfer against U.S. assessed contributions to that organization.

- Other transfer limitations under the new §520, FAA, include:

- Items to be transferred may only be drawn from existing Department of Defense or United States Coast Guard [DoD/USCG] stocks.

- No DoD/USCG procurement funds may be expended for such transfers.

- The transfer will have no adverse impact on U.S. military readiness.

- The President has established procedures and requirements comparable to those in Section 505, FAA [which establish the conditions of country eligibility to receive/use U.S. defense articles] to ensure that such defense articles will be used only for purposes that have been agreed to by the United States.

- DoD funds generally may not be used for packing, crating, handling, and transportation (PCH&T) of such EDA.

- However, the President may direct that PCH&T be furnished at no cost to the recipient organization if the waiving of such costs "advances the foreign policy interests of the United States."

- Congress must be notified of such proposed EDA transfers at least 15 days before the items are to be transferred.

- Nevertheless, in an unforeseen emergency, the President may waive the 15-day requirement, but must promptly notify Congress of the waiver and transfer.

- **Limitation on Authority to Transfer Excess Defense Articles** [§731, P.L. 103-236)

- This provision establishes a new requirement affecting the following statutory provisions governing EDA transfers: §516(b) FAA, (Southern Region Amendment); §517(f) FAA (Counter-narcotics); §519(b), FAA (Countries Eligible to Receive Non-lethal EDA); §21, AECA (FMS Sales From Stock); and §61(a), AECA (Leases).

- The respective changes to these sections vary in their wording, but they all now require the President, when contemplating an EDA transfer, to first consider the effects of the transfer of the EDA on the national technology and industrial base, particularly the extent, if any, to which the transfer reduces the opportunities of entities in the national technology and industrial base to sell new equipment to the country or countries to which the EDA are transferred, sold, or leased.

- **Nuclear Nonproliferation Controls** [§826, P.L. 103-236]

- This provision transfers Sections 669 and 670 of the FAA (the Symington-Glenn amendments) to a new Chapter 10 in the AECA entitled: "Nuclear Nonproliferation Controls."

- §101, ["Nuclear Enrichment Transfers"] and §102 ("Nuclear Reprocessing Transfers, Illegal Exports for Nuclear Explosive Devices, Transfers of Nuclear Explosive Devices, and Nuclear Detonations") of this new Chapter 10 prohibit any economic or military assistance funding, including grant military education and training, military credits, or the making of guarantees, to any country which:

- Delivers or receives any nuclear enrichment materials or technology on or after 4 August 1977 unless such country has made such delivery under multilateral auspices and management, or under an agreement with the International Atomic Energy Agency (IAEA).[4 August 1977 marks the enactment date of the International Security Assistance Act of 1977].

- Similar prohibitions are attached under §102 to each of the following:

- Transfers of nuclear reprocessing technology;
 - Illegal exports or transfers of nuclear explosive devices; and,
 - Detonations of nuclear devices

- A Presidential waiver of these prohibitions is authorized.

- Congress must be given a 30-day notification of such a waiver.

- The waiver is subject to a Congressional joint resolution of disapproval.

- **Security Assistance Sanctions on Countries Applying Economic Boycotts Against Israel** [§564, P.L. 103-236]

- This provision establishes a new prohibition on U.S.G. sales or leases of any defense articles or defense services to any country/international organization that has sent letters to U.S. firms requesting compliance with the primary, secondary [or tertiary] Arab boycott of Israel.

- This provision will come into effect on 30 April 1995.

- No similar restriction has been placed on direct commercial sales.

- This sanction may be waived by the President for a period of one year if he determines and reports to Congress that such a waiver either:

- Is in the *national interest* of the U.S., and will promote the objectives of this section [§564, P.L. 103-236] to eliminate the Arab boycott, or,

- Is in the *national security interest* of the U.S.

- The waiver may be extended for successive one-year periods.

CONCLUSION

The FY1995 appropriations for security assistance reflect the continuation of a gradual process of funding reductions that began in FY1986 and which have characterized U.S. financing of security assistance programs and activities during the periods FY1986-FY1988 and FY1992 to the present. The FY1995 security assistance budget, which totals \$6,230.429M, is 4.12% below the Administration's funding request for FY1995 (\$6,498.310M), and 2.50% below the preceding year's budget (\$6,390.214M). Moreover, the FY1995 budget represents an overall reduction of

35.67% (\$3,455.391M) from the record high security assistance budget of FY1985 (\$9,685.821M). Further, these assistance figures are only made available in terms of *annual* dollar amounts, rather than in *constant* dollars. If the effects of varying annual inflation rates from FY1986 to the present were applied, they would reveal a dramatically greater decrease in funding (i.e., in recipient purchasing power) over the period.

It should also be observed that the FY1995 funding cuts were absorbed by just two of the five funded security assistance programs—FMFP and ESF—that also represent the two most highly funded programs. The more sizeable reduction was made in the FY1995 FMFP account that was cut by \$147.850M (3.77%) from its FY1994 appropriation. Also reduced, but by a smaller amount, was the FY1995 ESF account that was cut by \$15.562M (0.65%). As for the other programs, the FY1995 PKO and NPD accounts were maintained at their FY1994 levels (\$75M and \$10M respectively); and the IMET program was the only security assistance account to rise for FY1995 (\$4.25M), but this increase (20%) came on the heels of a prior 50% cut (\$21.250M) in IMET funding from FY1993 to FY1994 levels.

The general conclusions to be drawn from the security assistance appropriations process for FY1995 are not encouraging. As program funds have been gradually reduced over the years, the future utility and viability of these foreign policy oriented programs comes into question. This finding is particularly applicable to the military assistance components of security assistance: an examination of funding for the IMET and FMF programs over the past ten years reveals a major retrenchment of the financial resources essential to the broad effectiveness of these two programs. Despite the modest increase in IMET funding that was appropriated for FY1995, the 50% reduction in the FY1994 IMET budget led to a parallel cut in the IMET student population for FY1994. IMET funding for FY1993 permitted the training that year of 4,448 foreign personnel; as a consequence of the FY1994 funding cut, IMET training for that year was estimated to fall to 2,072 students, with an estimated modest increase to 2,221 expected during FY1995.

Similarly, the substantial decline over the past decade in FMFP funding has resulted in an inability to fund grant and loan programs for more than a mere handful of countries. For example, in FY1986 Congress increased the earmarked FMFP grants for Israel and Egypt to \$1,800M and \$1,300M, respectively. These FY1986 levels then became the standard FMFP funding levels that would be earmarked for the two countries in every subsequent year, i.e., FY1987-FY1995. (Interestingly, after passing the FY1986 earmarks for these two countries, Congress then subjected the FY1986 U.S. budget, with some program exceptions, to a 4.3% reduction under the Gramm-Rudman-Hollings deficit reduction plan; accordingly, the FY1986 appropriations for Israel and Egypt were reduced to \$1,722.6M and \$1,244.1M, respectively. In all successive years, the FMFP earmarks remained stabilized, respectively, at \$1,800M and \$1,300M.)

These observations shed further light on the impact of FMFP funding reductions. Such cuts not only lessen a program's financial resources, but also, when coupled with major earmarking for selected countries, the overall result is a serious diminishment of the ability to assist non-earmarked, but nonetheless needy countries. Thus, although the FY1986 funding for Israel and Egypt amounted to 59.7% of the total \$5,190M appropriated for the FY1986 FMS Financing Program (as the FMFP was then identified), sufficient funding nevertheless remained available to permit the Administration to provide discretionary funding allocations for an additional 15 countries, albeit on a loan repayment basis. By way of contrast, the FY1995 appropriations for Israel and Egypt, though still at the same original FY1986 earmarked levels, had come to represent 82.22% of the diminished FY 1995 FMFP account. In fact, after providing FY1995 funding for the subsidy costs of commercial loans for Turkey and Greece (\$47.917M), as well as for FMFP general administration costs (\$22.150M), only \$29.129M in grant funds remained available for FMFP discretionary allocation for FY1995.

In addition to these funding cuts, other aspects of the FY1995 legislation bear discussion. A substantial portion of the *Foreign Operations Appropriations Act, 1995* (P.L. 103-306) was originally enacted in earlier years, and was subsequently renewed in annual appropriations legislation, as is the case for numerous FY1995 provisions. Falling into this category, for example, are the previously discussed special authorities attached to the Israeli FMFP appropriations, as well as the prohibitions on direct and indirect assistance, and the special limitations on IMET funding for countries that enjoy an annual per capita gross national product of \$2,349 or higher. Other examples of legislation renewed for FY1995 include the following: restrictions on the sale or provision of Stinger missiles and on the sale of M-833 (or comparable) antitank shells containing a depleted uranium penetrating component; and continuing prohibitions on the provision of assistance to any country whose duly elected head of government is deposed by military coup or decree, or to a country whose government is in default in excess of one year in its repayment to the U.S. of foreign assistance loans. This same legislation (P.L. 103-306), however, introduces several new provisions discussed herein which reflect an expansion of security assistance authorities. As an example, IMET funds are now authorized for the first time to be used for the training of civilians who are not members of a government. Similarly, authorization for the grant transfer of U.S. excess defense articles (EDA) has now been extended to Jordan; and, non-lethal excess property from any agency of the USG may now be transferred through the Department of State to countries engaged in international narcotics control activities. Additionally, authorization has now been established to permit the grant transfer of landmine clearing equipment to needy countries.

Unlike the FY1995 appropriations act, the security assistance-related provisions of the *Foreign Relations Authorization Act for Fiscal Years 1994 and 1995*, P.L. 103-236, largely consist of new legislation, including authorities discussed earlier which expand a particular program, as well as special limitations on specific programs. Examples of the former include: a broadening of the authority governing arms transfers to Taiwan; a new and creative provision that permits the transfer to the Republic of Korea of ownership of surplus or obsolete WRSA material presently in Korea, in exchange for negotiated concessions at least equal to the fair market value of the items transferred; and a new FAA authority to provide EDA to international and regional organizations to support international peacekeeping operations.

Other provisions of P.L. 103-236 are more restrictive in character, and include the following: a prohibition on incentive payments which might otherwise be used to satisfy an offset agreement with a purchasing country in association with either an FMS case or a direct commercial contract; a new provision which requires that prior to the approval of certain proposed EDA grant transfers, or FMS sales of stock items, or the issuing of a lease for U.S. defense articles or defense services, the President must first consider the effects on the national technology and industrial base of the United States of such transfers; and, finally, the requirement for providing a report and description to Congress of any intended or known offset agreements that are connected to a proposed FMS case or direct commercial contract.

In sum, this year's new legislation incorporates a sizeable collection of renewed, revised, and entirely new statutes that together will have a broad impact on the management of security assistance. At about this time last year there was some optimism within the security assistance community that a major and long needed rewrite of the *Foreign Assistance Act of 1961* was in the offing. The rewrite was completed and presented to Congress in the form of a proposed *Peace, Prosperity, and Democracy Act of 1994*. However, despite the Department of State's authorship and commitment to this ambitious document, it fared no better in Congress than had its several predecessors of recent years. Similarly, an annual foreign assistance authorization act continued to elude passage this year, as has been the pattern since 1985 when Congress passed its last such bill.

Present concerns in security assistance tend to emphasize diverse and often competing issues. These include the worldwide decline in defense spending, and its accompanying contraction in

global arms sales; efforts to preserve and strengthen the U.S. defense industrial base—production, resources, and employment—together with uncertainties over matters of environmental safety, the non-proliferation of weapons of mass destruction, and the control of conventional arms. In this regard, a recent non-binding “sense of the Congress” statement [§504 (3), P.L. 103-236] called for the President to seek a restart of the “Perm-5” talks on guidelines for conventional arms sales to the developing world. (This is a reference to discussions carried on in 1991 by the permanent five members of the U.N. Security Council, i.e., U.S., U.K., France, China, and Russia; the talks culminated on 12 October 1991 with the issuing of a set of guidelines for arms transfers.) The sense of Congress statement also proposed a requirement for “transparency in armaments,” calling for the prohibition of any sale, license to export, or agreement to transfer defense articles or services to any nation that does not fully furnish all pertinent data to the United Nations Register of Conventional Arms pursuant to U.N. General Assembly Resolution 46/36L [§504 (1), P.L. 103-236]. In this milieu of divergent issues, the only relatively safe prediction that can be made in anticipation of new legislation for next year is that, like FY1995, FY1996 will likely consist again of a wide variety of renewed, revised, and entirely new statutes. Similarly, the worldwide security assistance community in FY1996, as in FY1995 and prior years, will again have another ample set of new statutes to try to understand, absorb, and implement. A more specific forecast would be too chancy.

ABOUT THE AUTHOR

Dr. Louis J. Samelson has served on the DISAM faculty for over thirteen years. He is the Institute’s Director of Research, and is also the Editor of *The DISAM Journal*. A specialist in U.S. foreign policy and international relations, and a retired Air Force lieutenant colonel, he holds a Ph.D. in Political Science from the University of Illinois. The present article represents his eleventh annual report of new security assistance legislation for *The DISAM Journal*.