

Inside: FY 2006 Security Assistance Legislation

The DISAM Journal

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of International Security Assistance Management



DSCA
Announces
Administrative
Surcharge
Structure
Changes

THE DISAM JOURNAL OF INTERNATIONAL SECURITY ASSISTANCE MANAGEMENT

There is no hotter topic in the world of foreign military sales than the recently-announced changes in the FMS administration surcharge structure and rates. Our feature article is hot off the press, thanks to Ms. Beth Baker who composed this article and the quick work by our Journal staff to meet the normal deadline. This topic is definitely of interest to everyone in the security cooperation environment.

Our article regarding 2006 security assistance legislation notes this year's funding within a spectrum of programs. Note that there are some gaps in it, since individual country allocations are still in the works. We feel we owe what information is available to you as we are now midway through the budget year. Other policy-related articles, including remarks made by Secretary of State Rice at Georgetown University in January, demonstrate the numerous international policy issues facing the U.S. government.

I must point out a couple of articles relating to the international affairs workforce. First, we recently stood up an on-line certification program for DoD international affairs professionals and encourage all who fall within the criteria to document career information within this system. This web-based tool provides what we believe to be an easy way to document the strengths and flow of our workforce as we look to the challenging years to come. The Journal article not only "demos" the tool, but also highlights particulars of the certification requirements. We definitely solicit your feedback on the utility of this system.

Secondly, the International Programs Security Requirements Course is a team effort between the Office of the Under Secretary of Defense Technology Security Policy and National Disclosure Policy and DISAM. Avanco International is the contractor that provides most of the course instruction. This on-site course has been revamped into a three-day course from the recent two-day and five-day versions. This course dealing with technology transfer is required for anyone working within DoD who touches international programs. It is open to U.S. government and U.S. industry personnel. Please take a moment and review the article and feel free to contact DISAM with any questions. Points of contact are noted within the article.

As always thank you for your support of DISAM programs, courses, and this Journal!



RONALD H. REYNOLDS
Commandant



THE DISAM JOURNAL

of International Security Assistance Management

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FEATURE ARTICLE

Changes to Foreign Military Sales Administrative Surcharge Structure and Rate

By
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Defense Security Cooperation Agency

Background

On 15 March 2006, the Defense Security Cooperation Agency (DSCA) announced a package of reforms aimed at ensuring the continued solvency of the foreign military sales (FMS) Trust Fund Administrative Account. Included in these changes is an increase to the FMS administrative surcharge rate assessed against all FMS and FMS-like cases. The surcharge rate, 2.5 percent since 1999, will be 3.8 percent effective with cases or new case line items accepted on or after 1 August 2006. Other changes in the package include elimination of the Logistics Support Charge in fiscal year (FY) 2008, a requirement to collect a minimum amount against all FMS cases, and a commitment to clarify and consistently implement the standard level of service covered by these charges. This total package of reforms represents some very significant changes that will have both short-term and long-term benefits to the security assistance community. This article discusses the history and factors behind the decision to implement these changes and the overall impact they will have on our programs.

Why Change Now?

The *Arms Export Control Act* (AECA) mandates that an administrative surcharge be assessed on FMS cases to ensure we recover the full estimated U.S. government costs incurred to administer, execute, manage, and oversee these programs. The administrative surcharge is assessed as a percentage of the value of articles and services on each FMS and FMS-like case, e.g., pseudo cases, and other security cooperation programs.

In 1987, a Logistics Support Charge (LSC) was implemented to recover additional costs incurred to provide logistics-related support. The LSC rate is 3.1 percent and is assessed on deliveries of specific logistics articles and services. The combined revenues generated from the FMS administrative surcharge and the LSC are deposited to the FMS Trust Fund Administrative Account and are used to pay for U.S. government administrative expenses related to FMS programs. These expenses include costs to provide U.S. government management of individual FMS cases as well as services that are of benefit to the entire FMS program, infrastructure and information technology investments.

Unfortunately, income from these two charges is currently not sufficient to cover our expenses. Our analysis shows that if we continue with the status quo, (e.g., maintain our current level of expenses, keep the existing rate structure, and achieve forecasted estimates for new sales) the balance in the FMS Trust Fund Administrative Account could reach \$0 by FY 2009.

In February 2005, DSCA established an internal group to look at the overall health of the FMS Trust Fund Administrative Account. This team, known as the DSCA Fees Group, was tasked to develop possible solutions to the steadily declining balance in the account, looking both at ways to reduce expenses and increase our income to ensure we recover our costs (as required by law). DSCA recognized that the time to determine a course of action and begin implementation is now! We cannot

afford to wait until the balance reaches \$0 if we want to maintain the solvency of the Administrative Account.

Analysis Behind the Decision

During an extensive five month study, the Fees Group researched past files to understand the history of the administrative surcharge and LSC, particularly how these charges were implemented and assessed, what rate changes have been made and why, the amount of revenue generated from each charge; by country, by case, by military department, and by fiscal year. The group wanted to fully understand how we arrived where we are today so they could apply lessons-learned to any future actions. To look forward, the Fees Group used statistical models to estimate future revenues based on historical case life cycle revenues and estimated future sales. The group also reviewed previous, current, and planned efforts to reduce expenses. Some of the key findings of this five month research and analysis effort included:

- Approximately \$250M is needed for a healthy balance in the FMS Trust Fund Administrative Account. This is sometimes referred to as the reserve. The \$250M amount is based on first quarter requirements, considerably higher than any other quarter of the year, and the buffer needed to pay expenses independent of revenues from new sales.

- Historically, any changes to the administrative surcharge have been prospective and only applied to new cases and/or new line items. In contrast, implementation of the LSC in 1987 was effective on all deliveries reported after the implementation date of the charge, even for those cases that were already in existence.

- Implementation of the 1999 administrative surcharge rate reduction from 3.0 percent to 2.5 percent was flawed. Although the decision was sound based on the data available at that time, the implementation strategy called for not only reducing the administrative surcharge rate but also reducing budgets, implementing initiatives to save expenses, and reviewing the rate annually for possible change. The only part of the implementation plan that was successfully implemented was the rate reduction, unwittingly ensuring a downward trend in the account balance that now requires corrective action.

- Revenues from the LSC make up 13 percent of the total income. Any decision to reduce or eliminate this charge must consider the need to recover this amount, approximately \$40M annually. Additional analysis to determine what an optimal, single rate might be showed that a .5 percent increase to the administrative surcharge would be needed to eliminate LSC and maintain the current income levels and account balance.

- 56.6 percent of new FMS cases implemented in FY 2004 were for less than \$600,000. The surcharge collected on each of these cases at the 2.5 percent rate will be less than the minimum \$15,000 the Fees Group estimates it costs to write and implement a case. Bottom line, 56.6 percent of our sales did not cover costs

- The military department administrative surcharge-funded workforce is the lowest it has been in FMS history, under 40 percent of the levels funded in 1979. The Fees Group also reviewed recently implemented cost-saving measures as well as current plans to achieve further efficiencies. In an effort to reduce community-wide costs, DSCA capped FY 2006 spending at FY 2005's level and reduced FMS budgets by \$18.6M through FY 2009. DSCA also created a new contracting office to internally manage headquarters' contracts and avoid contracting fees. \$2M in savings were achieved in FY 2005 as a result of this effort. The Business Efficiencies and Action Team (BEAT) was established in April 2005. This team, led by DSCA with military department participation, is chartered to identify security assistance business process efficiencies that will save the community resources without compromising service. Their first approved initiative is the consolidation of case-

writing functions into a single Department of Defense (DoD) office that is estimated to save \$5.6M by FY 2010.

Even after these savings measures were factored into the budget outlook by the Fees Group, there remains a budget deficit that must be addressed by an increase in revenues which necessitates an increase to the administrative surcharge rate. Based on their research and data analysis, the Fees Group developed eight possible alternatives that would ensure full recovery of costs. These eight options were narrowed to four that were explored in even greater detail. The analysis included several “what if” scenarios for each different option using different rates, various implementation dates, different estimated new sales, and reduced costs. By June 2005, the group was ready to present their analysis and recommended solution to senior leadership for approval.

Journey to a Decision and Approval

On 21 June 2005, the Fees Group presented four options and a recommended solution to DSCA senior leadership. The proposed solution included seven specific actions to be taken and a timeline for implementation. The DSCA Director and Deputy Director concurred with the recommendation and the briefing was presented to the senior leadership of the Military Department International Program/Affairs Offices of Deputy Under Secretary of the Air Force for International Affairs (SAF/IA), Deputy Assistant Secretary of the Army for Defense Exports and Cooperation (DASA-DEC), and Navy IPO, on 24 June and 6 July 2005. These organizations also agreed with the proposal and the Fees Group was tasked to move forward and obtain interagency approval of the plan.

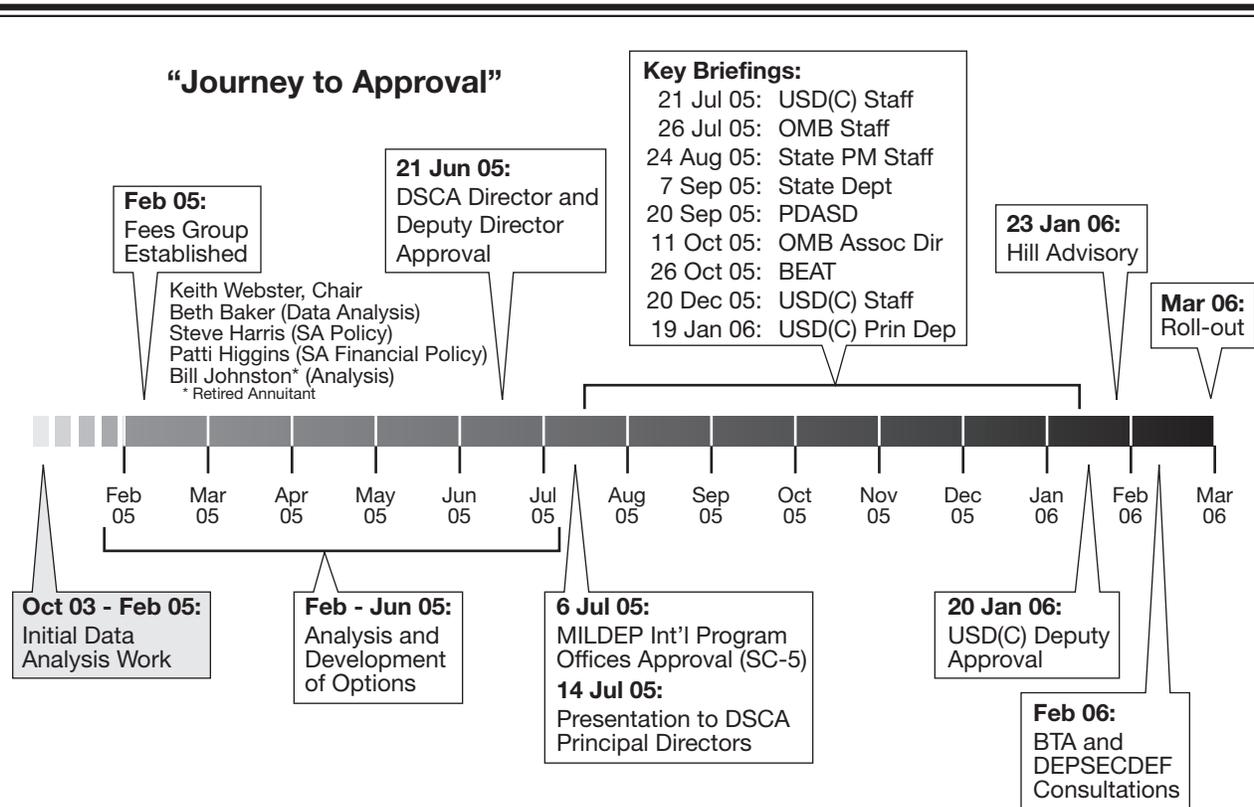
From July 2005 to January 2006, the Fees Group briefed and obtained support from key U.S. government organizations to include USD(Comptroller) staff, Office of Management and Budget (OMB) (Associate Director, National Security Programs), and Department of State (Political-Military Affairs) staff. Over the course of several meetings, DSCA consulted with these offices, responded to their questions, and provided additional data as requested on each of the seven recommended actions. These organizations reviewed the historical data specific to sales and revenue; assessed the current modeling for future sales, projected revenue, and costs; studied the other alternatives that were considered and why they were rejected. Significant time was spent on the math behind the work of the Fees Group and the conclusion reached in all instances was that the approach used by the group was thorough and verifiable.

In accordance with DoD regulations, DSCA obtained Principal Deputy, USD(Comptroller) approval for the rate increase on 20 January 2006. Appropriate Congressional committees were notified on 23 January 2006 of DSCA’s intent to implement these changes effective 1 August 2006. In February 2006, the Fees Group worked with the DoD Business Transformation Agency (BTA) to get their perspective on the proposed plan. The BTA agreed with the proposed changes and promised to work with DSCA to explore additional opportunities for savings and/or alternative funding options.

Seven Actions/Changes

The seven actions included in the plan are detailed as follows:

- **Action 1.** Increase the administrative surcharge rate to 3.8 percent. The Fees Group analysis shows that this new rate will cover our costs and allow us to simplify the surcharge fee structure by eliminating the higher non-standard rate (currently 5 percent) as well as the LSC. At our current operational tempo, the administrative surcharge rate would need to be raised to at least 4.8 percent to ensure the balance of the FMS Trust Fund Administrative Account does not reach \$0. DSCA did not want to focus only on revenues, however, and recognized the need to reduce expenses as well. By instituting budget cuts and working process reforms, we were able to justify the lower rate of 3.8 percent. The new administrative surcharge rate will be effective on all new FMS and FMS-like e.g., pseudo, security cooperation program, cases accepted on or after 1 August 2006.



Any cases accepted prior to 1 August 2006 will continue to be assessed the rate that was in effect at the time they were implemented, with the exception that any new lines added to these cases via Amendments accepted on or after 1 August 2006 will be charged the new rate. Our estimates show that implementation of the new rate, combined with the other initiatives detailed below, will bring the FMS Trust Fund Administrative Account balance back to a healthy level which should allow decisions in approximately FY 2010 regarding additional funding of community-wide initiatives, such as IT investments.

- **Action 2.** Better define the standard level of service. Table C5.T6. in the *Security Assistance Management Manual* (SAMM) provides information on what FMS case-related activities are covered by:

- The administrative surcharge;
- FMS case program management lines (PMLs); or
- Other lines on the FMS case.

Activities with an X in the administrative surcharge column of this table reflect the standard level of service to be provided on each FMS case. This table is being updated to clarify proper funding sources and ensure consistent application of the standard level of service to all cases. One specific change in the revised table will be the elimination of PMLs. New cases accepted on or after 1 August 2006 may still include valid U.S. government program management services, but these services will be included as separate, well-defined lines on the FMS case, providing more detail and transparency to our purchasers. PMLs implemented prior to 1 August 2006 will continue to be executed as written.

- **Action 3.** Charge any levels of service that are higher than the standard directly to the customer on the case: Our current policy already allows customers to purchase varying levels of services and support directly on their FMS cases. As the U.S. government strives to consistently enforce the standard level of support, some customers may desire higher levels of service on specific

cases. This additional support, over-and-above that covered by the administrative surcharge, may be obtained and funded on separate line items on the FMS case. In determining what the appropriate administrative surcharge rate should be, we used the standard level of service as our guide. While we understood some customers might desire additional services and support for specific cases, the administrative surcharge rate to provide this support to all cases would be very high. By setting a standard and keeping it consistent, we were able to keep the rate increase to a minimum, allowing customers to only pay for additional types of support on those individual cases where the customer determines that additional support is necessary. Simply put, why pay a higher rate on all 100 cases, when you really only need the higher level of support on one case?

- **Action 4.** Establish a small case management line requirement. All cases accepted on or after 1 August 2006 must collect a minimum of \$15,000 in administrative charges. This is necessary to ensure we recover U.S. government costs to prepare and implement the case. We are currently not recovering these costs on cases that are written for small dollar values or on cases which are closed after implementation without delivery of any articles and/or services. 56.6 percent of all new cases implemented in FY 2004 are scheduled to collect \$15,000 or less in total administrative surcharge throughout their life. For cases accepted on or after 1 August 2006, if the case value is so small that the administrative surcharge amount calculated is less than \$15,000, a separate line will be added to the case so that the administrative surcharge and this new line combined total \$15,000. The value of this line will be adjusted as necessary to allow for changes in case value if the case is amended or modified. A minimum of \$15,000 will be retained by the U.S. government when the case is closed. When purchasers use foreign military financing (FMF) to wholly fund their case and received between \$1 and \$400,000 in FMF monies in the previous FY, the minimum charge will be covered by FMF administrative monies and will not be included on the FMS case.

- **Action 5.** Eliminate the 5 percent administrative surcharge currently charged for non-standard items. Effective 1 August 2006, the 5 percent administrative surcharge currently assessed for provision of non-standard support will be eliminated. Any line items for non-standard articles or services included on cases accepted on or after 1 August 2006 will be charged the standard, 3.8 percent, rate. Any line items that already exist prior to 1 August 2006 and are being charged the 5 percent rate will continue to be assessed that rate. This new policy does not affect the supply support arrangement surcharge for Foreign Military Sales Order (FMSO) I cases which continues to be 5 percent in accordance with the *Financial Management Regulation*.

- **Action 6.** Eliminate the logistics support charge (LSC) effective no later than FY 2008. Effective 1 October 2007, the 3.1 percent LSC will be eliminated. Any items delivery reported on or after 1 October 2007 will not be assessed the LSC, even if they were originally priced to include this charge. Please note that the effective date for this change is FY 2008 vice FY 2007. Delaying the implementation of this change until after the new rate has been in effect for a short period allows for a stronger recovery of the Administrative Account balance. The LSC may be eliminated earlier than FY 2008 if it is determined that the account balance has sufficiently recovered to an upward trend.

- **Action 7.** Review the administrative surcharge and the small case management line value requirements annually for possible changes and publish results. The administrative surcharge rate is not locked-in-stone and should be reviewed frequently to ensure it is allowing us to collect the appropriate amount of revenue to ensure full cost recovery. If the annual review shows that our current cost recovery is not where it needs to be (either too high or too low), DSCA will consider options for correcting the problem. Those options may include a rate change, additional process reforms, or changes to the way we collect the surcharge e.g., the requirement to collect 50 percent of the administrative surcharge funds upon case implementation may require adjustment. We do not envision an annual rate change, but we need to do more frequent, widely-published, analysis to ensure we can identify problems, and make decisions in a timely manner.

Roll-out and Implementation

In four separate meetings held in Washington D.C. on 14 and 15 March 2006, DSCA officially announced these new policies. During these briefings, DSCA provided detailed information to representatives from DSCA, the Military Departments and other implementing agencies, our international customers, and industry. DSCA wanted to ensure these groups heard first-hand the rationale behind these decisions and had an opportunity to ask questions directly to the Fees Group. The briefings were comprehensive and covered key historical events, the current financial situation, steps taken to correct our financial problems, the process by which interagency coordination was achieved, and detailed guidance on the seven actions.

In anticipation of the roll-out, DSCA prepared and distributed several products to assist the community in preparing for these changes. A handout of answers to frequently asked questions was provided to all participants. A more detailed response to query handout was also given to U.S. government personnel. Both of these documents provide useful information in understanding and explaining these changes. A side-by-side comparison of cost impacts to a sampling of FMS cases and a listing of upcoming changes to the Defense Security Assistance Management System (DSAMS) were also provided. The roll-out and implementation products are available on the Security Assistance Network (SAN) website in the DSCA library section. The frequently asked questions have been posted to the DSCA website for community-wide use.

	Required Action	Effective Date
1	Increase the administrative surcharge rate to 3.8%	Case and lines accepted on or after 1 August 2006
2	Better define the standard level of service.	Standard level of service already in-place (SAMM Table C5.T6.) - Current Policy. New clarifying matrix effective 1 August 2006 program management lines not allowed on cases accepted on or after 1 August 2006.
3	Charge any levels of service that are higher than the standard directly to the customer on the case.	Immediately - current policy
4	Establish a small case management line requirement.	Case accepted on or after 1 August 2006.
5	Eliminate the 5% administrative surcharge currently charged for non-standard items.	Cases and lines accepted on or after 1 August 2006.
6	Eliminate the logistics support chart.	All deliveries no later than 1 October 2007 (FY 2008).
7	Review the administrative surcharge and the small case management line value requirements annually.	Immediately

As indicated previously, not all seven actions are being implemented at the same time. The preceding chart shows the effective date for each action:

In implementing these changes, DSCA's goal is to ensure stakeholders have several months to prepare. For U.S. government personnel, there are specific requirements for how letters of offer and acceptance (LOA) must be written not only after 1 August 2006 but also for cases already offered that have offer expiration dates (OEDs) that fall after 1 August 2006. Detailed implementing guidance has been published in DSCA Policy Memorandum 06-19 to ensure all cases are written in compliance with these new policies. This guidance was distributed during the roll-out sessions and is available on the DSCA website www.dscamilitary.com in the policy memoranda section. For our international customers, time is needed to understand these changes and what choices are available e.g., consolidate requirements on a single, larger case to avoid multiple small case management line thresholds, and adjust purchasing timelines to ensure acceptance before rate change is effective.

There are also several data automation system changes for DSAMS as well as the Defense Integrated Financial System (DIFS) that must be made to ensure successful implementation. These changes are underway and will be completed by the effective date of the changes. To ensure more consistency in implementing the standard level of service we are also encouraging more use of the Security Cooperation Information Portal (SCIP) by both U.S. government personnel and our international customers.

Impact - What Next?

During the course of developing these changes and obtaining interagency approval, one of the most frequent questions posed was whether the new administrative surcharge structure and rate would drive customers away from FMS. Our answer to this question is no. There are many reasons why our partners choose FMS. While cost is certainly a consideration in any procurement strategy, we believe that it is not the only factor. Customers choose FMS to allow the U.S. government to bring the full weight of the DoD community and our leadership into the execution and performance of the sale. Others desire to further their military-to-military relationship with the U.S. government through FMS. In some instances, U.S. industry may also regard FMS as the preferred method of sale. These reasons remain constant regardless of surcharge changes.

While we have not tried to make direct comparisons between FMS and similar support provided by U.S. industry or other defense agencies, our research did show that the FMS program is competitive when compared to similar activities e.g., the Defense Logistics Agency Defense Working Capital Fund (DWCF) and the Office of Management and Budget Most Efficient Organization (MEO) benchmark rates. Even with an administrative surcharge rate of 3.8 percent, we believe we continue to be good value for the money and are confident our customers will continue to agree.

This initiative **does not** stop with implementation. DSCA is committed to reviewing these policies for compliance and effectiveness. In accordance with action number 7, we will be conducting an annual review of the health of the FMS Trust Fund Administrative Account. This review will be published and will include recommendations for what adjustments might be needed to the rates and/or collection methods.

In addition to this review, DSCA will continue to review LOA documents to ensure consistent application of the standard level of service. We will make site visits and perform spot checks to ensure these policies are being implemented consistently.

This initiative is not just about a rate increase. Although the rate increase is perhaps the most visible and emotional part of this effort, it should be remembered that it is only one part of an entire package of reforms designed to ensure we are recovering our costs as required by law. We are committed to working on the expense side of the equation as well as the revenue side. To that end, cost-saving measures will continue to be pursued. The BEAT has been tasked to identify \$36M in

savings for implementation by FY 2009. We will continue to work on these and other efforts and collaborations designed to save resources across our community.

Questions?

If you have any questions regarding the policy changes related to the administrative surcharge, please contact DSCA-FMSSurcharge@dscamil. This e-mail address has been set up specifically to record questions and/or comments regarding these changes. Use of this address will help us ensure consistent responses to your queries and allow us to track questions and answers that might require more formal updates to the community as a whole.

About the Author

Beth M. Baker is a Security Assistance Data Analyst for the Directorate of Business Operations at the Defense Security Cooperation Agency, Arlington, Virginia. She earned a Bachelor of Science degree from Wright State University, Dayton, Ohio, in 1981 and a Master of Public Administration (International Affairs) degree from George Mason University Fairfax, Virginia, in 1994. She also earned a certificate in Legislative Studies from the Government Affairs Institute at Georgetown University, Washington, D.C., in 2002. In her current position, she is responsible for researching and analyzing historical security assistance data to make recommendations for policy and procedure improvements. While at DSCA she has worked a variety of positions to include financial and security assistance policy development. Prior to DSCA, she worked for the Deputy Under Secretary of the Air Force, International Affairs as the chief security assistance policy focal point and for the Air Force International Logistics Center (now the Air Force Security Assistance Center) in a similar capacity.

LEGISLATION AND POLICY

Fiscal Year 2006 Security Assistance Legislation

By
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Introduction

Each year the *DISAM Journal* publishes a summary and analysis of the legislation that impacts U.S. security assistance. In this issue we present the twenty-second in a series of annual studies of the major pieces of legislation with references to security assistance and related programs. This report is intended to alert all security assistance community members to the collective changes in legislation that will influence program planning and implementation for the coming year. As has been done in the past, the report is in outline form, with the key topics highlighted to facilitate locating specific statutory references. This article will not include the initial allocation figures for fiscal year (FY) 2006 programs since the required Department of State report for the allocation of foreign operations funding to Congress in accordance with Section 653(a) of the *Foreign Assistance Act* was not yet made available. This report is normally to be provided no later than thirty days after enactment of the annual *Foreign Operations Appropriation Act* (FOAA) which for FY 2006 was enacted on 14 November 2005 as P.L. 108-447. Initially, the allocations delay can be attributed to the later enactment of the *Department of Defense (DoD) and Emergency Supplemental Appropriations Act, 2006*, P.L. 108-148, 30 December 2006, which ultimately directed the across-the-board rescission of 1.00 percent for each FY 2006 discretionary account.

The Office of Management and Budget (OMB) made the required report to Congress on 8 February 2006 providing the line-by-line rescission to be made for each FY 2006 discretionary account but the line for the Foreign Military Financing Program (FMFP) was not included. This 48-page report can be viewed at http://www.whitehouse.gov/omb/legislative/divisionb_reductions_2_8_06.pdf.

A subsequent article will be published in the next *Journal* once the initial funding allocations are made available. All recession figures and levels of funding available for allocation in this article are estimates based on the legislated direction for a 1.00 percent across-the-board reduction in each program account. Specific country and program allocations are not known at this time.

The FY 2006 appropriations season included three continuing resolutions (C.R.s) with the last one, P.L. 109-128, expiring at midnight, 31 December 2005. However, the 14 November 2004 enactment of the *Foreign Operation Appropriations Act* (FOAA) was within the first C.R., P.L. 109-77, which expired 18 November 2005.

FY 2006 also marks the first time since FY 2002, with P.L. 107-115, 10 January 2003, that the FOAA was legislated and enacted as a separate law and not consolidated at the last minute with several other appropriations for the fiscal year. However, FY 2006 marks the fourth year in a row that a last minute rescission was required for appropriations. FY 2006 has the distinction of the formal funding allocations process for foreign assistance, to include security assistance, not taking place before the fifth month of the fiscal year. Table One provides the overall initial appropriations process for the FY 2006 security assistance programs for FMFP, International Military Education and Training (IMET), Economic Support Fund (ESF), and Peacekeeping Operations (PKO) resulting in

the *Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006*, P.L. 109-102, 14 November 2005.

Table One
Fiscal Year 2006 Security Assistance Funding
(\$ in millions)

<u>Program</u>	<u>Budget Request</u>	<u>House Proposal</u>	<u>Senate Proposal</u>	<u>Initial P.L. 109-102 Appropriation</u>
FMFP	\$4,588.600	\$4,442.300	\$4,603.600	\$4,510.000
IMET	86.744	86.744	86.744	86.744
ESF	3,036.375	2,572.025	3,031.375	2,647.500
PKO	<u>195.800</u>	<u>177.800</u>	<u>195.800</u>	<u>175.000</u>
Total	\$7,907.519	\$7,278.869	\$7,917.519	\$7,419.244

Note: Does not include the directed 1.00 percent rescission of an estimated \$74,192,440 for fiscal year 2006. See Table Two.

Fiscal year 2006 marks the third year in a row where separate program and funding authorization legislation for security assistance was not enacted. This legislative language for FY 2006 is included in the P.L. 109-102 appropriations law. The House did pass their version of authorization on 20 July 2005 as H.R. 2601 and the Senate foreign Relations Committee introduced their version earlier on 10 March 2005 as S600 with S.R. 109-35 but no further action was taken by the Senate. Both proposed pieces of legislation remain outstanding in the current 109th Congress.

The following six (6) pieces of legislations are to be further analyzed in this article as they relate to the U.S. security assistance, security cooperation, and other international programs. Certain highlights within the laws are provided.

- P.L. 109-102: *Foreign Operations, Export Financing, and Related Programs Appropriations*, 14 November 2005.

- Can be viewed at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi/dbname=1-9_cong_public_law&docid=f:publ102.109.pdf.

- Essentially provided the funding requested by the President but with significant earmarking.

- Requires a significant new quarterly report accounting by program, project, and activity of the funds for FY 2006 and prior fiscal years that remain unobligated and unexpended.

- For the first time, requires a quarterly report on the use of FMFP, IMET, and PKO funding to include a description of the obligation, expenditure, and the specific country in receipt of and the use or purpose of the assistance provided by such funds.

- Provides specific authority for DoD funds to be used during FY 2006 for the transportation of grant excess defense articles (EDA) transferred in accordance with Section 516, *Foreign Assistance Act* (FAA), to Afghanistan and Iraq.

- P.L. 109-108: *Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006*, 22 November 2005.

- Can be viewed at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi/dname=109_cong_public_laws&docid=f:publ108.109.pdf.

- Appropriates \$1,166,212,000 to meet annual obligations of membership in international multilateral organizations.

- Appropriates \$1,035,500,000 for international peacekeeping activities.

- P.L. 109-148: *Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006*, 30 December 2005.

- Can be viewed at http://frwebgate.access.gpo.gov/cigbin/getdoc.cig?dbname=109_cong_public_law&docid=f:pub1148.109.pdf.

- Unlike past fiscal years, this law does not exempt DoD appropriations from the budgetary rescission action.

- HAC report H.R. 109-119 of 20 June 2005 hints at an easing of the legislated prohibition for the foreign military sales (FMS) or direct commercial sales (DCS) of F/A-22 by allowing related discussions with U.S. regional allies in view of growing challenges to U.S. security interests in Asia to include the North Korean nuclear weapons and ballistic missile programs plus the rapid modernization of the Chinese military.

- Authorizes the Secretary of Defense use of not more than \$500,000,000 in DoD appropriations to train, equip, and provide related assistance (to include funding) only to military or security forces of Iraq and Afghanistan to enhance their capability to combat terrorism and to support U.S. military operations in the two countries.

- Authorizes the use of FY 2006 DoD funding to provide supplies, services, transportation, and other logistical support to coalition forces supporting military and stability operations in Iraq and Afghanistan.

- P.L. 109-163: *National Defense Authorization Act for Fiscal Year 2006*, 6 January 2006.

- Can be viewed at http://frwebgate.access.gpo.gov/cigbin/getdoc.cig?dbname=109_public_laws&docid=f:pub1163.109.pdf.

- This law authorizes the emergency supplemental appropriation during FY 2006 of \$40,000,000 for DoD use in providing humanitarian assistance to the victims of the 2005 earthquake in Pakistan.

- Amends law authorizing DoD to enter into acquisition and cross-servicing agreements with regional organizations that the U.S. is not a member.

- As a two year pilot program this law authorizes a program to build the capacity of a foreign country's national military forces to conduct counterterrorism operations or participate in or support military and stability operations in which U.S. armed forces are a participant. Up to \$2000,000,000 of DoD funds is annually authorized to support this providing of equipment, supplies, and training. However, any country prohibited by any other provision of law from receiving such assistance shall not be a recipient or this aid.

- As a two year pilot program this law authorizes a program in which DoD may provide services to, and transfer defense articles and funds to the Secretary of State for reconstruction, security, or stabilization assistance to a foreign country. Not more than \$100,000,000 in aggregate value may be used annually for such a program. Any transfer in this program is subject to the authorities and limitations of the FAA, *Arms Export Control Act* (AECA), or any law making appropriations to carry out such Acts.

- During FY 2006, this law authorizes the Section 516 of the FAA, grant EDA transfer of defense articles and related services not to exceed the aggregate value of \$5000,000,000 to the military and security forces of Iraq and Afghanistan. DoD funds may be used for the packaging, crating, handling, and transportation (PCH&T) of this EDA.

- P.L. 109-134: *Naval Vessels Transfer Act of 2005*, 20 December 2005.

•• Can be viewed at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dname=109_cong_public_laws&docid=f:pub1108.109.pdf.

•• Authorizes the Section 516 of the FAA, grant EDA transfer of one minehunter to Greece, two minehunters to Egypt, and one destroyer each to Pakistan and Turkey.

•• Authorizes the Section 21 of the AECA, FMS sale of three EDA ships to include one LPD to India, one minehunter to Greece, and one destroyer to Turkey.

• P.L. 109-159: *An Act to Authorize the Transfer of Items in the War Reserve Stockpile for Allies, Korea*, 30 December 2005.

•• Can be viewed at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dname=109_cong_public_laws&docid=f:pub1159.109.pdf.

•• This law authorizes the transfer of any or all of the war reserve stockpile for allies (WRSA) located in Korea or Japan. The intended use as reserve stock for Korea, to Korea for negotiated concessions at least equal to the fair market value of the stocked items.

Reference Sources

The following abbreviated titles will assist in identifying principal sources of information used in this article. The laws and associated congressional reports can be viewed at the Library of Congress “Thomas” web page located at <http://thomas.loc.gov>.

- P.L. 87-195: *Foreign Assistance Act of 1961* (FAA), as amended, 4 September 1961.
- P.L. 87-510: *Migration and Refugee Act of 1962*, 28 June 1962.
- P.L. 94-329: *Arms Export Control Act* (AECA), as amended, , 30 June 1976.
- P.L. 96-8: *Taiwan Relations Act*, 10 April 1979.
- P.L. 96-533: *International Security and Development Cooperation Act of 1980*, 16 December 1980.
- P.L. 96-533: *Peace Corps Act*, Title VI, 16 December 1980.
- P.L. 99-239: *Compact of Free Association*, 14 January 1986.
- P.L. 99-415: *Anglo-Irish Agreement Support Act of 1986*, 19 September 1986.
- P.L. 101-179: *Support for East European Democracy Act of 1989* (SEED), 28 September 1989
- P.L. 101-508: *Omnibus Budget Reconciliation Act of 1990*, 5 November 1990.
- P.L. 102-511: *Freedom for Russia and Emerging Eurasian Democracies and Open Markets (FREEDOM) Support Act* (FSA) of 1992, 24 October 1992.
- P.L. 103-87 *Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1994*, 30 September 1993.
- P.L. 104-106: *National Defense Authorization Act, Fiscal Year 1996*, 10 February 1996.
- P.L. 104-164: *To amend the Foreign Assistance Act of 1961 and the Arms Export Control Act, to make improvements to certain defense and security assistance provisions under those Acts, to authorize the transfer of naval vessels to certain foreign countries, and for other purposes, 21 July 1996.*
- P.L. 105-261: *Strom Thurmond National Defense Authorization Act, Fiscal Year 1999*, 17 October 1998.

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- P.L. 106-398: *Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001*, 30 October 2001.
 - P.L. 107-38: *2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States*, 18 September 2001.
 - P.L. 107-57: *Authorize the President to Exercise Waivers for Foreign Assistance Restrictions with Respect to Pakistan through September 30, 2003, and for Other Purposes*, 27 October 2001.
 - P.L. 107-115: *Kenneth M. Ludden Foreign Operations, Export Financing, and Related Programs Appropriations Act, Fiscal Year 2002*, 10 January 2002.
 - P.L. 107-117: *Department of Defense and Emergency Supplemental Appropriations for Recovery from and Response to Terrorist Attacks on the United States Act, 2002*, P.L. 107-117, 10 January 2002.
 - P.L. 107-187: *Gerald B.H. Solomon Consolidation Act of 2002*, 10 June 2002.
 - P.L. 107-206: *2002 Supplemental Appropriations Act for Further Recovery from and Response to Terrorist Attacks on the United States*, 2 August 2002.
 - P.L. 107-206: *American Service-Members' Protection Act of 2002 (ASPA)*, Title II, 2 August 2002.
 - P.L. 107-228: *Foreign Relations Authorization Act, Fiscal Year 2003*, 30 September 2002.
 - P.L. 107-228: *Department of State Authorization Act, Fiscal Year 2003*, Division A, 30 September 2002.
 - P.L. 107-228: *Security Assistance Act of 2002*, Division B, 30 September 2002.
 - P.L. 107-248: *Department of Defense Appropriations Act, 2003*, 23 October 2002.
 - P.L. 107-306: *Intelligence Authorization Act for Fiscal Year 2003*, 27 November 2002.
 - P.L. 107-314: *Bob Stump National Defense Authorization Act for Fiscal Year 2003*, 2 December 2002.
 - P.L. 108-11: *Emergency Wartime Supplemental Appropriations Act, 2003*, 16 April 2003.
 - P.L. 108-25: *United States Leadership against human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS), Tuberculosis and Malaria Act of 2003*, 27 May 2003.
 - P.L. 108-87: *Department of Defense Appropriations Act, 2004*, 30 September 2003.
 - P.L. 108-106: *Emergency Supplemental Appropriations Act for Defense and the Reconstruction of Iraq and Afghanistan, 2004*, 6 November 2003.
 - P.L. 108-132: *Military Construction Appropriations Act, 2004*, 22 November 2003.
 - P.L. 108-136: *National Defense Authorization Act, Fiscal Year 2004*, 24 November 2003.
 - P.L. 108-199: *Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2004*, Division B, 23 January 2004.
 - P.L. 108-199: *Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2004*, Division D, 23 January 2004.
 - P.L. 108-287: *Department of Defense Appropriations Act, 2005*, 5 August 2004.
 - P.L. 108-375: *Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005*, 28 October 2004.
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- P.L. 108-447: *Consolidated Appropriations Act, 2005*, 8 December 2004.
 - P.L. 108-447: *Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2005*, Division B, 8 December 2004.
 - P.L. 108-447: *Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2005*, Division D, 8 December 2004.
 - P.L. 108-458: *Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004*, 17 December 2004.
 - P.L. 109-13: *Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005*, 11 May 2005.
 - P.L. 108-458: *9/11 Commission Implementation Act of 2004*, Title VII, 17 December 2004.
 - P.L. 109-102: *Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006*, 14 November 2005.
 - P.L. 109-108: *Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006*, 22 November 2005.
 - P.L. 109-114: *Military Quality of Life and Veterans Affairs Appropriations Act, 2006*, 30 November 2005.
 - P.L. 109-134: *Naval Vessels Transfer Act of 2005*, 20 December 2005.
 - P.L. 109-148: *Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006*, 30 December 2005.
 - P.L. 109-148: *Detainee Treatment Act of 2005*, Division A, Title X, 30 December 2005.
 - P.L. 109-159: *An Act to Authorize the Transfer of Items in the War Reserve Stockpile for Allies, K*
 - P.L. 109-163: *National Defense Authorization Act for Fiscal Year 2006*, 6 January 2006.

Legislation for Fiscal Year 2006

- P.L. 109-102: *Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006*, **P.L. 109-102, 14 November 2005**

Originally reported out the House and Senate Appropriations Committees as H.R. 3057 with H. Rpt. 109-152, 24 June 2005, and S. Rpt. 109-96, 30 June 2005, respectively. The House and Senate passed their bills on 28 June 2005 and 20 July 2005, respectively. A conference for these foreign operations bills was not convened until October 2005 with results reported out on 2 November 2005 as H. Rpt. 109-265. The conference report was promptly approved by the House on 4 November 2005 followed with Senate approval on 10 November 2005. The President immediately enacted the resultant H.R. 3057 on 14 November 2005 as P.L.109-102. Table Two displays the funding initially appropriated within P.L.109-102 for the four traditional security assistance programs:

- Foreign Military Financing Program (FMFP);
- International Military Education and Training (IMET);
- Economic Support Fund (ESF); and
- Peacekeeping Operations (PKO) amounting to a total of \$7,419,244,000.

- However, Division B, Title III, Chapter 8, Section 3801, of the later Department of Defense, Emergency Supplemental Appropriations to address hurricanes in the *Gulf of Mexico, and Pandemic Influenza Act, 2006*, P.L. 109-148, 30 December 2005, directed an across-the-board rescission (reduction) of 1.00 percent to:

- The budget authority provided for any discretionary account provided in FY 2006 appropriations act;

- The budget authority provided in any advance appropriation for FY 2006 for any discretionary account in any prior fiscal year appropriations act; and

- The contract authority provided in FY 2006 for any program subject to limitation contained in any FY 2006 appropriations act.

- Excluded from this directed rescission was any discretionary authority appropriated or otherwise made available to the Department of Veterans Affairs. Veterans Affairs appropriations for FY 2006 is contained within the earlier enacted *Military Quality of Life and Veterans Affairs Appropriations Act, 2006*, Title II, P.L.109-114, 30 November 2005.

- Similar to prior fiscal years, the rescission is to be applied proportionately to each discretionary account and each item of budget authority described in such subsection and within each such account and item, to each program, project, and activity. The FY 2006 rescission of 1.00 percent can be compared to the FY 2005 rescission of 0.80 percent, the FY 2004 rescission of 0.59 percent, and the FY 2003 rescission of 0.65 percent.

- Table Two displays the total rescission of \$74,192,440 for the four FY 2006 appropriated security assistance programs reducing the total appropriation to \$7,345,051,560.

Table Two
FY 2006 Security Assistance Appropriations and Rescissions (P.L. 109-102)

<u>Program</u>	<u>Initial Appropriation</u>	<u>Rescission</u>	<u>Final Appropriation</u>
FMFP	\$4,510,000,000	\$45,100,000	\$4,464,900,000
IMET	86,744,000	867,440	5,876,560
ESF	2,647,500,000	26,475,000	2,621,025,000
PKO	<u>175,000,000</u>	<u>1,750,000</u>	<u>173,250,000</u>
Total	\$7,419,244,000	\$74,192,440	\$7,345,051,560

Note: The rescission and final appropriation figures are estimates.

Title III, Military Assistance, Foreign Military Financing Program

- Initially appropriated \$4,510,000,000 as FMFP grant assistance to carry out the provisions of Section 23, AECA. This includes the \$10,000,000 separately appropriated by Section 591(b) of this *Act* expressly for the Philippines. The 1.00 percent rescission amounted to \$45,100,000 reducing the entire program to an estimated \$4,464,900,000 available for country or program allocation.

- The Administration’s FY 2006 FMFP request was \$4,588,600,000 with the House and Senate proposals being \$4,442,300,000 and \$4,603,600,000, respectively.

- The thirteen (13) legislated earmarks for FMFP funding included:

- Not less than \$2,280,000,000 for Israel to be disbursed within thirty (30) days of the enactment of this Act.

- This is the eighth year of a ten-year plan in which Israel’s FMFP assistance is to increase by \$60,000,000 annually to coincide with an annual decrease \$120,000,000 in ESF assistance towards achieving Israel’s goal of receiving no ESF from the U.S. beginning in FY 2009.

••• As in prior years, to the extent Israel requests that funds be used for such purposes, funds made available to Israel shall, as agreed upon by Israel and the U.S., be available for advanced weapons systems, of which not less than \$595,000,000 shall be available for procurement in Israel of defense articles and services, to include research and development. This is \$15,000,000 greater than authorized for FY 2005.

- Not less than \$1,300,000,000 for Egypt.

••• As was with past authorities, any FMFP funds estimated to be outlayed for Egypt during the year shall be transferred to an interest bearing account for Egypt in the Federal Reserve Bank of New York within thirty (30) days of the enactment of this *Act*.

- \$210,000,000 for Jordan.

•• Later Section 591 of this Act includes FY 2006 FMFP earmarks for the following eight (8) country programs.

••• Not less than the following amounts to enhance security in Asia consistent with democratic principles and the rule of law:

- \$30,000,000 for the Philippines;
- \$1,000,000 for the Indonesian Navy;
- \$1,000,000 for Bangladesh;
- \$3,000,000 for Mongolia;
- \$1,500,000 for Thailand;
- \$1,000,000 for Sri Lanka;
- \$1,000,000 for Cambodia;
- \$1,000,000 for Fiji; and
- \$250,000 for Tonga.

• The above amounts for the Indonesian Navy and Cambodia shall only be made available subject to the regular notification procedures to the congressional committees on appropriations.

• Section 591(b) of this *Act* separately appropriated an additional \$10,000,000 as an FMFP earmark for the Philippines to address critical deficiencies identified in the *Joint Defense Assessment of 2003*.

- Later Section 549(a)(5) in this *Act* earmarks \$1,000,000 for Haiti.

• While no other earmarking language was used in the *Act* or its conference report, H. Rpt. 109-265, the conference report did indicate how the funds are to be allocated with any reprogramming of FMFP, et al., to be done in accordance with Section 634A, FAA. This includes a fifteen-day notification to the two congressional appropriations committees (HAC and SAC) and the Senate Foreign Relations (SFRC) and House International Relations Committees (HIRC) in advance of obligation whenever the reprogramming exceeds \$1,000,000 and the total amount to be obligated by the country exceeds by more than \$5,000,000 the amount initially notified to Congress for allocation in accordance with Section 653(a), FAA.

• The conference report included the agreement to provide \$5,000,000 of FMFP assistance to each Armenia and Azerbaijan along with IMET funding.

- The conference report also agreed to the initiation of an FMFP program for Lebanon for the amount of \$1,000,000 to be used for the procurement of non-lethal equipment such as radios and vehicles.

- As was the case in past years, no FY 2006 FMFP funding is to be available for Sudan and Guatemala.

- No FMFP funding may be made available for Haiti except pursuant to regular notification procedures to the two appropriations committees.

- FMFP may be used for demining, the clearance of unexploded ordnance, and related activities, and may include activities implemented through non-governmental and international organizations.

- As in prior years, only those countries for which was justified for FMFP in FY 1989 congressional presentation for security assistance may use FY 2006 FMFP funds for procurement of defense articles and services or design and construction services that are not sold by the U.S. government under the AECA.

- This includes the countries of **Israel, Egypt, Jordan, Morocco, Tunisia, Turkey, Portugal, Pakistan, Yemen, and Greece** being able to use FMFP using the direct commercial sales process. Refer to DoD 5105.38-M, *Security Assistance Management Manual (SAMM)*, Sections C9.7.4 and C9.7.4.1 for further information.

- Not more than \$42,500,000 may be obligated for necessary expense, including the purchase of passenger vehicles for replacement only for use outside the U.S., for general costs of administering military assistance and sales. The FY 2005 initial authorization for these purposes was \$40,000,000.

- Not more than \$373,000,000 of the non-appropriated FMS administrative fund may be obligated for expenses incurred by DoD during FY 2006 pursuant to Section 43(b), AECA. This ceiling may be exceeded only through regular notification procedures of the congressional appropriations committees. The authorized ceiling for FY 2005 was \$367,000,000.

- Table Three provides the FY 2006 FMFP allocations and the Administration's FY 2006 requests are also included.

Title III, Military Assistance, International Military Education and Training

- Initially appropriated \$86,744,000 as International Military Education and Training (IMET) grant assistance to carry out the provisions of Section 541, FAA, of which \$3,000,000 may remain available until expended. The mandated rescission of 1.00 percent amounted to \$867,440 reducing the total grant program for the year to \$85,876,560.

- The original Administration IMET request was also \$86,744,000 for a proposed total of 9,448 students during FY 2006. Both the House and the Senate concurred with the requested funding.

- As in the past years, civilian personnel for whom IMET funding may be provided may include civilians who are not members of a government who participation would contribute to improved civil-military relations, civilian control of the military, or respect for human rights.

- IMET funding for Guatemala may only be available for Expanded IMET (E-IMET). IMET funds for Haiti, the Democratic Republic of the Congo, and Nigeria may only be provided through the regular notification procedures of the congressional appropriations committees. These same programs were likewise stipulated in FY 2005.

- Later Section 549(a)(6) in this *Act* earmarks \$215,000 for Haiti.

Table Three
Foreign Military Financing Program
FY2006 Funding Allocations
(\$ in millions)

Country/Program by Geographical Region	FY 2005 Actual FMFP Allocation	FY 2006 Budget Justification Request	FY2006 Initial FMFP Allocation Not Available
Near East			
Bahrain	\$18.847	\$19.000	\$0
Egypt	\$1,289.600	\$1,300.000	0
Israel	\$2,202.240	\$2,280.000	0
Jordan	\$204.352	\$206.00	0
Jordan Supplemental	100.000	0	0
Lebanon	0	0	0
Morocco	15.128	18.000	0
Oman	19.840	20.000	0
Tunisia	10.407	10.000	0
Yemen	9.910	10.000	0
Sub Total	\$3,870.324	\$3,863.000	0
Europe and Eurasia			
Albania	\$2.976	\$3.500	0
Armenia	7.936	\$5.000	0
Azerbaijan	7.936	5.000	0
Bosnia	8.480	10.000	0
Bulgaria	6.944	19.000	0
Czech Republic	5.952	6.000	0
Estonia	4.960	5.000	0
Georgia	11.904	12.000	0
Hungary	5.951	4.000	0
Latvia	4.960	5.000	0
Lithuania	5.456	5.000	0
Macedonia	5.208	5.000	0
Moldova	0.446	.500	0
Poland	76.470	30.000	0
Romania	13.412	29.000	0
Slovakia	4.959	5.000	0
Slovenia	1.486	1.000	0
Turkey	33.728	25.000	0
Ukraine	2.976	16.500	0
Sub Total	\$212.140	\$191.500	0
Western Hemisphere			
Argentina	\$0.000	\$1.000	\$0
Bahamas	0.099	0.100	0
Belize	0.698	0.200	0
Bolivia	0	1.800	0
Chile	0.495	0.750	0
Colombia	99.200	90.000	0
Dominican Republic	0.992	1.000	0
Ecuador	0	0.750	0
El Salvador	1.488	13.000	0
Guatemala	0	0.500	0
Guyana	0.099	0.100	0

Table Three (continued)
Foreign Military Financing Program
FY2006 Funding Allocations
(\$ in millions)

Country/Program by Geographical Region	FY2005 Actual FMFP Allocation	FY2006 Budget Justification Request	FY2006 Initial FMFP Allocation
Western Hemisphere			
Haiti	\$0.297	\$1.000	\$0
Honduras	1.492	1.000	0
Jamaica	0.595	0.600	0
Mexico	0	2.500	0
Nicaragua	0.496	0.750	0
Panama	0.992	1.100	0
Peru	0	0.300	0
Suriname	0.099	0.100	0
Uruguay	0	0.150	0
Eastern Caribbean	1.113	1.250	0
Operation enduring Freedom	<u>0</u>	<u>5.000</u>	<u>0</u>
Sub Total	\$109.155	\$122.950	\$0
Africa			
Botswana	\$0.496	\$0.500	\$0
Djibouti	4.468	4.000	0
Eritrea	0	0.500	0
Ethiopia	7.050	2.000	0
Ghana	0.496	0.500	0
Kenya	0	7.000	0
Liberia	2.976	2.000	0
Nigeria	0	1.000	0
Senegal	0.496	0.500	0
Uganda	1.984	0	0
Africa Coastal/Border Security	3.968	4.000	0
Military Health Affairs	1.984	2.000	0
Sub Total	\$23.918	\$24.000	\$0
East Asia and Pacific			
Cambodia	\$0.992	\$0.500	\$0
East Timor	1.023	1.500	0
Fiji	0.248	0.500	0
Indonesia	0	1.000	0
Mongolia	0.992	2.500	0
Philippines	29.760	20.000	0
Thailand	1.488	1.500	0
Tonga	<u>0.248</u>	<u>0.250</u>	<u>0</u>
Sub Total	\$34.751	\$27.750	\$0
South Asia and Central Asia			
Afghanistan	\$396.800	\$0	0
Bangladesh	0.248	0	0
Kazakhstan	4.960	5.000	0
Kyrgyz Republic	1.984	2.000	0
Nepal	0	4.000	0

Table Three (continued)
Foreign Military Financing Program
FY2006 Funding Allocations
(\$ in millions)

Country/Program by Geographical Region	FY2005 Actual FMFP Allocation	FY2006 Budget Justification Request	FY2006 Initial FMFP Allocation
South Asia and Central Asia			
Pakistan	\$148.800	\$300.000	\$0
Pakistan Supplemental	150.000	0	0
Sri Lanka	0.496	1.000	0
Tajikistan	0.496	0.500	0
Turkmenistan	0.694	0.400	0
Uzbekistan	0.000	4.000	0
Sub Total	\$704.478	\$316.900	\$0
Global			
EPIC*	\$1.786	\$0	\$0
FMFP Administrative Costs	<u>39.680</u>	<u>42.500</u>	<u>0</u>
Sub Total	\$41.466	\$42.500	\$0
Total Allocation	\$4,995.232	\$4,588.600	\$0
Recission	\$38.268	\$0	\$0
Total Appropriation	\$5,033.500	\$4,588.600	\$0

Notes:

* Enhanced International Peacekeeping Capabilities.

- The conference report supported IMET funding of \$750,000 for Armenia and Azerbaijan.
- Table Four includes the final funding levels allocated during FY 2005 and the funding requested by the Administration for FY 2006.

Title II, Other Bilateral Economic Assistance, Economic Support Fund

- Initially appropriated \$2,634,000,000 as ESF grant assistance, to remain available until 30 September 2006, to carry out provisions of Chapter 4, Part II, of the FAA. A second ESF appropriation of \$13,500,000 in grant funding is also provided for the International Fund for Ireland to be made available in accordance with the *Anglo-Irish Agreement Support Act of 1986*, P.L. 99-415, 19 September 1986. The overall ESF total of \$2,647,500,000 is reduced by \$26,475,000 as mandated by the 1.00 percent rescission to a final total of \$2,621.025,000 available for allocation.

- The legislated earmarks, which include the terms shall, should, or may in determining appropriated funding usage, for FY 2006 ESF appropriations include the following:

- Not less than \$240,000,000 for Israel as a cash transfer to be disbursed within thirty days of the enactment of this *Act*.

- As previously noted in the FMFP funding for Israel discussion, this is the eighth year of a ten-year plan to phase out the Israeli ESF program before FY 2009 by decreasing the program by \$120,000,000 annually and increasing the Israeli FMFP funding by \$60,000,000 annually.

- Not less than \$495,000,000 for Egypt of which sum cash transfer assistance shall be provided with the understanding that Egypt will undertake significant economic reforms which are additional to those which were undertaken in previous fiscal years.

- With respect to the provision of assistance for Egypt for democracy and governance activities, the organizations implementing such assistance and the specific nature of that assistance shall not be subject to the prior approval by the Government of Egypt.

Table Four
International Military Education and Training
FY2006 Funding Allocations
(\$ in thousands)

Country/Program by Geographical Region	FY 2005 Actual IMET Allocation	FY 2006 Budget Justification Request	FY 2006 Initial IMET Allocation Not Available
Algeria	\$920	\$750	\$0
Bahrain	649	650	0
Egypt	1,264	1,200	0
Iraq	0	700	0
Jordan	3,039	3,000	0
Lebanon	809	700	0
Morocco	1,920	1,875	0
Oman	1,414	1,100	0
Saudi Arabia	0	25	0
Tunisia	1,860	1,875	0
Yemen	1,089	1,100	0
Sub Total	12,691	12,975	0
Europe and Eurasia			
Albania	\$1,145	\$900	\$0
Armenia	819	750	0
Azerbaijan	879	750	0
Bosnia and Herzegovina	965	900	0
Bulgaria	1,532	1,400	0
Croatia	0	50	0
Czech Republic	2,5051	1,900	0
Estonia	1,183	1,200	0
Georgia	1,413	1,200	0
Greece	1,026	6000	0
Hungary	2,013	1,575	0
Latvia	1,3296	1,200	0
Lithuania	1,306	1,200	0
Macedonia	729	650	0
Malta	0	50	0
Moldova	1,044	900	0
Poland	2,282	2,000	0
Portugal	850	600	0
Romania	1,575	1,500	0
Russia	788	750	0
Serbia and Montenegro	0	50	0
Slovakia	994	950	0
Slovenia	950	900	0
Turkey	3,716	3,000	0
Ukraine	1,855	1,700	0
Sub Total	\$30,511	\$26,975	0
Western Hemisphere			
Argentina	\$1,119	\$1,100	0
Bahamas	341	240	0
Belize	308	200	0
Bolivia	0	800	0
Brazil	0	50	0
Chile	600	600	0
Colombia	1,700	1,700	0
Costa Rica	0	50	0
Dominican Republic	1,194	1,10	0
Ecuador	0	50	0
Eastern Caribbean	591	775	0

Table Four (Continued)
International Military Education and Training
FY2006 Funding Allocations
(\$ in thousands)

Country/Program by Geographical Region	FY 2005 Actual IMET Allocation	FY 2006 Budget Justification Request	FY 2006 Initial IMET Allocation Not Available
Western Hemisphere (Continued)			
El Salvador	1,794	1,600	0
Guatemala	444	400	0
Guyana	296	300	0
Haiti	151	215	0
Honduras	1,322	1,100	0
Jamaica	757	700	0
Mexico	1,253	1,100	0
Nicaragua	274	600	0
Panama	955	600	0
Paraguay	0	50	0
Peru	0	50	0
Suriname	139	150	0
Trinidad and Tobago	0	50	0
Uruguay	0	50	0
Venezuela	0	50	0
Sub Total	\$13,238	\$13,680	\$0
Africa			
African Union	\$0	\$200	\$0
Angola	313	400	0
Benin	0	50	0
Botswana	710	700	0
Burkina Faso	128	110	0
Burundi	0	50	0
Cameroon	236	250	0
Cape Verde	181	120	0
Central African Republic	0	50	0
Chad	470	250	0
Comoros	82	100	0
Côte d'Ivoire	0	50	0
Democratic Republic of the Congo	196	150	0
Djibouti	239	325	0
COWAS	0	200	0
Equatorial Guinea	0	50	0
Eritrea	241	450	0
Ethiopia	572	600	0
Gabon	292	200	0
Gambia	190	100	0
Ghana	648	575	0
Guinea	508	350	0
Guinea-Bissau	87	100	0
Kenya	139	650	0
Lesotho	0	50	0
Madagascar	253	200	0
Malawi	362	350	0
Mali	0	50	0
Mauritania	112	130	0
Mauritius	137	125	0

Table Four (Continued)
International Military Education and Training
FY2006 Funding Allocations
(\$ in thousands)

Country/Program by Geographical Region	FY 2005 Actual IMET Allocation	FY 2006 Budget Justification Request	FY 2006 Initial IMET Allocation Not Available
Africa			
Mozambique	220	215	0
Namibia	0	100	0
Niger	0	50	0
Nigeria	0	800	0
Republic of the Congo	163	100	0
Rwanda	296	225	0
Sao Tome and Principe	194	200	0
Senegal	1,222	1,100	0
Seychelles	106	100	0
Sierra Leone	270	325	0
South Africa	0	50	0
Sudan	0	50	0
Swaziland	97	100	0
Tanzania	0	50	0
Togo	44	120	0
Uganda	293	240	0
Zambia	181	225	0
Sub Total	\$9,182	\$11,035	0
East Asia and Pacific			
Camobdia	\$0	\$50	\$0
East Timor	364	300	0
Fiji	268	250	0
Indonesia	728	800	0
Laos	0	50	0
Malaysia	1,100	900	0
Mongolia	1,009	875	0
Papua New Guinea	300	300	0
Philippines	2,915	2,900	0
Samoa	0	50	0
Solomon Islands	152	150	0
Thailand	2,526	2,400	0
Tonga	140	135	0
Vanuatu	111	100	0
Vietnam	50	50	0
Sub Total	\$9,663	\$9,310	0
South Asia			
Afghanistan	\$945	\$800	0
Bangladesh	1,035	900	0
India	1,502	1,200	0
Kazakhstan	997	1,000	0
Kyrgyz Republic	1,039	1,100	0
Maldives	169	175	0
Nepal	648	650	0
Pakistan	1,885	2,044	0
Sri Landa	461	450	0
Tajikistan	348	350	0
Turkmenistan	389	300	0
Uzbekistan	0	600	0

Table Four (Continued)
International Military Education and Training
FY2006 Funding Allocations
(\$ in thousands)

Country/Program by Geographical Region	FY 2005 Actual IMET Allocation	FY 2006 Budget Justification Request	FY 2006 Initial IMET Allocation Not Available
Global			
E-IMET schools	\$3,369	\$3,000	0
IMET general costs	661	500	0
No-year/Carry forward	279	0	0
Sub Total	\$4,309	\$3,500	0
Total Allocation	\$89,012	\$86,744	\$0
Rescission	\$718	\$0	\$0
Total Appropriation	\$89,730	\$86,744	\$0

Notes:

* Economic Community of West African States

**Expanded International Military Education Training

*** P.L. 108-447 provided authority for \$3 million of FY2005 IMET funding to remain available (or carried forward) until expended. This same authority is provided for the FY2006 IMET program.

**** The total allocation and rescission figures for FY2006 are estimates.

•• Not less than \$135,000,000 of this ESF funding for Egypt shall be made available for project assistance, of which not less than \$50,000,000 shall be made available for democracy, human rights, and governance programs and not less than \$50,000,000 shall be used for education programs, of which not less than \$5,000,000 shall be made available for scholarships for disadvantaged Egyptian students to attend American accredited institutions of higher education in Egypt.

•• \$227,600,000 of this ESF funding for Egypt shall be withheld from obligation until the Secretary of State determines and reports to the congressional committees on appropriations that Egypt has met the calendar year 2005 benchmarks accompanying the Financial Sector Reform Memorandum of Understanding dated 20 March 2005.

••• Not less than \$250,000,000 should be available for Jordan.

•• Later Section 526 of this *Act* provides that not less than \$11,000,000 in ESF funding shall be made available to support democracy activities in Burma, along the Burma-Thailand border, for activities of Burmese student groups and other organizations located outside Burma, and for the purpose of supporting the provision of humanitarian assistance to displaced Burmese along Burma's border.

•• Later Section 549(a)(3) of this *Act* earmarks \$50,000,000 for Haiti.

•• \$20,000,000 should be made available for Cyprus to be used only for scholarships, administrative support of the scholarship program, bicomunal projects, and measures aimed at reunification of the island and designed to reduce tensions and promote peace and cooperation between the two communities on Cyprus. This initial figure for Cyprus during FY 2005 was \$13,500,000.

•• Of the ESF funds that are available for assistance for the West Bank and Gaza, not to exceed \$2,000,000 may be used for administrative expenses of the U.S. Agency for International Development (USAID) in addition to funds otherwise available for such purposes in carrying out programs in the West Bank and Gaza.

- Not more than \$225,000,000 of this ESF for Afghanistan may be obligated until the Secretary of State certifies to the congressional committees on appropriations that the Government of Afghanistan at both the national and local level is cooperating fully with the U.S. funded poppy eradication and interdiction efforts in Afghanistan. The President may waive this certification if determined to be in the vital national security interests of the U.S.

- \$40,000,000 shall be made available for assistance for Lebanon of which not less than \$6,000,000 should be made available for scholarships and direct support of American educational institutions in Lebanon.

- These figures for FY 2005 were \$35,000,000 and \$4,000,000 respectively.

- Not less than \$5,000,000 shall be transferred to and merged with funds appropriated under the heading Iraq Relief and Reconstruction Fund in Title II, Chapter 2, P.L. 108-106, to be made available for the Maria Ruzicka Iraqi War Victims Fund.

- Not less than \$56,000,000 shall be made available for democracy, governance, and rule of law programs in **Iraq**.

- The conference report directs that of this funding, \$28,000,000 be made available to the International Republican Institute and \$28,000,000 to the National Democratic Institute.

- Not less than \$19,000,000 shall be made available to the **Democratic Republic of Timor-Leste** of which up to \$1,000,000 may be available for administrative expenses of USAID. These figures for FY 2005 were \$22,000,000 and \$1,000,000 respectively.

- Notwithstanding any other provision of law, ESF funds shall be for programs and activities for the Central Highlands of Vietnam.

- The conference report includes the agreement to provide \$2,000,000 for these programs and up to \$1,000,000 for the Montagnard Development Project.

- \$13,500,000 shall be made available as the U.S. contribution to the International Fund for **Ireland** in accordance with P.L. 99-415. \$18,500,000 was initially appropriated for FY 2005.

- \$13,000,000 should be made available for a U.S. contribution to the **Special Court for Sierra Leone**.

- Any ESF funding made available for a Middle East Financing Facility, Middle East Enterprise, or any other similar entity in the Middle East shall be subject to the regular notification procedures of the congressional appropriations committees.

- With respect to FY 2005 ESF funding and prior fiscal years' ESF, the responsibility for policy decisions and justifications for the use of such funds, including whether there will be a program for a country that uses those funds and the amount of each such program, shall be the responsibility of the Secretary of State and the Deputy Secretary of State. This responsibility shall not be delegated.

- Though not legislated, the conference report for FY 2006 ESF included the following:

- Agreed to provide \$10,000,000 for political reform programs in **Ethiopia**.

- Agreed to provide \$4,000,000 for assistance for **Zimbabwe** for activities consistent with P.L. 107-99. The conferees expressed concern with the authoritarianism of the Mugabe regime and the impact of its misrule on the people of Zimbabwe and the region particularly with respect to the spread of HIV/AIDS.

- Supports efforts to revitalize the peace process in **Uganda** and expect funding in this *Act* to be made available for humanitarian, psycho-social, and development needs for displaced and war-affected persons.

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- Recommends targeted assistance for **Cambodia** including \$15,000,000 for the promotion of democracy, human rights, and the rule of law.
 - Agreed to provide \$25,000,000 in assistance to the **Philippines**.
 - Agreed to provide \$110,000,000 for the **Middle East Partnership Initiative** and direct that up to \$9,000,000 be made available for scholarship programs for students from countries with significant Muslim populations at not-for-profit American institutions of basic and higher education in the Middle East that are accredited, including the American University of Beirut, the American University in Cairo, and the Lebanese American University.
 - Recommended that \$5,000,000 be used to continue support for the provision of **wheelchairs** for needy persons in developing countries. The Senate proposed \$20,000,000.
 - Does not include the Senate language regarding English language training programs in **Francophone countries**. Recommended that ESF funding be made available for such purposes.
 - While expressing concern with reports of harassment and violence, does not include Senate language which conditioned ESF funding for **Pakistan** on the submission of a report describing steps the Government of Pakistan has taken to protect the rights and safety of Pakistan's human rights lawyers and journalists. The conferees, however, direct the Secretary of State to provide such a report no later than 120 days after enactment of this *Act*.
 - Agreed to provide \$3,000,000 for the Foundation for Security and Sustainability as proposed by the Senate.
 - Does not include a proposal by the Senate that \$2,000,000 be made available for economic development programs conducted by **Indonesian** universities; however, the conferees expect funding to be provided for this propose.
 - Agreed to provide not less than \$7,500,000 in ESF assistance for **Nepal** including \$2,500,000 for a U.S. contribution to the Office of the United Nations (U.N.) High Commissioner for Human Rights in Nepal.
 - Table Five provides the final allocations for FY 2005 and the Administration's request for FY 2006.

Title III, Military Assistance, Peacekeeping Operations

- Initially appropriated \$175,000,000 as PKO grant assistance for necessary expenses to carry out the provisions of Section 551, FAA, to be obligated or expended except as provided through regular notification procedures of the congressional appropriations committees. However, the mandated 1.00 percent rescission amounted to \$1,750,000 reducing the program total for initial allocation to \$173,250,000.
- Table Six provides the final allocations for FY 2005 and the Administration's FY 2006 request.

Other P.L. 109-102, Assistance Programs for FY 2006

The following includes FY 2006 appropriations for assistance programs funded by P.L. 109-102. Unless noted otherwise, the funding for each program does not include the directed 1.00 percent rescission. When possible, specific country and program allocation tables are included.

Table Five
Economic Support Fund (ESF)
FY2006 Funding Allocations
(\$ in thousands)

Country/Program by Geographical Region	FY 2005 Actual ESF Allocation	FY 2006 Budget Justification Request	FY 2006 Initial ESF Allocation Not Available
Near East			
Egypt	530,720	\$495,000	\$0
Iraq	0	360,000	0
Israel	357,120	240,000	0
Israel Supplemental	50,000	0	0
Jordan	248,000	250,000	0
Jordan Supplemental	100,000	0	0
Lebanon	34,720	35,000	0
Lebanon Supplemental	5,000	0	0
Libya	300	0	0
Morocco	19,540	35,000	0
Yemen	14,880	30,000	0
ME Multilaterals	1,984	2,000	0
ME Partnership Initiative	74,400	120,000	0
ME Regional Cooperation	4960	5,000	0
NED Muslim Democracy	3,968	0	0
West Bank/Gaza	74,400	150,000	0
West Bank/Gaza Supplemental	150,000	0	0
Sub Total	\$1,669,992	\$1,722,000	0
Europe and Eurasia			
Cyprus	\$13,392	\$20,000	\$0
Turkey	0	10,000	0
International Fund for Ireland	18,352	8,500	0
Irish Visa Program	3,472	3,500	0
Sub Total	\$35,216	\$42,000	0
Western Hemisphere			
Bolivia	\$7,936	\$8,000	\$0
Brazil	0	750	0
Cuba	8,928	15,000	0
Dominican Republic	2,976	3,000	0
Ecuador	11,901	7,000	0
Guatemala	5,952	4,000	0
Haiti	39,680	50,000	0
Haiti Supplemental	20,000	0	0
Mexico	13,392	11,500	0
Nicaragua	4,467	1,875	0
Panama	2,976	2,000	0
Paraguay	2,179	2,550	0
Peru	4,000	8,000	0
Venezuela	2,432	500	0
Hemispheric Cooperation	0	12,000	0
Peru-Ecuador Peace	2,976	4,000	0
Regional Anticorruption Initiatives	2,976	3,000	0
Regional Security Fund	0	1,500	0

Table Five (Continued)
Economic Support Fund (ESF)
FY2006 Funding Allocations
(\$ in thousands)

Country/Program by Geographical Region	FY 2005 Actual ESF Allocation	FY 2006 Budget Justification Request	FY 2006 Initial ESF Allocation Not Available
Summit of the Americas Support	1,488	3,000	0
Third Border Initiative	8,928	6,000	0
Trade Capacity Building	<u>19,840</u>	<u>0</u>	<u>0</u>
Sub Total	\$163,027	\$143,675	\$0
Africa			
Angola	\$2,726	\$3,000	\$0
Burundi	3,224	3,850	0
Democratic Republic of Congo	4,960	5,000	0
Djibouti	1,984	5,000	0
Ethiopia	3,960	5,000	0
Kenya	7,678	8,000	0
Liberia	24,800	75,000	0
Nigeria	4,960	5,000	0
Sierra Leone	5,952	5,000	0
South Africa	992	1,300	0
Sudan	19,840	20,000	0
Sudan Supplemental	22,000	0	0
Zimbabwe	1,984	2,000	0
Africa Regional Fund	11,520	9,700	0
Kimberley Process	1,736	0	0
NED Democracy programs	3,472	0	0
Regional Organizations	9000	1,000	0
Safe Skies	<u>3,472</u>	<u>3,000</u>	<u>0</u>
Sub Total	\$126,160	\$150,850	\$0
East Asia and Pacific			
Burma	\$7,936	\$7,000	\$0
Cambodia	16,864	15,000	0
East Timor	21,824	13,500	0
Indonesia	68,480	70,000	0
Mongolia	9,920	7,500	0
Philippines	30,720	20,000	0
Tibet	4,216	0	0
Thailand	992	0	0
Association of Southeast Asian Nations	744	2,500	0
Developing Asian Institutions	0	250	0
Environmental Programs	1,736	500	0
NED Democracy Programs	3,968	0	0
Pacific Islands	0	100	0
Regional Security Fund	248	0	0
Regional Women's Issues	992	1,000	0
South Pacific Fisheries	<u>992</u>	<u>18,000</u>	<u>0</u>
Sub Total	\$186,496	\$155,350	\$0
South Asia			
Afghanistan	\$223,200	\$430,000	\$0
Afghanistan Supplemental	1,086,600	0	0

Table Five (Continued)
Economic Support Fund (ESF)
FY2006 Funding Allocations
(\$ in thousands)

Country/Program by Geographical Region	FY 2005 Actual ESF Allocation	FY 2006 Budget Justification Request	FY 2006 Initial ESF Allocation Not Available
South Asia (Continued)			
Bangladesh	4,960	5,000	0
India	14,880	14,000	0
Nepal	4,960	5,000	0
Pakistan	297,600	300,000	0
Sri Lanka	9,920	9,000	0
South Asian Regional Fund	<u>992</u>	<u>2,500</u>	<u>0</u>
Sub Total	\$1,643,112	\$765,500	0
Global			
Disability Programs	\$2,480	\$0	\$0
Extractive Industries Transparency	0	0	0
Human Rights and Democracy Fund	35,704	27,000	0
House Democratic Assistance Program	0	0	0
Oceans, Environment, and Science Initiative	2,480	9,000	0
Other Programs	0	0	0
Partnership to Eliminate Sweatshops	1,984	0	0
Security and Sustainability Programs	2,976	0	0
Trafficking in Persons	24,304	12,000	0
UNHCHR Nepal	0	0	0
Wheelchairs	<u>4,960</u>	<u>0</u>	<u>0</u>
Sub Total	\$86,792	\$56,000	\$0
Total Allocation	\$3,914,592	\$3,036,375	0
Rescission	\$20,008	\$0	\$0
Total Appropriation	\$3,934,600	\$3,036,375	\$0

Notes:

* National Endowment for Democracy

**Chapter 2, Title II, Division A, P.L. 109-13, provided an emergency supplemental of \$1,433.5 million for ESF.

***United Nations High Commissioner on Human Rights.

****Association of Southeast Asian Nations with ten countries to include Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, and Vietnam. The U.S. is one of many countries designated as dialogue partners.

Title II, Bilateral Assistance
Development Assistance

- \$1,524,000,000 for development assistance to remain available until 30 September 2007.

International Disaster and Famine Assistance

- \$365,000,000 for international disaster relief, rehabilitation, and reconstruction assistance to remain available until expended. Of this funding, \$20,000,000 should be for famine prevention and relief.

Table Six
Peacekeeping Operations
FY2006 Funding Allocations
(\$ in thousands)

Country/Program by Geographical Region	FY 2005 Actual PKO Allocation	FY 2006 Budget Justification Request	FY 2006 Initial PKO Allocation Not Available
Africa			
Africa Regional	\$47,204	\$41,400	\$0
African COTA*	14,880	0	0
Sudan	74,400	0	0
Sudan Supplemental TCTI**	60,000 3,000	0 0	0 0
Sub Total	\$199,484	\$41,400	\$0
East Asia and Pacific			
East Timor	\$1,228	\$0	\$0
Sub Total	\$1,228	\$0	\$0
Europe and Eurasia			
OSCE*** Regional	\$1,400	\$2,000	\$0
Sub Total	\$1,400	\$2,000	\$0
Near East			
Multinational Force and Observers	\$19,956	\$19,000	\$0
Sub Total	\$19,956	\$19,000	\$0
South Asia			
Afghanistan	\$15,500	\$18,000	\$0
Sri Lanka	0	1,000	0
Sub Total	\$15,500	\$19,000	\$0
Global			
Global Peace Operations Initiative	\$80,000	\$114,400	\$0
Coalition Solidarity Initiative Supplemental	\$230,000	\$0	\$0
Sub Total	\$310,000	\$114,400	\$0
Total Allocation	\$547,568	\$195,800	\$173,250
Rescission	\$1,432	\$0	\$1,750
Total Appropriation	\$549,000	\$195,800	\$175,000

Notes:

* Contingency Operations Training and Assistance

**Trans-Sahara Counter-Terrorism Initiative.

*** Organization for Security and Cooperation in Europe.

****Chapter 2, Title II, Division A, P.L. 109-13, provided an emergency supplemental of \$240 million for PKO, and up to \$50 million of emergency appropriations for Contributions for International Peacekeeping Activities being transferred to the PKO account for supporting the African Union efforts in Darfur Sudan.

The total allocation and rescission figures for FY 2006 are estimated.

Transition Initiatives

- \$40,000,000 to remain available until expended to support transition to democracy and to long-term development of countries in crisis, pursuant to Section 491, FAA.
- With a presidential U.S. national interests determination that additional funding is needed for transition assistance pursuant to Section 491, FAA, up to \$15,000,000 of funding appropriated by this *Act* for Part I, FAA, programs may be used for the purpose of transition assistance.

Capital Investment Fund

- \$70,000,000 to remain available until expended for USAID overseas construction and related costs, and for the procurement and enhancement of information technology and related capital investments pursuant to Section 667, FAA. Not more than \$48,100,000 of this funding may be made available for the purposes of implementing the Capital Security Cost Sharing Program.

Assistance for Eastern Europe and the Baltic States

- \$361,000,000 to remain available until 30 September 2007 to carry out the provisions of the FAA and the *Support for East European Democracy Act of 1989*, P.L. 101-179, 28 September 1989. Applying the mandated 1.00 percent rescission reduces the amount by \$3,610,000 bringing the total available for allocation to \$357,390,000.

- \$5,000,000 of this funding should be made available for rule of law programs for training of judges and prosecutors.

- These funds shall be considered economic assistance for purposes of making available the administrative authorities contained in the FAA for the use of economic assistance.

- The President is authorized to withhold any of this funding made available for economic revitalization programs in **Bosnia and Herzegovina** if he determines and certifies to the congressional committees for appropriations that this Federation has not complied with Annex 1-A, Article III, of the *General Framework Agreement for Peace in Bosnia and Herzegovina* concerning the withdrawal of foreign forces, and that intelligence cooperation on training, investigations, and related activities between state sponsors of terrorism and terrorist organizations and Bosnian officials has not been terminated.

- Table Seven provides the initial FY 2006 allocations in support of the *SEED Act* assistance. For comparison, the FY 2005 final allocations and the Administration's FY 2006 request for *SEED Act* assistance funding are also provided.

Table Seven
Assistance for Eastern Europe and the Baltic States
FY 2006 Funding Allocations
(\$ in thousands)

<u>Country/Program</u>	<u>FY 2005 Actual Allocation</u>	<u>FY 2006 Budget Justification Request</u>	<u>FY 2006 Initial Allocation Not Available</u>
Albania	\$28,266	\$28,000	\$0
Bosnia and Herzegovina	41,000	40,000	0
Bulgaria	27,250	28,000	0
Croatia	22,000	15,000	0
Kosovo	83,000	72,000	0
Macedonia	37,000	39,000	0
Romania	28,500	20,000	0
Serbia and Montenegro	93,600	75,000	0
OSCE Regional*	5,379	0	0
Regional SEED**	<u>27,432</u>	<u>65,000</u>	<u>0</u>
Total Allocation	\$393,427	\$382,000	\$0
Rescission	\$3,173	\$0	\$0
Total Appropriations	\$396,600	\$382,000	\$0

Notes:

*Organization for Security and Cooperation in Europe.

***Support for East European Democracy Act of 1989*, P.L.101-179, 28 September 1989.

*** The total allocation and rescission figures for FY 2006 are estimates.

Assistance for the Independent States of the Former Soviet Union

- \$514,000,000 to remain available until 30 September 2007 to carry out the provisions of the *Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992*, P.L. 102-511, 24 October 1992. Applying the mandated 1.00 percent rescission reduces the amount by \$5,140,000 bringing the total available for allocation to an estimated \$508,860,000.

- Funds made available for the **southern Caucasus** region may be used, notwithstanding any other provision of law, for confidence-building measures and other activities in furtherance of the peaceful resolution of the regional conflicts, especially those in the vicinity of Abkhazia and Nagorno-Karabakh.

- \$2,500,000 of this funding shall be made available for the Business Information Service for the Newly Independent States.

- The funds under this heading in this *Act* and prior acts that are made available pursuant to Section 807, P.L. 102-511, shall be subject to a six percent ceiling on administrative expenses.

- Of the funds made available under this heading to the **Ukraine**, not less than \$5,000,000 should be made available for nuclear reactor safety initiatives and not less than \$1,500,000 shall be made available for coal mine safety programs.

- Of the funds made available under this heading, not less than \$50,000,000 should be made available, in addition to other funds, for assistance for child survival, environmental and reproductive health, and to combat HIV/AIDS, tuberculosis and other infectious diseases, and for related activities.

- Of the funds made available under this heading that are allocated to the Government of the **Russian Federation**, sixty percent shall be withheld from obligation until the President determines and certifies in writing to the congressional committees for appropriations that the Government of the Russian Federation:

- Has terminated implementation of arrangements to provide Iran with technical expertise, training, technology, or equipment necessary to develop a nuclear reactor, related nuclear research facilities or programs, or ballistic missile capability;

- Is providing full access to international non-government organizations providing humanitarian relief to refugees and internally displaced persons in **Chechnya**.

- This withholding of funding assistance shall not apply to assistance to combat infectious diseases, child survival activities, or assistance for victims of trafficking in persons; or activities authorized under Title V, *FREEDOM Support Act* regarding nonproliferation and disarmament.

- Table Eight provides FY 2005 final allocations and the Administration's FY 2006 request for funding are also provided for comparison.

Table Eight
Assistance for the Independent States of the Former Soviet Union
FY 2006 Funding Allocations
(dollars in thousands)

<u>Country/Program</u>	<u>FY 2005 Actual Allocation</u>	<u>FY 2006 FY 2006 Justification Request</u>	<u>FY 2006 Initial Not Available</u>
Armenia	\$74,400	\$55,000	\$0
Azerbaijan	37,7555	35,000	0

Belarus	6,896	7,000	0
Belarus Supplemental	5,000	0	0
Georgia	86,000	67,000	0
Kazakhstan	26,690	26,000	0
Kyrgyz Republic	35,126	30,000	0
Moldova	17,350	17,000	0
Russia	85,000	48,000	0
Tajikistan	24,513	25,000	0
Turkmenistan	6,505	5,500	0
Ukraine	78,600	88,000	0
Ukraine Supplemental	60,000	0	0
Uzbekistan	31,495	30,000	0
Central Asia Regional	2,000	0	0
Northern Caucasus Supplemental	5,000	0	0
OSCE Regional**	12,901	0	0
Regional FSA	30,289	48,500	0
Total Allocation	\$625,520	\$482,000	\$0
Rescission	\$4,480	\$0	\$0
Total Appropriations	\$630,000	\$482,000	\$0

Notes:

**Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992, P.L.102-511, 24 October 1992.*

** Organization for Security and Cooperation in Europe.

*** Chapter 2, Title II, Division A, P.L. 109-13, provided an emergency supplemental of \$70 million for the *FREEDOM Support Act*.

*** Total allocation and rescission figures for FY 2006 are estimates.

Title II, Independent Agencies

Inter-America Foundation

- \$19,500,000 to remain available until 30 September 2007 to carry out functions of the Foundation in accordance with the provisions of Section 401, FAA.

African Development Foundation

- \$23,000,000 to remain available until 30 September 2007 for the Foundation to carry out Title V, *International Security and Development Cooperation Act of 1980*, P.L. 96-533, 16 December 1980.

Peace Corps

- \$322,000,000 to remain available until 30 September 2007 to carry out the provisions of the *Peace Corps Act*, Title VI, P.L. 96-533, 16 December 1980.

Millennium Challenge Corporation

- \$1,770,000,000 to remain available until expended for necessary expenses for the Corporation of which up to \$75,000,000 may be available for administrative expenses.

Title II, Department of State

Global HIV/AIDS Initiative

- \$1,995,000,000 to remain available until expended for the prevention, treatment, and control of, and research on, HIV/AIDS

- Not less than \$200,000,000 of this funding shall be made available for a U.S. contribution to Global Fund to fight AIDS, Tuberculosis, and Malaria. This contribution is to be notwithstanding

any other provision of law, except the United States Leadership against HIV/AIDS, *Tuberculosis and Malaria Act of 2003*, P.L. 108-25, 27 May 2003.

Democracy Fund

- \$95,000,000 to remain available until 30 September 2008 for necessary expenses to carry out the provisions of the FAA for the promotion of democracy, governance, human rights, independent media, and the rule of law globally.
- \$63,200,000 of this funding shall be made available for the Human Rights and Democracy Fund of the Department of State Bureau of Democracy, Human Rights and Labor.
- Not less than \$15,250,000 of this funding shall be made available for the National Endowment for Democracy (NED).
- \$5,000,000 of this funding shall be made available for continuing programs and activities that provide professional training for journalists.
- Not less than \$6,550,000 of this funding shall be made available for programs and activities that support the advancement of democracy in Iran and Syria.
- Funds shall be made available for programs and activities to foster democracy, governance, human rights, civic education, women's development, press freedom, and the rule of law in countries located outside the Middle East region with a significant Muslim population and where such programs and activities would be important to the U.S. efforts to respond to, deter, or prevent acts of international terrorism.
- Funds appropriated in this Section are in addition to funds otherwise available for such purposes.

International Narcotics Control and Law Enforcement

- \$477,200,000 to remain available until 30 September 2008 for necessary expenses to carry out Section 481, FAA, INCLE. Applying the mandated 1.00 percent rescission reduces the amount by \$4,772,000 bringing the total available for initial allocation to \$472,428,000.
 - Not less than \$16,000,000 shall be made available for training programs and activities of the International Law Enforcement Academies (ILEA).
 - \$10,000,000 shall be made available for demand reduction programs.
 - Not more than \$33,484,000 may be made available to administrative expenses.
 - Later Section 549(a)(4) of this Act earmarks \$15,000,000 for Haiti.
- During FY 2006, the Department of State may use the authority of Section 608, FAA, without regard to its restrictions, to receive excess property from an agency of the U.S. government for the purpose of providing it to a foreign country under Part I, Chapter 8, FAA, subject to the regular notification procedures of the congressional appropriations committees.
- Table Nine provides FY 2005 final allocations and the Administration's request for FY 2006 are also provided.

Table Nine
International Narcotics Control and Law Enforcement
FY 2006 Funding Allocations
(\$ in thousands)

<u>Country/Program</u>	<u>FY 2005 Actual Allocation</u>	<u>FY 2006 Budget Justification Request</u>	<u>FY 2006 Initial Not Available</u>
Near East			
Iraq	\$0	\$26,474	\$0
Morocco	2,992	2,000	0
Sub Total	\$2,992	\$28,474	\$0
Europe and Eurasia			
Malta	\$2,976	\$0	\$0
Sub Total	\$2,976	\$0	\$0
Western Hemisphere			
Bahamas	\$992	\$500	\$0
Guatemala	2,820	2,500	0
Haiti	0	15,000	0
Jamaica	1,488	1,000	0
Mexico	39,680	30,000	0
Latin America Regional	3,224	2,000	0
Sub Total	\$48,204	\$51,000	\$0
Africa			
Liberia	\$5,000	\$2,000	\$0
Nigeria	2,232	1,000	0
South Africa	1,756	600	0
Africa Regional	1,512	600	0
Women's Justice Empowerment Initiative	1,200	0	0
Sub Total	\$11,700	\$4,200	\$0
East Asia and the Pacific			
East Timor	\$0	\$0	\$0
Indonesia	\$0	\$5,000	\$0
Laos	1,984	1,000	0
Philippines	3,968	2,000	0
Thailand	\$1,608	\$1,000	\$0
Sub Total	\$7,560	\$9,000	\$0
South and Central Asia			
Afghanistan	\$89,280	\$260,000	\$0
Afghanistan Supplemental	620,000	0	0
Pakistan	32,150	40,000	0
Sub Total	\$741,430	\$300,000	\$0
Global			
Anticorruption/Rule of Law	\$6,746	\$3,000	\$0
Anticrime Programs	8,333	10,000	0
Asia Regional	496	0	0
Civilian Police Program	2,678	2,700	0
Demand Reduction	9,920	3,000	0
ILE Academies	12,734	13,500	0
International Organizations	5,000	10,000	0
Interregional Aviation Support	66,620	70,000	0
Program Development and Support	13,850	14,000	0
Systems Support and Upgrades	694	0	0
Trafficking in Persons	4,960	5,000	0

U.N. Crime Center	496	0	0
Sub Total	\$132,527	\$131,200	\$0
Rescission	\$2,631	\$0	\$0
Total Appropriations	\$950,020	\$523,874	\$0

Notes: Chapter 2, Title II, Division A, P.L. 109-13, provided an emergency supplemental of \$620 million for the INCLE account which was allocated to the Afghanistan program. The total allocation and rescission figures for FY 2006 are estimates.

Andean Counterdrug Initiative

- \$734,500,000 to remain available until 30 September 2008 for necessary expenses to carry out Section 481, FAA, to support counterdrug activities in the Andean region of South America. Applying the mandated 1.00 percent rescission reduces the amount by \$7,345,000 bringing the total available for allocation to \$727,155,000.

- Of this funding made available for alternative development/institution building, not less than \$228,772,000 shall be apportioned directly to USAID including \$131,232,000 for assistance for **Colombia**.

- For the funds apportioned to USAID, the responsibility for policy decisions for the use of such funds, including what activities will be funded and the amount of funds that will be provided for each of those activities, shall be the responsibility of the Administrator of USAID in consultation with the Assistant Secretary of State for International Narcotics and Law Enforcement Affairs.

- Of the funds appropriated in this Section, in addition to funds made available for judicial reform:

- Programs in Colombia, not less than \$8,000,000 shall be made available to USAID for organizations and programs to protect human rights.

- Funds made available in this *Act* for demobilization/reintegration of members of foreign terrorist organizations in Colombia shall be subject to prior consultation with, and the regular notification procedures of, the congressional appropriations committees.

- Not less than \$2,000,000 should be made available through non-governmental organizations for programs to protect biodiversity and indigenous reserves in Colombia.

- Not more than \$19,015,000 may be available for administrative expenses of the Department of State and not more than \$7,800,000 may be available, in addition to amounts otherwise available for such purposes, for administrative expenses of USAID.

- The President shall ensure that if any helicopter procured with funds under this heading is used to aid or abet the operations of any illegal self-defense group or illegal security cooperative, such helicopter shall be returned immediately to the U.S.

- No U.S. armed forces personnel or U.S. civilian contractor employed by the U.S. will participate in any combat operation in connection with assistance made available by this *Act* for Colombia.

- Table Ten provides the FY 2005 final allocations and the Administration's request FY 2006.

Table Ten
Andean Counterdrug Initiative
FY 2006 Funding Allocations
(\$ in thousands)

<u>Country/Program</u>	<u>FY 2005 Actual Allocation</u>	<u>FY 2006 Budget Justification Request</u>	<u>FY 2006 Initial Allocation</u>
Bolivia – Total	\$90,272	\$80,000	\$0
Alternative Development/Institution Building	41,664	37,000	0
Interdiction	48,608	43,000	0
Brazil – Total	\$8,928	\$6,000	\$0
Colombia – Total	\$462,767	\$463,000	\$0
Alternative Development/Institution Building	124,694	124,757	0
Interdiction	310,694	310,850	0
Rule of Law	27,379	27,393	0
Ecuador – Total	\$25,792	\$20,000	\$0
Alternative Development/Institution Building	14,800	11,540	0
Interdiction	10,912	8,460	0
Guatemala – Total	\$992	\$0	\$0
Nicaragua – Total	\$992	\$0	\$0
Panama – Total	\$5,952	\$4,500	\$0
Peru – Total	\$11,370	\$97,000	\$0
Alternative Development/Institution Building	53,866	43,000	0
Interdiction	61,504	54,000	0
Venezuela – Total	\$2,976	\$3,000	\$0
Air Bridge Denial Program	<u>\$11,111</u>	<u>\$21,000</u>	<u>\$0</u>
Critical Flight Safety program	\$0	\$40,000	\$0
Total Allocation	\$725,152	\$734,500	\$0
Rescission	\$5,848	\$0	\$0
Total Appropriations	\$731,000	\$734,500	\$0

Note: Total allocation and rescission figures for FY 2006 are estimates.

Migration and Refugee Assistance

- \$791,000,000 to remain available until expended for expenses, not otherwise provided for and as authorized by law, for the Secretary of State to provide to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the U.N. High Commissioner for Refugees, and other related activities to meet refugee and migration needs.

- Not more than \$23,000,000 may be available for administrative expenses.

- Not less than \$40,000,000 shall be made available for the former Soviet Union and Eastern Europe and other refugees resettling in **Israel**.

- Later Section 526 of this *Act* provides, in addition to assistance for **Burmese** refugees under this Heading, not less than \$3,000,000 shall be made available for assistance for community-base organizations operating in Thailand to provide food, medical and other humanitarian assistance to internally displaced persons in eastern Burma.

- These funds may be made available for a headquarters contribution to the International Committee of the Red Cross only if the Secretary of State determines with a report to the appropriate congressional committees that the Magen David Adom Society of Israel is not being denied participation in the activities of the International Red Cross and Red Crescent Movement.

U.S. Emergency Refugee and Migration Assistant Fund

- \$30,000,000 to remain available until expended to carry out the provisions of Section 2(c) of the *Migration and Refugee Act of 1962*, P.L. 87-510, 28 June 1962.

Nonproliferation, Anti-Terrorism, Demining and Related Programs

- \$410,100,000 for necessary expenses for the Nonproliferation, Anti-Terrorism, Demining, and Related (NADR) programs in carrying out provisions of Part II, Chapters 8 and 9, FAA; Section 504, FSA; Section 23, AECA; or the FAA for demining activities, the clearance of unexploded ordnance, the destruction of small arms, and related activities, notwithstanding any other provisions of law, including activities implemented through non-governmental and international organizations, and Section 301, FAA, for a voluntary contribution to the IAEA, and for a U.S. contribution to the Comprehensive Nuclear Test Ban Treaty (CTBT) Preparatory Commission. After the mandated 1.00 percent rescission, this amount was reduced by \$,101,000 to a total of an estimated \$405,999,000 for FY 2006 initial allocation.

- Not less than \$37,500,000 to remain available until expended for the Nonproliferation and Disarmament Fund to promote bilateral and multilateral activities related to nonproliferation and disarmament.

- Of the funds made available for demining and related activities, not to exceed \$705,000, in addition to funds otherwise available for such purposes, may be used for administrative expenses related to the operation and management of the demining program.

- This funding may also be used for such countries other than the Independent States of the former Soviet Union and international organizations when it is in the U.S. national security interest to do so.

- Funds appropriated under this heading that are available for Anti-Terrorism Assistance and Export Control and Border Security shall remain available until 30 September 2007.

- Later Section 599A of this *Act* states that funds appropriated under this heading may be made available to the Under Secretary of State for Arms Control and International Security for use in certain nonproliferation efforts and counter-proliferation efforts such as increased voluntary dues to the IAEA and Proliferation Security Initiative (PSI) activities. Further information on PSI can viewed at <http://www.usembassy.it/pdf/other/RS21881.pdf>.

- Table Eleven provides the FY 2005 final allocations and the Administration's request for FY 2006 are also provided.

Table Eleven
Nonproliferation, Anti-Terrorism, Demining, and Related (NADR) Programs
FY 200 Funding Allocations
(\$ in thousands)

<u>Program</u>	<u>FY 2005 Actual Allocation</u>	<u>FY 2006 Budget Justification Request</u>	<u>FY 2006 Initial Allocation Not Available</u>
Nonproliferation Programs			
Nonproliferation and Disarmament Fund	\$31,744	\$37,500	\$0
Non proliferation and Disarmament Fund Supplemental	7,500	0	0
Export Control and Related Border Security Assistance	36,496	44,400	0
Nonproliferation of Weapons of Mass			
Destruction Expertise	50,096	52,600	0
International Atomic Energy Agency Voluntary			

Contribution	52,576	50,000	0
CTBT ¹ Int'l Monitoring System	18,848	14,350	0
Sub Total	\$197,260	\$198,850	\$0
Antiterrorism Programs			
Anti-terrorism Assistance	\$117,800	\$135,500	\$0
Anti-terrorism Assistance Supplemental	17,100	0	0
Terrorist Interdiction Program	4,960	7,500	0
Counterterrorism Engagement with Allies	1,984	2,000	0
Counterterrorism Financing	7,192	7,500	0
Sub Total	\$149,036	\$150,500	\$0
Regional Stability and Humanitarian Assistance			
Humanitarian Demining Program	\$59,024	\$72,000	\$0
International Trust Fund	9,920	10,000	0
Small Arms and Light Weapons Destruction	6,944	8,750	0
Sub Total	\$75,888	\$90,750	\$0
Total Allocation	\$422,184	\$440,100	\$405,999
Rescission	\$3,216	\$0	\$4,101
Total Appropriations	\$425,400	\$440,100	\$410,100

Notes:

¹Comprehensive Nuclear Test Ban Treaty.

²Chapter 2, Title II, Division A, P.L. 109-13, provided an emergency supplemental of \$24.6 million for the NADR account.

Total allocation and rescission figures for FY 2006 are estimated.

Title V, General Provisions

Unobligated Balances Report (Section 504)

- Any department or agency to which funds are appropriated or otherwise made available by this *Act* shall provide to the congressional appropriations committees a quarterly accounting by program, project, and activity of the funds received by the department or agency in this fiscal year or any previous fiscal year that remains unobligated and unexpended.

- This is a significant new reporting requirement.

Limitation on Representational Allowances (Section 505)

- Of the FMFP funding appropriated for general costs of administering military assistance and sales by this *Act*, not more than \$4,000 shall be available for entertainment allowances and not more than \$130,000 shall be available for representational allowances.

- Of the IMET funding made available by this *Act*, not more than \$55,000 shall be available for entertainment allowances.

Prohibition on Taxation of U.S. Assistance (Section 506)

- None of the funds appropriated by this *Act* may be made available to provide assistance to a foreign country under a new bilateral agreement governing the terms and conditions under which such assistance is to be provided unless such agreement includes a provision stating that U.S. assistance shall be exempt from taxation, or reimbursed, by the foreign government. The Secretary of State shall expeditiously seek to negotiate amendments to existing bilateral agreements, as necessary, to conform to this requirement.

- An amount equivalent to 200 percent of the total taxes assessed during FY 2006 by a foreign government or entity against commodities financed under U.S. assistance programs for which funds are appropriated by this *Act*, either directly or through grantees, contractors, and subcontractors, as

of the date of enactment of this *Act*, shall be withheld from obligation from funds appropriated for assistance for FY 2007 and allocated for the central government of that country and for the West Bank and Gaza Program to the extent that the Secretary of State certifies and reports in writing to the congressional committees on appropriations that such taxes have not been reimbursed to the U.S. government.

- Foreign taxes of a “de minimis” nature [so insignificant or minimal that a court may overlook it in deciding an issue or case] are not subject to these reimbursement provisions.

- Funds withheld from obligation for each country or entity shall be reprogrammed for assistance to countries which do not assess taxes on U.S. assistance or which have an effective arrangement that is providing substantial reimbursement of such taxes.

- The provisions of this Section shall not apply to any country or entity the Secretary of State determines does not assess taxes on U.S. assistance or has an effective arrangement that is providing substantial reimbursement of such taxes. U.S. foreign policy interests outweigh the policy of this Section.

- The Secretary of State shall issue rules, regulations, or policy guidance, as appropriate, to implement the prohibition against the taxation of U.S. assistance.

- The Defense Security Cooperation Agency (DSCA) Policy Memo 04-32, 21 August 2004, Subject: Prohibition on Taxation of U.S. Assistance, was published as SAMM E-Change 19 to DoD 5105.38-M, *Security Assistance Management Manual* (SAMM) providing a mandatory prohibition note for FMS case Letters of Offer and Acceptance (LOAs), amendments and modifications financed with any type of U.S. assistance funding. This same memo also provided a sample contract clause to be used for DCS contracts that are financed with U.S. assistance.

- The terms “taxes” and “taxation” refer to value added taxes and customs duties imposed on commodities financed with U.S. assistance for programs for which funds are appropriated by this *Act*.

Prohibition against Direct Funding for Certain Countries (Section 507)

- None of the funds appropriated or otherwise made available by this *Act* shall be obligated or expended to finance directly any assistance or reparations to **Cuba, Libya, North Korea, Iran, or Syria**. This shall include direct loans, credits, insurance, and guarantees of the Export-Import Bank or its agents.

- This prohibition shall not include activities of the Overseas Private Investment Corporation (OPIC) in Libya, or include direct loans, credits, insurance, and guarantees made available by the Export-Import Bank or its agents to Libya.

Military Coups (Section 508)

- None of the funds appropriated or otherwise made available by this *Act* shall be obligated or expended to finance directly any assistance to the government of any country whose duly elected head of government is deposed by decree or military coup.

- Section 1(b) of the *Pakistan Waiver Act*, P.L. 107-57, 27 October 2001, as amended by Section 534(j) of this *Act*, provides authority to the President to waive this prohibition for furnishing assistance to **Pakistan** during FY 2006.

- Presidential Determination (PD) No. 2066-9 of 8 February 2006 provided this waiver for FY 2006.

- Section 7103(c) of the *Intelligence Reform and Terrorism Prevention Act of 2004*, P.L. 108-458, 17 December 2004, also provides this waiver authority to the President through FY 2006.

- Assistance may be resumed to such government if the President determines and certifies to the congressional committees on appropriations that subsequent to the termination of assistance a democratically elected government has taken office.

- The provisions of this Section shall not apply to assistance to promote democratic elections or public participation in democratic processes.

- Any funding made available pursuant to the provisos of this Section shall be subject to the regular notification procedures of the congressional committees on appropriations.

Commercial Leasing of Defense Articles (Section 510)

- As with the last several years, notwithstanding any other provision of law, and subject to the regular notification procedures of the congressional committees on appropriations, FY 2006 FMFP may be used to provide financing to Israel, Egypt, North Atlantic Treaty Organization (NATO), and major non-NATO allies for the procurement by leasing, including leasing with an option to purchase, of defense articles from U.S. commercial suppliers. This is not to include major defense equipment (MDE), other than helicopters and other types of aircraft having possible civilian application, if the President determines that there is compelling foreign policy or national security reasons for those defense articles being provided by commercial lease rather than by government-to-government sale.

Availability of Funds (Section 511)

- No funding appropriated in this *Act* shall remain available for obligation after this fiscal year unless expressly so provided in this *Act*.

- However, FY 2006 funds appropriated for the purposes, inter alia:

- INCLE,

- Support for the Economic and Democratic Development of the Independent States of the Former Soviet Union,

- Support for the Economic and Political Independence of the Countries of the South Caucasus and Central Asia,

- Economic Support Fund (ESF),

- Foreign Military Financing Program (FMFP), and

- Assistance for Eastern Europe and the Baltic States.

The funding shall remain available for an additional four years from the date of which the availability of such funds would otherwise have expired, if such funds are initially obligated before the expiration of their respective periods of availability.

- Notwithstanding any other provision of this *Act*, any funds made available for the purposes of ESF which are allocated or obligated for cash disbursements in order to address balance of payments or economic policy reform objectives, shall remain available until expended.

Limitation on Assistance to Countries in Default (Section 512)

- No part of any appropriation in this *Act* shall be used to furnish assistance to a government which is in default during a period in excess of one calendar year in payment to the U.S. of principal or interest on any loan made to that pursuant to a program for which funds are appropriated under this *Act* unless the President determines, following consultations with the congressional appropriations committees, that assistance to such country is in the national interest of the U.S.

- Section 1(b) of the *Pakistan Waiver Act*, P.L. 107-57, 27 October 2001, as amended by Section 534(j) of this *Act*, likewise provides authority to the President to waive this prohibition for furnishing assistance to **Pakistan** during FY 2006

- Also referred to as the Brooke-Alexander Amendment.

Notification Requirements (Section 515)

- For the purposes of providing the Executive Branch with the Necessary administrative flexibility, none of the funds made available under this *Act* for, inter alia

- INCLE;
- Andean Counterdrug Initiative;
- Assistance for Eastern Europe and the Baltic States;
- Assistance for the Independent States of the former Soviet Union;
- ESF;
- PKO;
- NADR;
- FMFP; and
- IMET.

- The above programs shall be available for obligation for activities, programs, projects, type of material assistance, countries, or other operations not justified or in excess of the amount justified to the congressional appropriations committees for obligation under any of these specific headings unless the same committees are previously notified fifteen (15) days in advance.

- The President shall not enter into any commitment of FMFP funds for the provision of MDE, other than conventional ammunition, or other major defense items defined to be aircraft, ships, missiles, or combat vehicles, not previously justified to Congress, or twenty (20) percent in excess of the quantities justified to Congress unless the congressional committees on appropriations are notified fifteen (15) days in advance of such commitment.

- These advance notification periods can be waived in the case substantial risk to human health or welfare. In this situation, the congressional notification shall be provided as early as practicable but in no event later than three (3) days after taking the emergency action.

Special Notification Requirements (Section 520)

- None of the funds appropriated by this *Act* shall be obligated or expended for **Liberia, Serbia, Sudan, Zimbabwe, Pakistan, or Cambodia**, except as provided through the regular notifications procedures of the congressional committees on appropriations.

Afghanistan (Section 523)

- Of the funds appropriated by Titles II and III of this *Act*, not less than \$931,400,000 should be made available for humanitarian and reconstruction assistance for **Afghanistan**.

- Not less than \$3,000,000 of the funds available pursuant to this Section should be made available for reforestation activities. This funding should be matched to the maximum extent possible with contributions from American and Afghan businesses.

- Not less than \$2,000,000 of the funds available pursuant to this Section should be made available for the Afghan Independent Human Rights Commission and other Afghan human rights organizations.

- Not less than \$50,000,000 of the funds available pursuant to this *Act* and other acts making appropriations for foreign operations, export financing, and related programs for FY 2006, should be made available to support programs to address the needs of Afghan women and girls of which not less than \$7,500,000 shall be available for small grants to support training and equipment to improve the capacity of women-led Afghan non-governmental organizations and to support the activities of such organizations.

Notification of Excess Defense Equipment (Section 524)

- Prior to providing EDA in accordance with Section 516(a), FAA, the DoD shall notify the congressional committees on appropriations to the same extent and under the same conditions as are other committees pursuant to Section 516(f), FAA.

- Before issuing an FMS LOA to sell EDA under the AECA, DoD shall notify the congressional committees on appropriations in accordance with the regular notification procedures of such committees if the defense articles are significant military equipment (SME) or valued (in terms of original acquisition cost) at \$7,000,000 or more, or if the notification is required elsewhere in this *Act* for the use of appropriated funds for specific countries that would receive such EDA. The notification is to include the original acquisition cost of such defense articles.

Burma (Section 526)

- The Secretary of the Treasury shall instruct the U.S. executive director to each appropriate international financial institution in which the U.S. participates, to oppose and vote against the extension by such institution of any loan or financial or technical assistance or any other use of funds of the respective bank to and for Burma.

- Not less than \$11,000,000 in ESF funding shall be made available to support democracy activities in Burma, along the Burma-Thailand border, for activities of Burmese student groups and other organizations located outside Burma, and for the purpose of supporting the provision of humanitarian assistance to displaced Burmese along Burma's border.

- The President shall include amounts expended by the Global Fund to Fight AIDS, Tuberculosis and Malaria to the State Peace and Development Council in Burma, directly or through groups or organizations affiliated with the Global Fund, in making determinations regarding the amount to be withheld by the U.S. from its contribution to the Global Fund.

Prohibition on Bilateral Assistance to Terrorist Countries (Section 527)

- Funds appropriated for bilateral assistance under any heading in this *Act* and funds appropriated under any such heading in laws previously enacted shall not be made available to any country which the President determines grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism or otherwise supports international terrorism.

- This prohibition may be waived by the President if he determines that national security or humanitarian reasons justify such a waiver. The waiver shall be published in the *Federal Register*. At least fifteen (15) days before the waiver takes effect, the President shall notify the congressional committees on appropriations of the waiver to include the justification.

Financial Market Assistance in Transition Countries (Section 531)

- Of the funds appropriated by this *Act* under, inter alia, ESF, Assistance for the Independent States of the Former Soviet Union, NADR, and Assistance for Eastern Europe and Baltic States, not

less than \$40,000,000 should be made available for building capital markets and financial systems in countries in transition.

Special Authorities (Section 534)

- Funds appropriated by this *Act* for **Afghanistan** may be made available notwithstanding Section 512 of this Act and Section 660, FAA (the prohibition of police training)

- Funds appropriated by Titles I and II of this *Act* that are made available for **Iraq, Lebanon, Montenegro, and Pakistan**. Funds are also appropriated for victims of war, displaced children, and displaced Burmese, and to assist victims of trafficking in persons and, subject to the regular notifications procedures of the congressional appropriations committees, to combat such trafficking, may be available notwithstanding any other provision of law.

- Subject to Sections 116 and 502B, FAA, (consistent and gross human rights violations prohibitions) and Section 620A, FAA, (prohibition of assistance to governments supporting international terrorism); funds appropriated by this *Act* to carry out Sections 103 through 106 and Part II, Chapter 4, FAA, may be used, notwithstanding any other provision of law, for the purpose of supporting tropical forestry and biodiversity conservation activities and energy programs aimed at reducing greenhouse gas emissions.

- In providing assistance with funds appropriated by this *Act* under Section 660(b)(6) of the FAA, (**reconstituting a civilian police authority**), support for a nation emerging from instability may be deemed to mean support for regional, district, municipal, or other sub-national entity emerging instability, as well as a nation emerging from instability.

- Per Section 534(j), Section 1(b) [military coup prohibition waiver], Section 3(2) [Brooke-Alexander Amendment waiver], and Section 6 [Missile Technology Control Regime (MTCR) and *Export Administration Act* waivers, and waiver of advance notification periods for drawdown and grant EDA], P.L. 107-57, 27 October 2001, are amended to continue authorized assistance to **Pakistan** during FY 2006.

- Section 7103(c), P.L. 108-458, 17 December 2004, likewise earlier authorized this same waiver include FY 2006.

- Of the FY 2006 ESF funding appropriated and made available for the Middle East Partnership Initiative, up to \$35,000,000 may be made available, including as an endowment, to establish and operate a **Middle East Foundation**, or any other similar entity, whose purpose is to support democracy, governance, human rights, and the rule of law in the Middle East region.

- Section 534(l)(1) amends Section 21(h)(1)(A), AECA, to include Australia, Japan, New Zealand, and Israel as being eligible for waiving of **FMS contract administration surcharges (CAS)** on a by-agreement, reciprocal basis of not charging the U.S. government for CAS. Until this amendment, only member countries of NATO were eligible for the waiver.

- Section 534(l)(2) likewise amends Section 21(h)(2), AECA, to include Australia, Japan, New Zealand, and Israel as being eligible for **cataloging data and cataloging services** in addition to previously eligible NATO and NATO member countries without charge if there is a by-agreement, reciprocal basis of not charging the U.S. government for the same services.

- Section 534(l)(3) amends Section 541, FAA, [general authority for IMET] with a new Section 541(b) in that:

The President shall seek **reimbursement for military** education and training furnished under this chapter [relating to IMET] from countries using assistance under Section 23, AECA [relating to FMFP], to purchase such military education and training at a rate comparable to the rate charged to countries receiving grant assistance for military education and training under this chapter.

Ceilings and Earmarks (Section 538)

- Ceilings and earmarks contained in this *Act* shall not be applicable to funds or authorities appropriated or otherwise made available by any subsequent act unless such act specifically so directs. Earmarks or minimum funding requirements contained in any other act shall not be applicable to funds appropriated by this *Act*.

Prohibition of Payments to United Nations Members (Section 540)

- None of the fund appropriated or made available by this *Act* for carrying out the FAA may be used to pay in whole or in part any assessment, arrearages, or dues of any member of the U.N. No funds appropriated by this *Act* to carry out Part I, Chapter 1, FAA, may be used for the costs for participation of another country's delegation at international conferences held under the auspices of multilateral or international organizations.

Non-governmental Organization – Documentation (Section 541)

- No funds appropriated or made available by this Act shall be available to a non-governmental organization which fails to provide upon timely request any document, file, or record necessary to the auditing requirements of the USAID.

Prohibition on Assistance to Foreign Governments that Export Lethal Military Equipment to Countries Supporting International Terrorism (Section 542)

- None of the funds appropriated or otherwise made available by this *Act* may be available to any foreign government which provides lethal military equipment to a country the government of which the Secretary of State has determined is a terrorist government for the purposes of Section 6(j), *Export Administration Act of 1979*.

- This prohibition shall terminate twelve months after that government ceases to provide such military equipment. This Section applies with respect to lethal equipment provided under a contract entered into after 1 October 1997.

- The prohibition may be waived if the President determines that such assistance is important to the U.S. national interest. When exercised, the President shall submit to the appropriate congressional committees a report with respect to the furnishing of such assistance detailing the assistance to be provided, including the estimated dollar amount of the assistance, and an explanation of how the assistance furthers U.S. national interests.

Withholding of Assistance for Parking Fines and Real Property Taxes Owed by Foreign Countries (Section 543)

- Of the funds appropriated by this or assistance for a country, an amount of 110 percent of the total amount of unpaid fully adjudicated parking fines and penalties and unpaid property taxes owed by the central government of such country shall be withheld from obligation for assistance until the Secretary of State submits a certification to the appropriate congressional committees stating that such parking fines and penalties and unpaid property taxes are fully paid.

- The withheld funds may be made available for other programs or activities funded by this *Act*, after consultation with and subject to the regular notification procedures of the appropriate congressional committees.

- The Secretary of State may waive the withholding requirements for parking fines no sooner than sixty (60) days from the date of the enactment of this *Act* if determined to be in the national interests of the U.S. The Secretary may waive the withholding requirements for unpaid property taxes if determined to be in the national interest of the U.S.

- Not later than six (6) months of these waivers, the Secretary, after consultations with the Mayor of New York City, shall submit a report to the congressional appropriations committees describing a strategy, including a timetable and steps currently taken, to collect the parking fines and penalties and unpaid property taxes and interest owed by the affected country.

- Parking fines and penalties are defined to those owed to the District of Columbia or New York, New York and incurred during 1 April 1997 through 30 September 2005.

- Unpaid property taxes are defined to those plus interest determined owed by a country on real property in the District of Columbia and the City of New York in a court order or judgment entered against the country by a court of the U.S., any State, or subdivision thereof.

War Crimes Tribunals Drawdown (Section 545)

- As in prior years, authorizes the drawdown of commodities and services of up to \$30,000,000 for the **U.N. War Crimes Tribunal** with regard to the former Yugoslavia or such other tribunals or commissions as the U.N. Security Council may establish or authorize to deal with such violations.

- Any funds made available for such tribunals other than **Yugoslavia, Rwanda**, or the **Special Court for Sierra Leone** shall be made available subject to the regular notification procedures of the congressional appropriations committees.

Landmines (Section 546)

- As in prior years, authorizes **demining equipment** made available to USAID and the Department of State and used in support of the clearance of landmines and unexploded ordnance for humanitarian purposes to be disposed of on a grant basis in foreign countries, subject to such terms and conditions as the President may prescribe.

Prohibition of Payment of Certain Expenses (Section 548)

- As in prior years, none of the funding appropriated or otherwise made available by this *Act* under the headings, inter alia, IMET or FMFP Informational Program (IP) activities or under ESF may be obligated or expended to pay for:

- Alcoholic beverages; or
- Entertainment expenses for activities that are substantially of a recreational character, including but not limited to entrance fees at sporting events, theatrical and musical productions, and amusement parks.

Haiti (Section 549)

- The following funds appropriated for FY 2006 shall be made available for Haiti:

- \$20,000,000 from Child Survival and Health Programs Fund.
- \$30,000,000 from Development Assistance.
- \$50,000,000 from Economic Support Fund (ESF).
- \$15,000,000 from International Narcotics Control and Law Enforcement of which none may be used to transfer excess weapons, ammunition or other lethal property of an agency of the U.S. government to the Government of Haiti for use by the Haitian National Police until the Secretary of State certifies to the congressional committees on appropriations that:

- The U.N. Mission in Haiti (MINUSTAH) has carried out the vetting of senior levels of the Haitian National Police and has ensured that those credibly alleged to have committed serious crimes, including drug trafficking and human rights violations, have been suspended.

••• The Transitional Haitian National Government is cooperating in a reform and restructuring plan for the Haitian National Police and the reform of the judicial system as called for in U.N. Security Council Resolution 1608 adopted on 22 June 2005.

- \$1,000,000 from FMFP
- \$215,000 from IMET.

- The Government of **Haiti** shall be eligible to purchase defense articles and services under the AECA for the Coast Guard.

Limitation on Assistance to Security Forces (Section 551)

- As in previous years, none of the funding made available by this *Act* may be provided to any **security forces unit** of a foreign country if the Secretary of State has credible evidence that such unit has committed gross violations of human rights, unless the Secretary determines and reports to the congressional committees on appropriations that the country is taking effective measures to bring the responsible members of that unit to justice.

- Nothing in this Section shall be construed to withhold funds made available by this *Act* from any security forces unit of that country not credibly alleged to be involved in gross violations of human rights.

- In the event funds are withheld from any unit pursuant to this Section, the Secretary shall promptly inform the affected government of that country of the basis for this action and shall, to the maximum extent practicable, assist the government in taking effective measures to bring the responsible members of that unit to justice.

- Similar prohibition language is also included in Section 8069, *Defense Department Appropriations Act, 2006*, P.L. 109-148, 30 December 2005.

- This Section is often referred to as the **Leahy Amendment**.

Foreign Military Training Report (Section 552)

- This annual report from the Secretaries of State and Defense shall be submitted in accordance with Section 656, FAA, which requires that report not later than 31 January each year. Unless a country (or countries) is requested for inclusion by one of the appropriations committees in writing at least ninety (90) days in advance, the report is not required to include training for NATO countries, Japan, Australia, or New Zealand.

Authorization Requirement (Section 553)

- Except for funds appropriated under the heading of Trade and Development Agency, Overseas Private Investment Corporation, and Global HIV/AIDS Initiative; funds appropriated by this Act may be obligated and expended notwithstanding Section 10, P.L. 91-672, 12 January 1971, and Section 15, *State Department Basic Authorities Act of 1956*.

Cambodia (Section 554)

- None of the funds appropriated by this *Act* may be made available for assistance for the central government of *Cambodia*.

- However, up to \$15,000,000 of FY 2006 ESF may be made available for activities to support democracy, the rule of law, and human rights including assistance for democratic political parties.

- FY 2006 IMET funding made be made available.

Limitation on Assistance to a Palestinian State (Section 555)

- None of the funds appropriated by this *Act* may be provided to support a **Palestinian** state unless the Secretary of State determines and certifies to the appropriate congressional committees that:

- A new leadership of a Palestinian governing entity has been democratically elected through credible and competitive elections.

- The elected governing entity:

- Has demonstrated a firm commitment to peaceful coexistence with Israel.

- Is taking appropriate measures to counter terrorism and terrorism financing in the West Bank and Gaza, including the dismantling of terrorist infrastructures.

- Is establishing a new Palestinian security entity that is cooperative with appropriate Israeli and other appropriate security organizations.

- The Palestinian Authority or governing body of a new Palestinian state is working with other countries in the region to vigorously pursue efforts to establish a just, lasting, and comprehensive peace in the Middle East that will enable Israel and an independent Palestinian state to exist within the context of full and normal relationships.

- This can be waived by the President if determined to be vital to the national security interests of the U.S.

- These restrictions shall not apply to assistance intended to help reform the Palestinian Authority and affiliated institutions or a newly-elected governing entity in order to help meet the above requirements consistent with provisions in Section 550 of this *Act*, Limitation on Assistance to the Palestinian Authority.

Colombia (Section 556)

- Notwithstanding any other provision of law, funds appropriated by this *Act* that are available for assistance for the **Colombian Armed Forces**, may be made available as follows:

- Up to 75 percent of such funds may be obligated prior to a determination and certification (detailed below) by the Secretary of State.

- Up to 12.5 percent of such funds may be obligated only after the Secretary of State certifies and reports to the appropriate congressional committees that:

- The Commander General of the Colombian Armed Forces is suspending from the Armed Forces those members, of whatever rank who, according to the Minister of Defense or the Procuraduria General de la Nacion, have been credibly alleged to have committed gross violations of human rights, including extra-judicial killings, or to have aided or abetted paramilitary organizations.

- The Colombian government is vigorously investigating and prosecuting those members of the Colombian Armed Forces, of whatever rank who, have been credibly alleged to have committed gross violations of human rights, including extra-judicial killings, or to have aided or abetted paramilitary organizations, and is promptly punishing those members of the Colombian Armed found to have committed such violations of human rights or to have aided and abetted paramilitary organizations.

- The Colombian Armed Forces have made substantial progress in cooperating with civilian prosecutors and judicial authorities in such cases to include providing requested information,

such as the identity of persons suspended from the Armed Forces and the nature and cause of the suspension, and access to witnesses, relevant military documents, and other requested information.

- The Colombian Armed Forces are dismantling paramilitary leadership and financial networks by arresting commanders and financial backers especially in regions where these networks have a significant presence.

- The Colombian government is taking effective steps to ensure that the Colombian Armed Forces are not violating the land and property rights of Colombia's indigenous communities.

- The balance of the funding may be obligated after 31 July 2006 if the Secretary of State certifies and reports to the appropriate congressional committees after such date that the Colombian Armed Forces are continuing to meet the conditions contained in the above earlier report. This second report is to also include that the Colombian Armed Forces are conducting vigorous operations to restore government authority and respect for human rights in areas under the effective control of paramilitary and guerilla organizations.

- Not later than sixty (60) days after the enactment of this *Act* and every ninety days (90) thereafter until 30 September 2007, the Secretary of State shall consult with internationally recognized human rights organizations regarding progress in meeting the conditions outlined in the reports.

- Aided or abetted is defined to mean providing any support to paramilitary groups, including taking actions which allow, facilitate, or otherwise foster the activities of such groups.

- Paramilitary groups is defined to mean illegal self-defense groups and illegal security cooperative.

- This year's report and certification requirements are similar to the FY 2004 requirement.

Illegal Armed Groups (Section 557)

- The Secretary of State shall not issue a visa to any alien who the Secretary determines, based on credible evidence, has:

- Willfully provided any support to the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), or the United Self-Defense Forces of Colombia (AUC), including taking actions or failing to take actions which allow, facilitate, or otherwise foster the activities of such groups.

- Committed, ordered, incited, assisted, or otherwise participated in the commission of gross violations of human rights, including extra-judicial killings, in Colombia.

- The Secretary of State can waive this prohibition if determined and certified to the appropriate congressional committees, on a case-by-case basis, that the issuing of a visa to the alien is necessary to support the peace process in Colombia or for urgent humanitarian reasons.

West Bank and Gaza Program (Section 559)

- For the FY 2006, thirty (30) days before the initial obligation of funds for the bilateral West Bank and Gaza Program, the Secretary of State shall certify to the appropriate congressional committees that procedures have been established to ensure the U.S. Comptroller General will have access to the appropriate U.S. financial information in order to review the uses of U.S. assistance for the Program funded under ESF.

- Prior to the obligation of ESF funds, the Secretary of State shall take all appropriate steps to ensure that such assistance is not provided to or through any individual, private or government entity, or educational institution that the Secretary knows or has reason to believe advocates, plans,

sponsors, engages in, or has engaged in, terrorist activity. The Secretary shall as appropriate establish vetting procedures specifying the steps to be taken in carrying out this subsection and shall terminate assistance to any individual, entity, or educational institution which has been determined to be involved in or advocating terrorist activity.

- Specifically, none of the funds appropriated by this *Act* for assistance under the West Bank and Gaza Program may be made available for the purpose of recognizing or otherwise honoring individuals who commit, or have committed acts of terrorism.

War Criminals (Section 561)

- None of the funds appropriated or otherwise made available pursuant to this *Act* may be made available for assistance, and the Secretary of the Treasury shall instruct the U.S. executive directors to the international financial institutions to vote against any new project involving the extension by such institutions of any financial or technical assistance to the same aforementioned uncooperative country, entity, or municipality whose competent authorities have failed, as determined by the Secretary of State, to take necessary and significant steps to implement its international legal obligations to apprehend and transfer to the **International Criminal Tribunal for the former Yugoslavia** all persons in their territory who have been indicted by the Tribunal and to otherwise cooperate with the Tribunal.

- This Section shall not apply to humanitarian assistance or assistance for democratization.

- This Section shall apply unless the Secretary of State determines and reports to the appropriate congressional committees that the competent authorities of such country, entity, or municipality are cooperating with the Tribunal including access for investigators to archives and witnesses, the provision of documents, and the surrender and transfer of indictees or assistance in their apprehension, and are acting consistently with the Dayton Accords of 10-16 November 1995.

- The Secretary of State may waive the application of this restriction with respect to projects within a country, entity, or municipality upon written determination to the congressional committees on appropriations that such assistance directly supports the implementation of the *Dayton Accord*.

- Country for this Section means **Bosnia and Herzegovina, Croatia, and Serbia**. Entity refers to the Federation of **Bosnia and Herzegovina, Kosovo, Montenegro and the Republika Srpska**. Municipality means a city, town or other subdivision within the above defined country or entity.

Funding for Serbia (Section 563)

- Funds in this *Act* made be made available for assistance for Serbia after 31 May 2006, if the President has made the determination and certification to the congressional committees on appropriations that the Government of **Serbia and Montenegro** is:

- Cooperating with the International Criminal Tribunal for the former Yugoslavia including access for investigators, the provision of documents, and the surrender and transfer of indictees or assistance in their apprehension including making all practicable efforts to apprehend and transfer Ratko Mladic and Radovan Karadzic;

- Taking steps that are consistent with the *Dayton Accords* to end Serbian financial, political, security and other support which has served to maintain separate Republika Srpska institutions; and

- Taking steps to implement policies which reflect a respect for minority rights and the rule of law.

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- The Section does not apply to Montenegro, Kosovo, humanitarian assistance or assistance to promote democracy.

Community-Based Police Assistance (Section 564)

- FY 2006 ESF funding may be used to enhance the effective and accountability of civilian police authority through training and technical assistance in human rights, the rule of law, strategic planning, and through assistance to foster civilian police roles that support democratic governance including assistance for programs to prevent conflict, respond to disasters, address gender-based violence, and foster improved police relations with the communities they serve.

Reconciliation Programs (Section 568)

- Not less than \$15,000,000 of the FY 2005 ESF funding shall be made available to support reconciliation programs and activities which bring together individuals of different ethnic, religious, and political backgrounds from areas of civil conflict and war.

Sudan (Section 569)

- Up to \$70,000,000 of the funds appropriated under Development Assistance of this *Act* may be made available for assistance for **Sudan**. Of this funding, not more than \$6,000,000 may be available for USAID administrative expenses associated with this Sudan program.

- None of these funds may be made available for the Government of Sudan.
- None of these funds may be made available for the cost of modifying loans and loan guarantees held by the Government of Sudan including the cost of selling, reducing, or canceling amounts owed to the U.S. and modifying concessional loans, guarantees, and credit agreements.
- These prohibitions shall not apply if the Secretary of State determines and certifies to the congressional appropriations committees that the government of Sudan:
 - Has taken significant steps to disarm and disband government-supported militia groups in the Darfur region.
 - Along with all government-supported militia groups, are honoring their commitments made in the cease-fire agreement of 8 April 2004.
 - Is allowing unimpeded access to Darfur to humanitarian aid organizations, the human rights investigation and U.N. humanitarian teams, including protection officers, and an international monitoring team that is based in Darfur and that has the support of the U.S.
- Likewise, these prohibitions shall not apply to humanitarian assistance, for Darfur and for areas outside the control of the government of Sudan, and assistance to support implementation of the *Comprehensive Peace Agreement*.

Excess Defense Articles for Central and South European Countries and Certain Other Countries (Section 571)

- Notwithstanding Section 516(e), FAA, DoD funds may be expended during FY 2006 for crating, packing, handling, and **transportation of grant excess defense articles (EDA)** to Albania, Afghanistan, Bulgaria, Croatia, Estonia, Former Yugoslavian Republic of Macedonia, Georgia, India, Iraq, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Mongolia, Pakistan, Romania, Slovakia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.
- This annual authority includes **Afghanistan** and **Iraq** for the first time.

Zimbabwe (Section 572)

- The Secretary of the Treasury shall instruct the U.S. executive director to each international financial institution to vote against any extension by the respective institution of any loans, to the government of **Zimbabwe**, except to meet basic human needs or to promote democracy, unless the Secretary of State determines and certifies to the congressional committees on appropriations that the rule of law has been restored in Zimbabwe, including respect for ownership and title to property, freedom of speech, and association.

Gender-Based Violence (Section 573)

- Programs funded under Titles II and III of this *Act* that provide training for foreign police, judicial, and military offices shall include, where appropriate, programs and activities that address gender-based violence. This would include the following:

- ESF;
- Assistance for Eastern Europe and the Baltic States;
- Assistance for the Independent States of the former Soviet Union;
- International Narcotics Control and Law Enforcement;
- Andean Counterdrug Initiative, Nonproliferation;
- Anti-terrorism, Demining and Related Programs;
- IMET;
- FMFP; and
- PKO.

Limitation on Economic Support Fund Assistance for Certain Foreign Governments that are Parties to the International Criminal Court (Section 574)

- None of the FY 2006 ESF funds may be provided for assistance to the government of a country that is a party to the International Criminal Court and has not entered into an agreement with the U.S. pursuant to Article 98 of the *Rome Statute*.

- With prior notice to Congress, the President may waive this ESF prohibition with respect to NATO countries and major non-NATO allies or such other country determined and reported to be waived for U.S. national interests. This Section refers to Australia, Egypt, Israel, Japan, Jordan, Argentina, the Republic of Korea, New Zealand, and Taiwan as major non-NATO allies.

- This prohibition shall not apply to countries otherwise eligible for assistance under the *Millennium Challenge Act of 2003*.

- FY 2005 ESF may be made available for democracy and rule of law programs and activities, notwithstanding the provisions of Section 574, Division D, P.L. 108-447.

Tibet (Section 575)

- The Secretary of the Treasury should instruct the U.S. executive director to each international financial institution to use the voice and vote of the U.S. to support projects in Tibet if such projects do not provide incentives for the migration and settlement of non-Tibetans into Tibet or facilitate the transfer of ownership of Tibetan land and natural resources to non-Tibetans; are based on a thorough needs-assessment; foster self-sufficiency of the Tibetan people and respect Tibetan culture and traditions; and are subject to effective monitoring.

- Not less than \$4,000,000 of FY 2006 ESF funding shall be made available to non-governmental organizations to support activities which preserve cultural traditions and promote sustainable development and environmental conservation in Tibetan communities in the Tibetan Autonomous Region and in other Tibetan communities in China and not less than \$250,000 should be made available to the National Endowment for Democracy for human rights and democracy programs relating to Tibet.

Central America (Section 576)

- In addition to the amounts requested for FY 2006 ESF assistance for **Nicaragua** and **Guatemala**, not less than \$1,500,000 should be made available for electoral assistance, media and civic society programs, and activities to combat corruption and strengthen democracy in Nicaragua, and not less than \$1,500,000 should be made available for programs and activities to combat organized crime, crimes of violence specifically targeting women, and corruption in Guatemala.

Limitation on Funds relating to Attendance of Federal Employees at Conferences Occurring Outside of the United States (Section 580)

- None of the funds made available in this *Act* may be used to send or otherwise pay for the attendance of more than fifty (50) employees of agencies or departments of the U.S. government who are stationed in the U.S., at any single international conference occurring outside the U.S., unless the Secretary of State determines that such attendance is in the national interest.

- International conference shall mean a conference attended by representatives of the U.S. government and representatives of foreign governments, international organizations, or non-governmental organizations.

Limitation on Assistance to Foreign Countries that Refuse to Extradite to the U.S. any Individual Accused in the U.S. of Killing a Law Enforcement Officer (Section 581)

- None of the funds made available in this *Act* for the Department of State may be used to provide assistance to the central government of a country which has notified the Department of State of its refusal to extradite to the U.S. any individual indicted in the U.S. for killing a law enforcement officer, as specified in a U.S. extradition request.

- This prohibition can be waived if the Secretary of States certifies in writing to the congressional appropriations committees that the prohibition is contrary to U.S. national interest.

Prohibition against Direct Funding for Saudi Arabia (Section 582)

- None of the funds appropriated or otherwise made available by this *Act* shall be obligated or expended to finance any assistance to Saudi Arabia.

- The President may waive this prohibition if certified to the congressional appropriations committees fifteen (15) days prior to obligation that Saudi Arabia is cooperating with efforts to combat international terrorism and that the proposed assistance will help facilitate that effort.

Governments that have Failed to Permit Certain Extraditions (Section 583)

- Other than funds provided under International Narcotics Control and Law Enforcement, no other funds made available by this *Act* for the Department of State may be used to provide assistance to the central government of a country with which the U.S. has an extradition treaty and which the government has notified the Department of State of its refusal to extradite to the U.S. any individual indicted for a criminal offense for which the maximum penalty is life imprisonment with parole.

- The Secretary of State may waive this prohibition if certified in writing to the congressional appropriations committees that this prohibition to be applied is contrary to U.S. national interests.

Reporting Requirement (Section 584)

- The Secretary of State shall provide a quarterly written report, beginning 1 April 2006, to the congressional appropriations committees on the uses of funds made available under:
 - FMFP;
 - IMET; and
 - PKO.
- This report shall include a description of the obligation and expenditures of funds, and the specific country in receipt of, and the use or purpose of the assistance provided by such funds.

Uzbekistan (Section 586)

- Assistance may be provided to the central government of **Uzbekistan** only if the Secretary of State determines and reports to the congressional appropriations committees that the government is making substantial and continuing progress in meeting its commitments under the *Declaration on the Strategic Partnership and Cooperation Framework Between the Republic of Uzbekistan and the United States of America*, including respect for human rights, establishing a genuine multi-party system, and ensuring free and fair elections, freedom of expression, and the independence of the media and that a credible international investigation of the 31 May 2005 shooting in Andijan is underway with the support of the Government of Uzbekistan. Assistance is defined to include excess defense articles.

Central Asia (Section 587)

- Funds appropriated by this *Act* may be made available for assistance for the government of **Kazakhstan** only if the Secretary of State determines and reports to the congressional committees on appropriations that the government of Kazakhstan has made significant improvements in the protection of human rights during the preceding six (6) months.
 - This requirement may be waived by the Secretary if he determines and reports to the congressional committees on appropriations that such a waiver is in the U.S. national security interests.
- Not later than 1 October 2006, the Secretary of State shall submit a report to the congressional committees on appropriations and foreign relations describing the following:
 - The defense articles, defense services, and financial assistance provided by the U.S. to the countries of Central Asia during the six-month period ending thirty (30) days prior to submission of each such report.
 - The use during such time of defense articles, defense services, and financial assistance provided by the U.S. by units of the armed forces, border guards, or any other security forces of such countries.
 - For the purposes of this report, countries of Central Asia include Uzbekistan, Kazakhstan, Kyrgyz Republic, Tajikistan, and Turkmenistan.
- Prior to the initial obligation of assistance for the government of **Kyrgyzstan**, the Secretary of State shall submit a report to the congressional appropriations committees describing the following:
 - Whether the government is forcibly returning Uzbeks who have fled violence and political persecution, in violation of the 1951 Geneva Convention relating to the status of refugees, and the Convention Against Torture and other Forms of Cruel, Inhumane, or Degrading Treatment;
 - Efforts made by the U.S. to prevent such returns; and

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- The response of the government of Kyrgyzstan.

Disability Programs (Section 588)

- Not less than \$4,000,000 of FY 2006 ESF appropriations shall be made available for programs and activities to address the needs and protect the rights of people with disabilities in developing countries to be administered by USAID.

Discrimination against Minority Religious Faiths in the Russian Federation (Section 589)

- None of the funds appropriated by this *Act* may be made available for the government of the **Russian Federation**, after 180 days after enactment of this *Act*, unless the President determines and certifies in writing to the congressional appropriations committees that the government has implemented no statute, executive order, regulation, or similar government action that would discriminate or which has its principal effect discrimination against religious groups or communities in the Russian Federation in violation of accepted international agreements on human rights and religious freedoms to which the Russian federation is a party.

- This limitation has been in prior years legislation.

War Crimes in Africa (Section 590)

- Funds appropriated by this *Act* including funds for debt restructuring may be available for assistance to the central government of a country in which individuals indicted by the **International Criminal Tribunal for Rwanda (ICTR)** and the **Special Court for Sierra Leone (SCSL)** are credibly alleged to be living, if the Secretary of State determines and reports to the congressional appropriations committees that such government is cooperating with the ICTR and SCSL including the surrender and transfer of indictees in a timely manner.

- With a presidential U.S. national security interest determination on a country-by-country basis, this prohibition may be waived and reported to the congressional appropriations committees.

- Assistance may be made available for the central government of Nigeria after 120 days following enactment of this *Act* only if the President submits a report to the congressional appropriations committees to include the following:

- Steps taken in FY 2003 through FY 2005 to obtain the cooperation of the government of Nigeria in surrendering Charles Taylor to the SCSL, and
- Strategy with a timeline for bringing Charles Taylor before the SCSL.

Nepal (Section 592)

- FY 2006 FMFP funding may be made available for assistance to **Nepal** only if the Secretary of State certifies to the congressional appropriations committees that the government of Nepal, including its security forces, has restored civil liberties, is protecting human rights, and has demonstrated, through dialogue with Nepal's political parties, a commitment to a clear timetable to restore a multi-party democratic government consistent with the 1990 Nepalese Constitution.

Statement (Section 596)

- As similarly required for FY 2005, funds provided in this *Act* shall be made available for programs and countries in the amounts contained within the respective tables provided in the conference report for this *Act* to include the following accounts:

- Child Survival and Health Programs Fund;
- ESF;
- Assistance for Eastern Europe and the Baltic States;

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- Assistance for the Independent States of the former Soviet Union;
 - Global HIV/AIDS Initiative;
 - Democracy Fund;
 - International Narcotics Control and Law Enforcement;
 - Andean Counterdrug Initiative;
 - Nonproliferation, Anti-Terrorism, Demining, and Related Programs;
 - FMFP; and
 - International Organizations and Programs.

- This amounts to earmarking by Congress and the likely initial funding allocation by the Administration.

Oversight of Iraq Reconstruction (Section 599)

- Section 3001(o) of the *Emergency Supplemental Appropriations Act for Defense and for Reconstruction of Iraq and Afghanistan, 2004*, P.L. 108-106, 6 November 2003, as amended by Section 1203(j) of the *Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005*, P.L. 108-375, 28 October 2004, is amended by striking “obligated” and inserting “expended.”

Nonproliferation and Counter proliferation Efforts (Section 599A)

- Funds appropriated under earlier heading NADR may be made available to the Under Secretary of State for Arms Control and International Security for use in certain nonproliferation efforts and counter proliferation efforts such as increased voluntary dues to the IAEA and Proliferation Security Initiative (PSI) activities.

Assistance for Demobilization and Disarmament of former Irregular Combatants in Colombia (Section 599E)

- Up to \$20,000,000 of the funds appropriated in this *Act* may be made available in FY 2006 for assistance for the demobilization and disarmament of former members of foreign terrorist organizations (FTOs) in **Colombia**, specifically to include the United Self-Defense Forces of Colombia (AUC), the Revolutionary Armed Forces of Colombia (FARC), and the National Liberation Army (ELN).

- However, the Secretary of State must make a certification to the House committees on appropriations (HAC) and international relations (HIRC) and the Senate committees on appropriations (SAC) and foreign relations (SFRC) prior to the initial obligation of the amounts for the assistance. This certification is to include the following:

- Assistance for the fiscal year will only be provided for individuals who have verifiably renounced and terminated any affiliation or involvement with the FTOs or other illegal armed groups and are meeting all the requirements of the Colombia Demobilization Program, including having disclosed their involvement in past crimes and their knowledge of the FTO’s structure, financing sources, illegal assets, and the location of kidnapping victims and bodies of the disappeared.

- The Government of Colombia is providing full cooperation to the U.S. to extradite the leaders and members of the FTOs who have been indicted in the U.S. for murder, kidnapping narcotics trafficking, and other violations of U.S. law.

- The Government of Colombia is implementing a concrete and workable framework for dismantling the organization structures of foreign terrorist organizations.

•• Funds shall not be made available as cash payments to individuals and are available only for activities under the following categories:

- Verification;
- Reintegration (including training and education);
- Vetting;
- Recovery of assets for reparation for victims; and
- Investigations and prosecutions.

Indonesia (Section 599F)

• FY 2006 FMFP assistance may be made available for assistance for Indonesia. Additionally, export licenses may be issued for the export of lethal defense articles for the Indonesian Armed Forces, only if the Secretary of State certifies to the appropriate congressional committees that:

•• The Indonesian government is prosecuting and punishing, in a manner proportional to the crime, those members of the Armed Forces, of whatever rank, who have been credibly alleged to have committed gross violation of human rights.

•• At the direction of the President of Indonesia, the government is cooperating with civilian prosecutors and with international efforts to resolve cases of gross violations of human rights in East Timor and elsewhere.

•• At the direction of the President of Indonesia, the government is implementing reforms to improve civilian control of the military.

• The Secretary of State may waive this requirement if determined and reported to the congressional appropriations committees that to do so in the U.S. national security interests.

- The Secretary provided this national security interest waiver on 22 November 2006.

Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006, P.L. 109-108, 22 November 2005

• Originally reported out the House Appropriations Committee (HAC) as H.R. 2862 on 10 June 2005 with conference report H. Rpt 109-118. The House passed the bill on 16 June 2005. The Senate Appropriations Committee (SAC) included the State Department appropriations in their version of H.R. 3057 along with the Foreign Operations appropriations. The conference report H. Rpt. 109-265 of 2 November 2005, only included the Foreign Operations appropriations and placed the Department of State appropriations back into H.R. 2862. H.R. 2862 was passed by the House on 9 November 2005 and the Senate passed it on 16 November 2005 for enactment on 22 November 2005 as P.L. 109-108.

- This appropriation was included in the mandated 1.00 percent rescission.

• The Department of State portion of the bill is Title IV, with the other named departments and agencies of government having their own titles.

Title IV – Department of State and Related Agency Administration of Foreign Affairs Diplomatic and Consular Affairs

• \$3,680,019,000 for necessary expenses of the Department of State and the Foreign Service not otherwise provided for, to include, inter alia:

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- Not more than 71 permanent positions and \$9,804,000 for the Bureau of Legislative Affairs;
 - Not more than \$4,000,000 may be transferred to the Emergencies in the Diplomatic and Consular Service account.
 - Not less than \$334,000,000 shall be available only for public diplomacy international information programs.
 - \$3,000,000 shall be available only for the operations of the Office on Right-Sizing the U.S. government Overseas Presence.
 - No funds shall be used for processing licenses for the export of U.S.-origin satellites to include commercial satellites and components to the People's Republic of China unless the congressional appropriations committees are notified fifteen (15) days in advance of such proposed action.
 - In addition, \$689,523,000 to remain available until expended for world-wide security upgrades

Capital Investment Fund

- \$58,895,000 to remain available until expended.

Protection of Foreign Missions and Officials

- \$9,390,000 to remain available until 30 September 2007.

Embassy Security, Construction, and Maintenance

- \$598,800,000 to remain available until expended of which not to exceed \$25,000 may be used for domestic and overseas representation as authorized.
- \$912,000,000 to remain available until expended for the costs of worldwide security upgrades, acquisition, and construction as authorized.

Emergencies in the Diplomatic and Consular Service

- \$10,000,000 to remain available until expended.

Payment to the American Institute in Taiwan

- \$19,751,000 to carry out the *Taiwan Relations Act*, P.L. 96-8, 10 April 1979.

International Organizations

Contributions to International Organizations

- \$1,166,212,000 for expenses necessary to meet annual obligations of membership in international multilateral organizations.
- The Secretary of State shall notify the congressional appropriations committees at least fifteen (15) days in advance of any U.N. action to increase funding in any program without identifying an offsetting decrease somewhere else in the budget to cause the U.N. budget for the biennium 2006-2007 to exceed the revised biennium 2004-2005 budget of \$3,695,480,000.

Contributions for International Peacekeeping Activities

- \$1,035,500,000 for international peacekeeping activities.
- None of these funds shall be obligated for any new or expanded U.N. peacekeeping mission until the appropriate congressional committees are notified at least fifteen (15) days in advance of the

U.N. voting on such action. The notification is to include the estimated cost, length of mission, the vital national interest to be served, and the exit strategy.

- None of this funding shall be used to pay the U.S. share of the cost of court monitoring that is a part of the U.N. peacekeeping mission.

Other

Payment to the Asia Foundation

- \$14,000,000 to remain available until expended.

Center for Middle Eastern-Western Dialogue Trust Fund

- \$5,000,000 to remain available until expended for operation of the Center for Middle Eastern-Western Dialogue in Istanbul, Turkey.

East-West Center

- \$19,240,000 to enable the Secretary of State to provide for carrying out the provisions of the *Center for Cultural and Technical Exchange Between East and West Act of 1960*, by grant to the Center in Hawaii.

National Endowment for Democracy

- \$75,000,000 to remain available until expended.

General Provisions – Department of State and Related Agency

- Section 404. The Senior Policy Operating Group on Trafficking in Persons established by Section 406, Division B, P.L. 108-7, 20 February 2003, shall coordinate all policies regarding international trafficking in persons.

- Section 405. For purposes of registration of birth, certification of nationality, or issuance of a passport to a U.S. citizen born in Jerusalem, the Secretary of State shall, upon request of the citizen, record the place of birth as Israel.

- Section 408. Funds provided in this Title for the following accounts shall be made available for programs in the amounts contained in the conference report for this *Act*:

- Educational and Cultural Exchange Program,
- National Endowment for Democracy,
- International Broadcasting Operations, and
- Broadcasting Capital Improvements.

- Section 409. Not more than \$1,035,500,000 shall be available for payment to the U.N. for assessed and other expenses of international peacekeeping activities.

- Section 411. None of the funds in this Title may be made available to pay any U.S. contribution to the U.N. if the U.N. implements or imposes any taxation on any U.S. person.

- Section 412. It is the sense of Congress that the amount of any loan for the renovation of the U.N. headquarters building in New York City should not exceed \$600,000,000. If any loan exceeds \$600,000,000, the Secretary of State shall notify Congress of the current cost of renovation and cost containment measures.

Department of Defense Appropriations, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006, P.L. 109-148, 30 December 2005

- Reported out of the House Appropriations Committee as H.R. 2863 on 10 June 2005 with H. Rpt. 109-119, and passed by the House on 20 June 2005. S2559 reported out of the Senate Appropriations committee (SAC) on 29 September 2005 with S. Rpt. 109-141, and passed by the Senate on 7 October 2005. The conference was held reporting out H.R. 2863 on 18 December 2005 with H. Rpt. 109-359. Both the House and the Senate passed H.R. 2863 on 18 and 21 December 2005, respectively, well into the previously scheduled holiday recess period with enactment on 30 December 2005 as P.L. 109-148.

- The *FY 2006 DoD Appropriations Act* was included as Division A, P.L. 109-148. Division A also included additional appropriations (referred to as the Bridge Fund) within Title IX for \$50,000,000,000 for military operations in southwest Asia and for the Global War on Terrorism (GWOT) and the *Detainee Treatment Act of 2005*. Division B of the law contained five titles: Title I for the emergency supplemental appropriations for the Gulf of Mexico hurricanes, Title II for the emergency supplemental appropriations for the pandemic influenza, Title III for government-wide rescissions and offsets, Title IV for the hurricane education recovery, and Title V for general provisions and technical corrections. Finally, Division C is the *Public Readiness and Emergency Preparedness Act*.

- The original Division C was entitled *American Independence and Security Act of 2005* which, because significant political opposition, was deleted from the final bill. It was to open the Arctic National Wildlife Reserve (ANWR) to oil production.

- Unlike prior years, FY 2006 DoD appropriations are not exempted from the legislated 1.00 percent rescission.

Division A, Department of Defense Appropriations Act, 2006
Title II, Operation and Maintenance
Defense-Wide

- Not more than \$25,000,000 for the Combatant Commander Initiative Fund (CCIF) authorized by 10 U.S.C. 166a.

Overseas Humanitarian, Disaster, and Civic Aid

- \$61,546,000 to remain available until 30 September 2007 for expenses relating to DoD Overseas Humanitarian, Disaster, and Civic Aid programs.

Former Soviet Union Threat Reduction Account

\$415,549,000 to remain available until 30 September 2008 for the **Republics of the Former Soviet Union**, including assistance provided by contract or by grants, for facilitating the elimination and the safe and secure transportation and storage of nuclear, chemical and other weapons. This is also for establishing programs to prevent the proliferation of weapons, weapons components, and weapons-related technology and expertise. This is also for programs relating to the training and support of defense and military personnel for demilitarization and protection of weapons, weapons components and weapons technology and expertise, and for defense and military contacts. Of this amount, \$15,000,000 shall be available only to support the dismantling and disposal of nuclear submarines and submarine reactor components and for transport and storage of nuclear warheads in the **Russian Far East**.

Title VI, Other Department of Defense Programs

Defense Health Program

- Not less than \$5,300,000 shall be available for HIV prevention educational activities undertaken in connection with U.S. military training, exercises, and humanitarian assistance activities conducted primarily in African nations.

- Appropriates \$917,651,000 for DoD drug interdiction and counter-drug activities to include operations and maintenance, procurement, and research, development, test, and evaluation activities.

Title VIII, General Provisions

- Section 8002, as in prior years, states that during FY 2006, provisions of prohibiting the payment of compensation to, or employment of, any person not a citizen of the U.S. shall not apply to personnel of the DoD.

- Salary increases granted to direct or indirect hire foreign national DoD employees funded by this Act shall not be at a rate in excess of the percentage increase authorized by law for DoD civilians whose pay is computed under the provisions of 5 U.S.C. 5332, or at a rate in excess of the percentage increase provided by the appropriate host nation to its own employees, whichever is higher. This does not apply to DoD foreign national employees of the DoD in the **Republic of Turkey**. This also does not apply to DoD foreign service national employees serving at U.S. diplomatic missions whose pay is set by the DoS under the *Foreign Service Act of 1980*.

- Section 8003 states that no part of any appropriation in this Act shall remain available for obligation beyond the current fiscal year unless expressly so authorized.

- Section 8009 authorizes the use of operation and maintenance funds to be obligated for humanitarian and civic assistance costs pursuant to 10 U.S.C. 401 and these obligations are to be reported to Congress as of 30 September of each year.

- These funds shall be available for providing humanitarian and similar assistance by using Civic Action Teams in the **Trust Territories of the Pacific Islands (TTPI)** and **freely associated states of Micronesia** pursuant to the Compact of Free Association as authorized by P.L. 99-239.

- Upon determination by the Secretary of the Army that such action is beneficial for graduate medical education programs conducted by the Army medical facilities located in Hawaii, the Secretary may authorize the provision of medical services at such facilities and transportation to the facilities on a non reimbursable basis for civilian patients from:

- American Samoa;
- Commonwealth of the Northern Mariana Islands;
- Marshall Islands;
- Federated States of Micronesia;
- Palau; and
- Guam.

- Section 8024 authorizes DoD during FY 2006 to incur obligations not to exceed \$350,000,000 for purposes specified in 10 U.S.C. 2350j(c), in anticipation of receipt of contributions only from Kuwait to be credited to the appropriations or fund which incurred such obligations.

- Section 8047 states that none of the funds appropriated or otherwise made available by this *Act*, may be obligated or expended for assistance to the Democratic People's Republic of North Korea unless specifically appropriated for that purpose.

- Section 8052 states that none of the funds available to DoD or the Central Intelligence Agency for any fiscal year for drug interdiction or counter-drug activities may be transferred to any other department or agency of the U.S. except as specifically provided in an appropriations law.

- Section 8059 states that none of the funds available for DoD during FY 2006 may be obligated or expended to transfer defense articles or services (other than intelligence services) to another nation or international organization for specified below activities unless the congressional defense committees, the Senate Foreign Relations Committee, and the House International Relations Committee are notified fifteen (15) days in advance of the transfer.

- The specified activities include any international peacekeeping, peace-enforcement or humanitarian assistance operation.

- This notification shall include a description of the transfer, value of the transfer, a statement whether the inventory requirements of all elements of the Armed Forces for the type of transfer have been met, and whether the items to be transferred will have to be replaced.

- Section 8067, as in prior years, states that none of the funds made available in this *Act* may be used to approve or license the sales of the F/A-22 advanced tactical fighter to any foreign government.

- The House Appropriations Committee report, H.R. 109-119 or 20 June 2005, stated that in view of growing challenges to U.S. security interests in Asia, the Administration should work with U.S. allies in the region to address such challenges and the F/A-22 prohibition should not be interpreted as to inhibiting such discussions. The indicated challenges included the North Korea nuclear weapons program and its attempts to develop more capable ballistic missiles, and the rapid modernization of the Chinese military.

- Section 8068 authorizes the Secretary of Defense, on a case-by-case basis, to waive each limitation on the **procurement of defense items from foreign sources** provided in law, if the Secretary determines that the application of the limitation with respect to that country(s) would invalidate cooperative programs entered into with that country(s) or would invalidate reciprocal trade agreements entered into under 10 U.S.C. 2531, and if that country(s) does not discriminate against the same or similar defense items procured in the U.S. for that country(s).

- This waiver authority does not apply to limitations regarding construction of public ships, ball and roller bearings, food, and clothing or textile materials.

- Section 8069 states that none of the funds made available by this *Act* may be used to support any training program involving a unit of the **security forces of a foreign country** if the Secretary of Defense has received credible information from the DoS that the unit has committed a gross violation of human rights, unless all necessary corrective steps have been taken.

- The Secretary of Defense, in consultation with Secretary of State, shall ensure that prior to a decision to conduct any training program involving a security force unit, full consideration is given to all credible information available to the DoS relating to human rights violations by foreign security forces.

- The Secretary of Defense, after consultation with the Secretary of State, may waive this prohibition if he determines that such a waiver is required by extraordinary circumstances. Not more than fifteen (15) days after exercising such a waiver, the Secretary shall submit a report to the congressional defense committees describing the extraordinary circumstances, the purpose and

duration of the training program, the U.S. and foreign security forces involved in the program, and the information relating to the human rights violations that necessitates the waiver.

- Section 8088 directs that \$132,866,000 of the funds appropriated under FY 2006 Research, Development, Test, and Evaluation, Defense-Wide shall be made available for the **Arrow missile** defense program. \$60,250,000 shall be available for producing Arrow missile components in the U.S. and Arrow missiles and components in **Israel** to meet Israel's defense requirements, consistent with each country's laws, regulations, and procedures. Additionally, \$10,000,000 shall be available for the purpose of the initiation of a joint feasibility study designated the Short Range Ballistic Missile Defense (SRBMD) initiative.

- Section 8102 authorizes the use of \$20,000,000 appropriated under the heading Operations and Maintenance, Defense-Wide for the **Regional Defense Counter-Terrorism Fellowship Program**, to fund the education and training of foreign military officers, ministry of defense civilians, and other foreign security officials, to include U.S. military officers and civilian officials whose participation directly contributes to the education and training of these foreign students.

Title IX, Additional Appropriations

Department of Defense – Military

Operation and Maintenance, Defense-Wide

- An additional \$805,000,000 of which up to \$195,000,000 to remain available until expended for use for payments to reimburse **Pakistan, Jordan, and other key cooperating countries**, for logistical, military, and other support provided, or to be provided, to U.S. military operations.

Iraq Freedom Fund

- An additional \$4,658,686,000 to remain available for transfer until 30 September 2007 only to support **operations in Iraq and Afghanistan** and classified activities.

- Up to \$100,000,000 shall be available for the Department of Homeland Security United States Coast Guard Operating Expenses.

- Not less than \$1,360,000,000 shall be available for the Joint IED Defeat Task Force.

Other Department of Defense Programs

Drug Interdiction and Counter-Drug Activities, Defense

- An additional \$27,620,000 for Drug Interdiction and Counter-Drug Activities, Defense.

General Provisions

- Section 9001 indicates that funding appropriated within this Title IX are available for obligation until 30 September 2006 unless otherwise indicated.

- Section 9006 authorizes the Secretary of Defense to use not more than \$500,000,000, with the concurrence of the Secretary of State, **to train, equip, and provide related assistance only to military or security forces of Iraq and Afghanistan** to enhance their capability to combat terrorism and to support U.S. military operations in Iraq and Afghanistan.

- This assistance may include the providing of equipment, supplies, services, training, and funding.

- This authority is in addition to any other authority to provide assistance to foreign nations.

- Section 9007 authorizes the use of funding not to exceed \$500,000,000 for the **Commander's Emergency Response Program** for the purpose of enabling military commanders in Iraq to respond to urgent humanitarian relief and reconstruction requirements within their areas of responsibility by

carrying out programs that will immediately assist the Iraqi people, and to fund a similar program to assist the people of Afghanistan.

- Section 9009 authorizes the use of DoD FY 2006 funding, notwithstanding any other provision of law, to provide supplies, services, transportation, including airlift and sealift, and other logistical support to coalition forces supporting military and stability **operations in Iraq and Afghanistan.**

National Defense Authorization Act for Fiscal Year 2006, P.L. 109-163, 6 January 2006

- Reported out of the Senate Armed Services Committee (SASC) as S1042 on 17 May 2005 with S. Rpt. 109-69 and passed by the Senate on 15 November 2005. A separate bill was reported out of the House Armed Services Committee (HASC) as H.R. 1815 on 25 May 2005 with H. Rpt. 109-89 and passed by the House on 25 May 2005. A conference was held with H. Rpt. 109-360 being reported out on 18 December 2005. The House passed the legislation on 19 December 2005 with the Senate passing it on 21 December 2005. The bill was enacted on 6 January 2006 as P.L. 109-163.

- The authorization act contained three divisions: Division A was the DoD Authorizations; Division B was the Military Construction Authorizations; and Division C was the Department of Energy Authorizations and Other Authorizations.

Division A – Department of Defense Authorizations

Title III – Operations and Maintenance

Subtitle A – Authorization of Appropriations

Operation and Maintenance Funding (Section 301)

- Authorizes the appropriation of \$61,546,000 for **Overseas Humanitarian, Disaster, and Civic Aid programs.**

- Authorizes the appropriation of \$415,459,000 for **Cooperative Threat Reduction programs.**

Other Department of Defense Programs (Section 303)

- Section 303(c) authorizes the appropriation of \$901,741,000 for Drug Interdiction and Counter-Drug Activities, Defense-Wide.

Title V – Military Personnel Policy

Subtitle C – Education and Training

Promotion of Foreign Language Skills among Members of the Reserve Officers' Training Corps (Section 535)

- The Secretary of Defense shall support the acquisition of **foreign language skills** among cadets and midshipmen of the ROTC program to include incentives for participation. This will include special emphasis for Arabic, Chinese, and other strategic languages. This will also include a recruiting strategy to target foreign language speakers, including members of heritage communities to participate in the ROTC.

Subtitle D – General Service Requirements

Increase in Maximum Age for Enlistment (Section 543)

- Amends 10 U.S.C. 505(a) raising the ceiling age for enlistment from 35 years old to now 42 years old.

Increase in Maximum Term of Original Enlistment in Regular Component (Section 544)

- Amends 10 U.S.C. 505(c) raising the initial enlistment ceiling from six (6) years to eight (8) years.

Subtitle J – Reports and Sense of Congress

Report on need for a Personnel Plan for Linguists in the Armed Forces (Section 581)

- The Secretary of Defense shall review and assess the career tracks of members of the armed forces who are linguists in an effort to improve the management of officer and enlisted linguists and to assist them in reaching their full linguistic and analytical potential over a twenty-year career. A report of this review and assessment is to be made to the congressional armed services committees with findings, results, and conclusions and the need for a comprehensive plan to ensure effective career management of linguists.

Revision of authority to Provide Foreign Language Proficiency Pay (Section 620)

- Amends 37 U.S.C. 316 to authorize the monthly **foreign language proficiency payment** not to exceed \$1,000. An annual payment not to exceed \$6,000 may be paid to a qualified reserve component member.

Title VI – Compensation and Other Personnel Benefits

Subtitle B – Bonuses and Special and Incentive Pays

Increase in Maximum Monthly Rate Authorized for Hardship Duty Pay (Section 627)

- Amends 37 U.S.C. 305(a) increasing monthly **hardship pay** from \$300 to now \$750.

Active-Duty Reenlistment Bonus (Section 629)

- Amends 37 U.S.C. 308(a), paragraph 2(B), increasing the maximum authorized **reenlistment bonus** from \$60,000 to now \$90,000.

Availability of Special Pay for Members during Rehabilitation from Wounds, Injuries, and Illnesses Incurred in a Combat Operation or Combat Zone (Section 642)

- Amends Chapter 5 of 37 U.S.C. includes a new Section 328 authorizing a special monthly pay of \$430 for members of the armed forces who while in the line of duty incurs a wound, injury, or illness in a combat operation or combat zone designated by the Secretary of Defense and is evacuated from the theater for medical treatment. Continuation of hostile fire and imminent danger pay during hospitalization is also authorized.

Subtitle C – Travel and Transportation Allowances

Increased Weight Allowances for Shipment of Household Goods of Senior Noncommissioned Officers (Section 654)

- Amends the table in 37 U.S.C. 406(b)(1)(C) increasing the weight allowance for E-7 through E-9 by 2,000 pounds.

Title IX – Department of Defense Organization and Management

Subtitle A – General Department of Defense Management Matters

Standardization of Authority for Acceptance of Gifts and Donations for Department of Defense Regional Centers for Security Studies (Section 903)

- Amends 2611 U.S.C. 2611 allowing the Secretary of Defense; in behalf of the George C. Marshall European Center for Security Studies, the Asia-Pacific Center for Security Studies, the Center for Hemispheric Defense Studies, the Africa Center for Strategic Studies, and the Near East South Asia Center for Strategic Studies; to accept any **gift or donation** for purposes of defraying the costs or enhancing the operation of such a center, combination of centers, or centers in general. The gift may not be accepted if acceptance would compromise or appear to compromise the ability of DoD, any employee, or member of the armed forces to carry out the responsibility or duty of the Department in a fair and objective manner, or the integrity of any program of the Department or of any person involved in such a program. Gift or donation is defined to mean any gift or donation

of funds, materials (including research materials), real or personal property, or services (including lecture services and faculty services).

Report on Establishment of a Deputy Secretary of Defense for Management (Section 907)

- The Secretary of Defense is to conduct a study and report to the congressional armed services committees on the feasibility and advisability of establishing a **Deputy Secretary of Defense** to serve as the Chief Management Officer of DoD.

Title X – General Provisions

Subtitle A - Financial Matters

Authorization of emergency Supplemental Appropriations for Fiscal Years 2005 and 2006 (Section 1002)

- Section 1002(f) authorizes the emergency supplemental appropriations for DoD during FY 2006 of \$40,000,000 for DoD use in providing humanitarian assistance to the victims of the 8 October 2005 earthquake in northern **Pakistan**.

Subtitle C – Counter-Drug Activities

Resumption of Reporting Requirement Regarding Department of Defense Expenditures to Support Foreign Counter-Drug Activities (Section 1021)

- Amends Section 1022 of the *Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001*, as amended, P.L. 106-398, 30 October 2001, requiring a report of DoD expenditures in **support of foreign counter-drug activities** by 15 April 2006. The report is to contain a fourth item:

A description of each base of operation or training facility established, constructed, or operated using the assistance, including any minor construction projects carried out using such assistance, and the amount of assistance expended on base of operations and training facilities.

Clarification of Authority for Joint Task Forces to Support Law Enforcement Agencies Conducting Counter-Terrorism Activities (Section 1022)

- Amends Section 1022 of the *National Defense Authorization Act for Fiscal Year 2004*, P.L. 108-136, 24 November 2003, with a new subsection (b): Availability of Funds - During Fiscal Years 2006 and 2007, funds available to a joint task force to support counter-drug activities may also be used to provide the **counter-terrorism support** authorized by subsection (a).

Title XII – Matters Relating to Other Nations

Subtitle A – Assistance and Training

Extension of Humanitarian and Civic Assistance Provide to Host Nations in Conjunction with Military Operations (Section 1201)

- Amends 10 U.S.C. 401(c)(3) increasing the limitation on amount of assistance for **clearance of landmines**, etc. from \$5,000,000 to now \$10,000,000. Also amends 10 U.S.C. 401(e)(1) to include surgical assistance and adding “including education, training, and technical assistance related to the care.

Commanders’ Emergency Response Program (CERP) (Section 1202)

- Authorizes the FY 2006 and FY 2007 appropriations not to exceed \$500,000,000 for this fund and for a similar program to assist the people of **Afghanistan**.

Modification of Geographic Restriction under Bilateral and Regional Cooperation Programs for Payment of Certain Expenses of Defense Personnel of Developing Countries (Section 1203)

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- Amends 10 U.S.C. 1051(b)(1) to allow the payment of expenses for developing country defense personnel to attend cooperation conferences convened outside their applicable U.S. combatant commander (COCOM) area of responsibility.

Authority for Department of Defense to Enter into Acquisition and Cross-Servicing Agreements with Regional Organizations of which the U.S. is not a Member (Section 1204)

- Amends 10 U.S.C. 2341(1), 2342(a)(1)(C), and 2344(b)(4) authorizing DoD to enter into **Acquisition and Cross-Servicing Agreements** with regional organizations that the U.S. is not a member.

Authority to Build the Capacity of Foreign Military Forces (Section 1206)

- Authorizes the President to direct the Secretary of Defense to conduct or support a program to build the **capacity of a foreign country's national military forces** in order to conduct counterterrorist operations or participate in or support military and stability operations in which the U.S. armed forces are a participant.

- This is a two-year pilot program to expire 30 September 2007. Any program underway before this expiration may be completed but only using FY 2006 and FY 2007 funding.

- This may include the provision of equipment, supplies, and training. Up to \$200,000,000 of Defense-wide Operation and Maintenance funds is annually authorized to support this activity.

- Countries otherwise prohibited from receiving such type of assistance under any other provision of law may not receive such assistance under this authority.

- Any activities of this program shall include elements that promote observance of and respect for human rights and fundamental freedoms and respect for legitimate civilian authority within that country.

- The Secretary of Defense, in coordination with the Secretary of State, shall submit a report to the congressional armed services and appropriations committees fifteen (15) before initiation of activities.

Security and Stabilization Assistance (Section 1207)

- The Secretary of Defense may provide services to, and transfer defense articles and funds to, the Secretary of State for purposes of facilitating the provision by the Secretary of State for **reconstruction, security, or stabilization assistance** to a foreign country.

- This is also a two-year pilot program to expire 30 September 2007.

- The aggregate value of all services, defense articles, and funds provided or transferred to the Secretary of State under this authority in any fiscal year may not exceed \$100,000,000. Any funds transferred under this authority may remain available until expended.

- Any services, defense articles, or funds provided or transferred under this authority to the Secretary of State shall be subject to the authorities and limitations of the FAA, AECA, or any law making appropriations to carry out such Acts.

- At the time this authority is exercised, the Secretary of Defense, in coordination with the Secretary of State, shall notify the congressional armed services and appropriations committees with a description of the services, defense articles, or funds provided or transferred to the Secretary of State; and the purpose for which they are to be used.

Reimbursement of Certain Coalition Nations for Support Provided to U.S. Military Operations (Section 1208)

- The Secretary of Defense may **reimburse any key cooperating nation** for logistical and military support provided by that nation to or in connection with U.S. military operations in Iraq, Afghanistan, and the GWOT. This reimbursement during FY 2006 may not exceed \$1,500,000,000 and is to come from Title XV, Defense-wide Operation and Maintenance funding.

Authority to Transfer Defense Articles and Provide Defense Services to the Military and Security Forces in Iraq and Afghanistan (Section 1209)

- Authorizes the President to transfer defense articles from DoD stocks and to provide defense services in connection with transfer of this articles to the military and security forces of **Iraq and Afghanistan** to support the efforts of those forces to restore and maintain peace and stability in those countries.

- The aggregate value of all defense articles transferred and defense services under this authority may not exceed \$500,000,000.

- Any articles or services transferred under this authority shall be subject to the authorities and limitations applicable to the transfer of excess defense articles under Section 516, FAA, but exempted from conditions contained in:

- Section 516(b)(1)B, FAA [No DoD funds are to be expended with the transfer],
- Section 516(e), FAA [No DoD-funded packing, crating, handling, and transportation (PCH&T)],
- Section 516(f), FAA [Advance 30-day congressional notification of significant military equipment (SME) and articles originally valued at \$7,000,000 or more], and
- Section 516(g), FAA [Aggregate value transferred in any one fiscal year cannot exceed \$425,000,000].

- Transfers under this authority cannot take place until fifteen (15) days after notification to the congressional armed services, foreign affairs, and appropriations committees.

- This authority expires 30 September 2006.

Subtitle D – Other Matters

Purchase of Weapons Overseas for Force Protection Purposes in Countries in which Combat Operations are Ongoing (Section 1231)

- Amends 10 U.S.C. with a new Section 127(c) authorizing the Secretary of Defense to purchase weapons from any foreign person, foreign government, international organization, or other entity located in a country when elements of the U.S. armed forces are engaged in ongoing military operations in that country. This authority is for the purpose of **protecting U.S. forces** in that country and the total amount expended under this authority during a fiscal year may not exceed \$15,000,000.

Title XIII – Cooperative Threat Reduction with States of the Former Soviet Union Funding Allocations (Section 1302)

- Authorizes the FY 2006 appropriation of \$415,549,000 which is the amount appropriated by P.L. 109-148, 30 December 2005. Table Twelve provides the authorized **Cooperative Threat Reduction (CTR)** programs for FY 2006 along with the authorities for FY 2005.

Table Twelve
Cooperative Threat Reduction Program Authorizations
FY 2006 Funding
(\$ in millions)

<u>Program</u>	FY 2005	FY 2006
	<u>P.L.108-375</u> <u>Authority</u>	<u>P.L.109-163</u> <u>Authority</u>
Strategic Offensive Arms Elimination in Russia	\$58.522	\$78.900
Nuclear Weapons Transportation Security in Russia	26.300	30.000
Nuclear Weapons Storage Security in Russia	48.672	74.100
Activities Designated as other Assessments/Admin Support	14.317	14.600
Defense and Military Contacts	8.000	8.000
Chemical Weapons Destruction in Russia	158.400	108.500
Biological Weapons Proliferation Prevention in the Former Soviet Union	54.959	54.959
Weapons of Mass Destruction Proliferation in the States of The former Soviet Union	40.030	40.600
Total CTR Program Authorization	\$409.200	\$415.549

Note: Department of Defense Appropriations Act, 2006, Title II, P.L.109-148, 30 December 2005, earlier appropriated the later authorized \$415.549 million for the CTR Program; however, \$15 million was earmarked to support the dismantling and disposal of nuclear submarines, submarine reactor components, and security enhancements for transport and storage of nuclear warheads in the Russian Far East.

Title XV – Authorization for increased Costs due to Operation Iraqi Freedom and Operation Enduring Freedom
Iraqi Freedom Fund (Section 1511)

- Authorizes the appropriation of \$5,240,725,000 which \$1,000,000,000 shall only be used to support activities of the Joint Improvised Explosive Device Task Force.

Transfer Authority (Section 1513)

- If determined necessary in the U.S. national interest, the Secretary of Defense may transfer amounts authorized under this Title for FY 2006 between any such authorizations. The funding transferred shall be merged with and be available for the same purposes as the authorization to which transferred. The total amount authorized for such transfers may not exceed \$2,500,000,000. The Secretary must consult with the chairmen and ranking members of the congressional defense before the transfer and also notify the committees in writing of the proposed transfer not less than five days before the transfer is made.

Naval Vessels Transfer Act of 2005, P.L. 109-134, 20 December 2005

- Introduced and passed in the Senate on 18 October 2005 as S1886. Passed without amendment in the House on 6 December 2005. There are no accompanying committee or conference reports. Enacted on 20 December 2005 as P.L. 109-134.
- Authorizes the transfer of eight (8) U.S. Navy ships among five (5) different countries.
- Pursuant to Section 516, FAA, the following five (5) ships are authorized for transfer as grant excess defense articles (EDA):
 - Ex-USS Pelican (MHC-53) to **Greece**;
 - Ex-USS Cardinal (MHC-60) and ex-USS Raven (MHC-61) to **Egypt**;
 - Ex-USS Fletcher (DD-992) to **Pakistan**; and

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- Ex-USS Cushing (DD-985) to **Turkey**.
 - The value of these five ships shall not be counted against the aggregate value limitation of \$425,000,000 each fiscal year per Section 516, FAA. Additionally, notwithstanding Section 516(e)(1), FAA, any expense incurred by the U.S. in connection with these five transfers shall be charged to the receiving countries.
 - Pursuant to Section 21, AECA, the following three (3) ships are authorized for transfer through FMS:
 - Ex-USS Trenton (LPD-14) to **India**;
 - Ex-USS Heron (MHC-52) to **Greece**; and
 - Ex-USS O'Bannon (DD-987) to **Turkey**.
 - To the maximum extent practicable, the President shall require, as a condition of the transfer, that the receiving country have any required repair or refurbishment of the ship be performed at a shipyard in the U.S., including a U.S. Navy shipyard.
 - The authority for these transfers shall expire two (2) years after enactment of this Act.

An Act To Authorize the Transfer of Items in the War Reserves Stockpile for Allies, Korea, P.L. 109-159, 30 December 2005

- Introduced and passed in the Senate on 9 November 2005 as S1888. Passed without amendment in the House on 18 December 2005. There are no accompanying committee or conference reports. Enacted on 30 December 2005 as P.L. 109-159.
- Notwithstanding Section 514, FAA, authorizes the President to transfer to the **Republic of Korea** any or all of the War Reserves Stockpile, located in Korea or Japan intended for use as reserve stock for Korea, any material obsolete or surplus and in the inventory of the DoD.
- The value of concessions negotiated shall be at least equal to the fair market value of the items transferred, less any savings (which may not exceed the fair market value of the items) accruing to DoD from an avoidance of the cost of removal of such items from Korea or the disposal of such items. The concessions may include cash compensation, services, waiver of charges otherwise payable to the U.S. (such as charges for demolition of U.S.-owned or U.S.-intended munitions), and other items of value.
- Not later than sixty (60) after enactment of this *Act*, the Secretary of Defense shall certify to the congressional foreign relations and appropriations committees whether or not the material in the War Reserve Stockpile for Allies, Korea that are available in Korea is of any use to the U.S. for counterterrorism operations, contingency operations, training, or stockpile, pre-positioning, or war reserve requirements.
- At the conclusion of the transfer to Korea, the War Reserves Stockpile for Allies, Korea shall be terminated.
 - Any remaining items shall be removed, disposed of, or both by DoD.
- No transfer under this authority may be made after three (3) years after enactment of this *Act*.

Conclusion

The article for FY 2006 includes the description and analysis of six pieces of legislation that impacted U.S. international programs to those of security assistance and security cooperation. However, the initial funds allocation report required by Section 653(a) of the FAA was not available by press time for the article. Estimates for the directed 1.00 percent rescission for each program account have been provided and a subsequent *Journal* article will be provided to describe the actual rescission figures and the initial funding allocations for each security assistance and related accounts.

The significant items with the FY 2006 FOAA were the extensive earmarking of funds, the quarterly reporting requirements to Congress providing detailed figures by program, project, and activity of the funds for the current and past fiscal years that remain unobligated and unexpended, and the detailed quarterly report on the use of FMFP, IMET, and PKO funding. The significant items within the FY 2006 appropriation for the Department of State were the appropriations of over \$1 billion each for the annual membership assessment to international organizations (primarily the U.N.) and for international peacekeeping activities. The significant items within the FY 2006 appropriation for DoD were the non-exemption of DoD funding from the rescission process, authorizing the use of \$500 million in DoD funding to train, equip, and provide related assistance (to include funds) to military and security forces in Iraq and Afghanistan, It also authorized the use of DoD funding to provide supplies, services, transportation, and other logistical support to coalition forces supporting military and stability operations in Iraq and Afghanistan.

The significant items within the FY 2006 authorization for DoD were the authorities to establish special defense articles, services, and funding for security cooperation programs generally in support of GWOT and operations in southwest Asia. These include:

- The use of up to \$200 million in DoD funding annually through FY 2007 for a program to build the capacity in the military of a country to conduct counterterrorism operations or participate in or support operations in which the U.S. is a participant;
- Authorizing DoD to provide defense articles, services, or funds not to exceed \$100 million annually through FY 2007 to the Department of State for reconstruction, security, or stabilization assistance to a country; and
- Authorizing DoD to provide up to \$500 million in grand EDA during FY 2006 to the military and security forces of Iraq and Afghanistan.

It must be noted these three authorities are to be implemented using the authorities and limitations within the FAA, AECA, and any law making appropriations to carry out such Acts.

The *Naval Vessels Transfer Act of 2005* authorizes the grant transfer or FMS sale of eight different ships as EDS among the countries of Greece, Egypt, Pakistan, turkey, and India. P.L. 109-159 authorizes the transfer of any, or all, of the war reserves stockpile for allies (WRSA) in Korea and Japan to the country of Korea for negotiated concessions at least equal to the fair market of the items.

On 16 February 2006, the Administration requested two emergency supplemental appropriations for FY 2006 to include \$72.4 billion for the GWOT and operations in Iraq and Afghanistan and \$19.8 billion for continued hurricane recovery efforts on the Gulf of Mexico costal region. While the first request did not include additional funds for FMFP or IMET, it did include \$1.638 billion for ESF for generally Iraq, Afghanistan, Pakistan and \$123 million for PKO for the Darfur region of Sudan. The 16 February request can be viewed at <http://www.whitehouse.gov/omb/budget/amendments.htm>.

The Administration's Congressional Budget Justification for FY 2007 foreign assistance includes:

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- \$4.551 billion for FMFP,
 - \$88.9 million for IMET,
 - \$3,214 billion for ESF;
 - \$200.5 million for PKO;
 - \$274 million for the SEED Act;
 - \$441 million for the FREEDOM Support Act;
 - \$795 million for INCLE;
 - \$722 million for ACI; and
 - \$449 million for NADR.

The FY CBJ can be viewed at <http://www.state.gov/s/d/rm/rls/cbj/>.

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About the Author

Ken Martin has been an instructor at DISAM for over seventeen years as an associate professor for the management of security assistance. He is a retired U.S. Navy surface warfare officer. His education includes an undergraduate degree in the field of economics from the Illinois Institute of Technology in Chicago and a masters degree in administration from Central Michigan University.

Remarks Presented to the Georgetown School of Foreign Service

By
United States Secretary of State Condoleezza Rice

[The following are excerpts from the speech presented to the Georgetown University, Washington, D.C., January 18, 2006.]

In his second Inaugural Address, President Bush laid out a vision that now leads America into the world. “It is the policy of the United States,” the President said, “to seek and support the growth of democratic movements and institutions in every nation and culture with the ultimate goal of ending tyranny in our world.” To achieve this bold mission, America needs equally bold diplomacy, a diplomacy that not only reports about the world as it is, but seeks to change the world itself. I and others have called this mission transformational diplomacy. And today I want to explain what it is in principle and how we are advancing it in practice.

We are living in an extraordinary time, one in which centuries of international precedent are being overturned. The prospect of violent conflict among great powers is more remote than ever. States are increasingly competing and cooperating in peace, not preparing for war. Peoples in China, India, South Africa, Indonesia and Brazil are lifting their countries into new prominence. Reform, democratic reform has begun and is spreading in the Middle East. And the United States is working with our many partners, particularly our partners who share our values in Europe and in Asia and in other parts of the world to build a true form of global stability, a balance of power that favors freedom.

At the same time, other challenges have assumed a new urgency. Since its creation more than 350 years ago, the modern state system has rested on the concept of sovereignty. It was always assumed that every state could control and direct the threats emerging from its territory. It was also assumed that weak and poorly governed states were merely a burden to their people, or at most, an international humanitarian concern but never a true security threat.

Today, however, these old assumptions no longer hold. Technology is collapsing the distance that once clearly separated right here from over there. And the greatest threats now emerge more within states than between them. The fundamental character of regimes now matters more than the international distribution of power. In this world it is impossible to draw neat, clear lines between our security interests, our development efforts and our democratic ideals. American diplomacy must integrate and advance all of these goals together.

So, I would define the objective of transformational diplomacy this way: to work with our many partners around the world, to build and sustain democratic, well-governed states that will respond to the needs of their people and conduct themselves responsibly in the international system. Let me be clear, transformational diplomacy is rooted in partnership; not in paternalism. In doing things with people, not for them; we seek to use America’s diplomatic power to help foreign citizens better their own lives and to build their own nations and to transform their own futures.

In extraordinary times like those of today, when the very terrain of history is shifting beneath our feet, we must transform old diplomatic institutions to serve new diplomatic purposes. This kind of challenge is sweeping and difficult but it is not unprecedented; America has done this kind of work before. In the aftermath of World War II, as the Cold War hardened into place, we turned our diplomatic focus to Europe and parts of Asia. We hired new people. We taught them new languages, we gave them new training. We partnered with old adversaries in Germany and Japan and helped them to rebuild their countries. Our diplomacy was instrumental in transforming devastated countries into

thriving democratic allies. Allies who joined with us for decades in the struggle to defend freedom from communism.

With the end of the Cold War, America again rose to new challenges. We opened fourteen new embassies in the countries of Central and Eastern Europe and we repositioned over 100 of our diplomats to staff them. Our efforts helped newly liberated peoples to transform the character of their countries and now many of them, too, have become partners in liberty and freedom, members of the NATO, members of the European Union (E.U.), something unthought of just a few years ago. And during the last decade, we finally realized a historic dream of the 20th century therefore, a vision of a Europe whole and free and at peace.

In the past five years, it was my friend and predecessor Colin Powell who led the men and women of American diplomacy into the 21st century. He modernized the State Department's technology and transformed dozens of our facilities abroad. Most importantly, Secretary Powell invested in our people. He created over 2,000 new positions and hired thousands of new employees and trained them all to be diplomatic leaders of tomorrow.

Now, today, to advance transformational diplomacy all around the world, we in the State Department must again answer a new calling of our time. We must begin to lay the diplomatic foundations to secure a future of freedom for all people. Like the great changes of the past, the new efforts we undertake today will not be completed quickly. Transforming our diplomacy and transforming the State Department is the work of a generation, but it is urgent work that must begin.

To advance transformational diplomacy, we are and we must change our diplomatic posture. In the 21st century, emerging nations like India, China, Brazil, Egypt, Indonesia, and South Africa are increasingly shaping the course of history. At the same time, the new front lines of our diplomacy are appearing more clearly, in transitional countries of Africa, Latin America, and the Middle East. Our current global posture does not really reflect that fact. For instance, we have nearly the same number of Department of State (DoS) personnel in Germany, a country of eighty-two million people that we have in India, a country of one billion people. It is clear today that America must begin to reposition our diplomatic forces around the world, so over the next few years the United States will begin to shift several hundred of our diplomatic positions to new critical posts for the 21st century. We will begin this year with a down payment of moving 100 positions from Europe and, yes, from here in Washington, D.C., to countries like China, India, Nigeria, and Lebanon where additional staffing will make an essential difference.

We are making these changes by shifting existing resources to meet our new priorities, but we are also eager to work more closely with Congress to enhance our global strategy with new resources and new positions.

We will also put new emphasis on our regional and transnational strategies. In the 21st century, geographic regions are growing ever more integrated economically, politically, and culturally. This creates new opportunities but it also presents new challenges, especially from transnational threats like terrorism and weapons proliferation and drug smuggling and trafficking in persons and disease.

Building regional partnerships is one foundation today of our counterterrorism strategy. We are empowering countries that have the will to fight terror but need help with the means. And we are joining with key regional countries like Indonesia, Nigeria, Morocco, and Pakistan working together not only to take the fight to the enemy but also to combat the ideology of hatred that uses terror as a weapon.

We will use a regional approach to tackle disease as well. Rather than station many experts in every embassy, we will now deploy small, agile transnational networks of our diplomats. These rapid response teams will monitor and combat the spread of pandemics across entire continents. We are adopting a more regional strategy in our public diplomacy as well.

In the Middle East, for example, as you well know, a vast majority of people get their news from a regional media network like Al Jazeera, not from a local newspaper. So our diplomats must tell America's story not just in translated op-eds, but live on television in Arabic for a regional audience. To make this happen, we are creating a regional public diplomacy center. We are forward deploying our best Arabic-speaking diplomats and we are broadly coordinating our public diplomacy strategy both for the region and from the region.

Our third goal is to localize our diplomatic posture. Transformational diplomacy requires us to move our diplomatic presence out of foreign capitals and to spread it more widely across countries. We must work on the front lines of domestic reform as well as in the back rooms of foreign ministries. There are nearly 200 cities worldwide with over one million people in which the United States has no formal diplomatic presence. This is where the action is today and this is where we must be. To reach citizens in bustling new population centers, we cannot always build new consulates beyond a nation's capital.

A newer, more economical idea is what we call an American Presence Post. This idea is simple. One of our best diplomats moves outside the embassy to live and work and represent America in an emerging community of change. We currently operate American Presence Posts in Egypt and Indonesia and we are eager to expand both the size and the scope of this new approach.

Perhaps the newest and most cost effective way to adopt a more local posture is through a Virtual Presence Post. Here one or more of our young officers creates and manages an internet site that is focused on key population centers. This digital meeting room enables foreign citizens, young people most of all, to engage online with American diplomats who could be hundreds of miles away. This is a great way to connect with millions of new people across Europe, Asia, and Latin America.

In today's world, our diplomats will not only work in different places, they will work in different communities and they will serve in different kinds of conditions, like reconstruction and stabilization missions, where they must partner more directly with the military. So to advance transformational diplomacy we are empowering our diplomats to work more jointly with our men and women in uniform.

Over the past fifteen years, as violent state failure has become a greater global threat, our military has borne a disproportionate share of post-conflict responsibilities because we have not had the standing civilian capability to play our part fully. This was true in Somalia and Haiti, in Bosnia, in Kosovo, and it is still partially true in Iraq and Afghanistan. These experiences have shown us the need to enhance our ability to work more effectively at the critical intersections of diplomacy, democracy promotion, economic reconstruction and military security. That is why President Bush created within the State Department the Office of Reconstruction and Stabilization. Recently, President Bush broadened the authority and mandate for this office and Congress authorized the Pentagon to transfer up to \$100 million to State in the event of a post-conflict operation, funds that would empower our reconstruction and stabilization efforts. We have an expansive vision for this new office, and let there be no doubt, we are committed to realizing it. Should a state fail in the future, we want the men and the women of this office to be able to spring into action quickly. We will look to them to partner immediately with our military, with other federal agencies and with our international allies, and eventually we envision this office assembling and deploying the kinds of civilians who are essential in post-conflict operations: police officers and judges and electricians and engineers, bankers and economists and legal experts and election monitors.

Our Reconstruction and Stabilization Office must be able to help a failed state to exercise responsible sovereignty and to prevent its territory from becoming a source of global instability, as Afghanistan was in 2001.

The diplomacy of the 21st century requires better “jointness” too between our soldiers and our civilians, and we are taking additional steps to achieve it. We for decades have positions in our Foreign Service called Political Advisors to Military Forces (POLADS). We station these diplomats where the world of diplomacy intersects the world of military force, but increasingly this intersection is seen in the dusty streets of Fallujah or the tsunami-wrecked coasts of Indonesia. I want American diplomats to eagerly seek our assignments working side-by-side with our men and women in uniform, whether it is in disaster relief in Pakistan or in stabilization missions in Liberia or fighting the illegal drug trade in Latin America.

Finally, to advance transformational diplomacy, we are preparing our people with new expertise and challenging them with new expectations. I have been Secretary of State for almost exactly one year now, and in that time I have become more convinced than ever that we have the finest diplomatic service in the world. I have seen the noble spirit of that service, a service that defines the men and women of our Foreign Service, Civil Service, and our Foreign Service Nationals, many of whom are serving in dangerous places far away from their families.

I see in them the desire and the ability to adapt to a changing world and to our changing diplomatic mission. More often, over the course of this new century, we will ask the men and women of the Department of State to be active in the field. We will need them to engage with private citizens in emerging regional centers, not just with government officials in their nations’ capitals. We must train record numbers of people to master difficult languages like Arabic, Chinese, Farsi, and Urdu.

In addition, to advance in their careers, our Foreign Service Officers must now serve in what we call hardship posts. These are challenging jobs in critical countries like Iraq, Afghanistan, Sudan, and Angola, where we are working with foreign citizens in difficult conditions to maintain security and fight poverty and make democratic reforms. To succeed in these kinds of posts, we will train our diplomats not only as expert analysts of policy but as first-rate administrators of programs, capable of helping foreign citizens to strengthen the rule of law, to start businesses, to improve health and to reform education.

Ladies and gentlemen, President Bush has outlined the historic calling of our time. We on the right side of freedom’s divide have a responsibility to help all people who find themselves on the wrong side of that divide. The men and women of American diplomacy are being summoned to advance an exciting new mission. But there is one other great asset that America will bring to this challenge. No, in a day and a time when difference is still a license to kill, America stands as a tremendous example of what can happen with people of diverse backgrounds, ethnic groups, religions all call themselves American. Because it does not matter whether you are Italian American, African American or Korean American. It does not matter whether you are Muslim, Presbyterian, Jewish, or Catholic. What matters is that you are American and you are devoted to an ideal and to a set of beliefs that unites us.

In order for America to fully play its role in the world, it must send out into the world a diplomatic force, a diplomatic corps that reflects that great diversity. It cannot be that the last three Secretaries of State, the daughter of European immigrants, the son of Jamaican immigrants and a daughter of the American segregated South would be more diverse than the Foreign Service with which they work. And so I want to make a special appeal to each and every one of you. It is exciting to be a diplomat these days because it is not just about reporting on countries. It is not just influencing governments. It is being a part of changing people’s lives, whether in our acquired immunodeficiency syndrome (AIDS) programs abroad or in our efforts to educate girls in Afghanistan or to help with extremism in the Middle East with good partners like Pakistan and Jordan. Imagine the excitement of the people who are going to work in Liberia now with the first woman president on the African continent to try and build a Liberia where people can reach their dreams and their future. But we cannot do it without

America's best and brightest, and America's best and brightest come in all colors, they come in all religions, they come in all heritages. Our Foreign Service has got to be that way, too.

I sit in an office when I meet with foreign secretaries and foreign ministers from around the world that is a grand office that looks like it's actually out of the 19th century although it was actually built in 1947, but that is very American, too. And there is a portrait of Thomas Jefferson that looks direct at me when I am speaking to those foreign ministers, and I wonder sometimes, "What would Mr. Jefferson have thought"? What would he have thought about America's reach and influence in the world? What would he have thought about America's pursuit of the democratic enterprise on behalf of the peoples of the world? What would he have thought that an ancestor that my ancestors, who were three-fifths of a man in his constitution, would produce a Secretary of State who would carry out that mission? America has come a long way and America stands as a symbol but also a reality for all of those who have a long way to go, that democracy is hard and democracy takes time, but democracy is always worth it.

A Renewed Partnership for Global Engagement

By
R. Nicholas Burns
Department of State Under Secretary for Political Affairs

[The following are excerpts of the remarks presented to the European Institute Annual Gala Dinner Mayflower Hotel, Washington, D.C., December 15, 2005.]

I would like to talk about the progress we have made in relations between Europe and the United States and there are many achievements for which we can be proud.

We Completed 2005 In Better Shape Than We Started

I lived in Europe for the last eight years, in Greece and Belgium, and I saw the sea change in our relations in 2005. First, we rebuilt bridges across the Atlantic. The President's trips to Europe over the past year, and the constant travel and contact by Secretary of State Condoleezza Rice, Deputy Secretary Bob Zoellick, myself, and many other senior U.S. officials, led Europe and the U.S. to rediscover each other, and helped restore the links vital to our Diplomatic contact as we worked toward a revitalized North Atlantic Treaty Organization (NATO) and a stronger United States and European agenda.

We stopped the war of words across the Atlantic, and began a kinder, gentler year in trans-Atlantic discourse. For your part, most Europeans stopped talking about the absurd notion of the European Union (E.U.) acting as a counterweight to the United States. And debates seemed to re-center on policy, rather than on anti-Americanism. For our part, Americans stopped using the words "freedom fries" to describe that wonderful American culinary delicacy and started calling them "French fries" once again. And, we also stopped pouring perfectly good French wine down the gutter, as some foolish people did back in 2003.

We recognized the truth about our relationship: that we are wed together in a long-term marriage with no possibility of separation or divorce. This partnership is based upon our trillion dollar economic and trade relationship, our symbiotic defense relationship in NATO, and our shared culture, history, values and commitment to democracy. Ladies and gentlemen, in 2005, we got up off the psychiatric couch and started working together again.

Our Achievements Together in 2005

- In the War on Terrorism, we continued our extensive cooperation and responded to bombings in the United Kingdom, Turkey, Jordan, and elsewhere.
- In Afghanistan, we stand shoulder-to-shoulder in NATO and in our multilateral assistance efforts against narcotics, terrorism, and other threats.
- On Iran, the United States is supporting the France, Germany, and the United Kingdom (E.U.-3's) negotiations and is working with them to persuade Tehran to give up its pursuit of nuclear weapons. And we reacted together against extraordinarily irresponsible policies and practices of President Ahmadi-Nejad.
- In Lebanon and Syria, the United States and France led the way to unprecedented and constructive United Nations (U.N.) action.
- In the Middle East Peace Process, Israeli disengagement from Gaza was made possible by U.S. led talks and the E.U., deployed border guard assistance.
- In Sudan, NATO and the E.U. worked alongside the United Nations (U.N.) and African Union to try and bring peace and stability to this troubled area.

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- In the Balkans, where the U.S. and Europe renewed our efforts to bring democracy to Bosnia-Herzegovina and to make 2006 a year of decision for Kosovo.
 - In Ukraine, where we opened the door to a democratic, secure future free of corruption, and a future in partnership with NATO and the E.U.
 - On Burma, where our firm stance against repression is bringing Association of Southeast Asian Nations (ASEAN) and other Asian states to our side.
 - In furthering democracy in the Broader Middle East and elsewhere, we are together advancing human rights, civil society, and free markets.
 - In Belarus, we are delivering a united message for freedom against Europe's last dictator.
 - In Georgia, we are bridging gaps between Tbilisi, Moscow, and local leaders in the rest of Georgia.
 - And, during Hurricane Katrina, our European friends came to the aid of the American people with moral support, humanitarian supplies and other crucial tools for recovery.

A Fundamental Shift in the United States and European Union Relations is Apparent in 2005

The United States and European relations are changing dramatically. For the last 200 years, specially during the 20th century, our relationship focused on trans-Atlantic space. We dealt with war and peace in Europe in the First and Second World Wars. We fought a long struggle against Soviet Communism, in which NATO defended Europe against direct threat of attack. We worked toward an end of divided Europe. And, we strove to end ethnic strife and war and then began keeping the peace in the Balkans in the 1990s.

It is now very clear that our realization of a Europe, whole, free and at peace is nearly complete. This is a huge and historic accomplishment. With this, we now find that our entire agenda is pivoting from an inward focus on Europe to an outward focus, and U.S. and E.U. relations are increasingly a function of events in the Middle East, Asia and Africa. This is a profound shift, one that defies skeptics about our relationship. We believe that this shift will drive us even more closely together, not further apart. In the years to come, both the U.S. and Europe will increasingly be responsible for the management of global problems. Europe will be our most important partner as we confront the central security challenge of the coming generation the global threats flowing over, under and through our national borders:

- Terrorism;
- Proliferation of chemical, biological and nuclear technologies;
- International crime and narcotics;
- Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS); and
- Climate change.

Our interests are nearly identical on all these issues.

An Agenda for 2006

Our agenda for 2006 is three-fold:

- To continue to work through NATO as the core trans-Atlantic link. Nowhere is the U.S. and European marriage clearer than at NATO. Our goal in 2006 is to broaden NATO's mandate and extend its global reach: to work with Africa and our security partners in Australia, Japan, Singapore

and elsewhere; and to continue success in Afghanistan and the important training work we do in Iraq.

- To advance the U.S. and E.U. democracy agenda further east: in Russia, Ukraine, the Caucasus and Central Asia. We believe that the next great mission for us together is spreading the freedom we enjoy in Europe and the United States. The U.S. welcomed Chancellor Merkel's Bundestag speech of November 30, 2005, whose theme was freedom and in which she expressed strong support for NATO and common values with the U.S. We also need to complete our work in Europe by attending to the Balkans, Ukraine and Russia. We need to continue fostering democracy and opposing repression in Central Asia and the Caucasus. And, most importantly, the United States and Europe need to intensify our efforts in the Broader Middle East, as well as Africa and Asia.

- To cooperate in every region of the world, through political, economic and security partnerships.

The Balkans

In the Balkans, our joint goal is to help this splintered region make transition from war to reform and integration. In 2006 will be a crucial year of decision for Kosovo. After more than six years of U.N. rule, now is the time for the people of Kosovo, Albanian, and Serb alike to choose their future. It will be a year of decision for Kosovars, and we will be there to support them with our diplomacy to foster negotiations, and with NATO's Kosovo Force (KFOR) troops to maintain security.

Modernizing the Dayton Accords is crucial for Bosnia and Herzegovina to create a fully functional state, eligible to join the E.U. and NATO. They have committed to bold constitutional reform and we need to ensure they see it through.

And for Balkan war criminals, the day of reckoning is approaching. On November 22, 2005, Bosnian Serb leaders called for the surrender or arrest of indicted war criminals Ratko Mladic and Radovan Karadzic. These words must be followed up with concrete action. With Croatian General Ante Gotovina's arrest, the world's attention is more focused on Banja Luka and Belgrade. Until Mladic and Karadzic face judgment in The Hague, the wounds of the past will not heal. In the Balkans, U.S. leadership is indispensable and we have revitalized our efforts.

The Caucasus and Central Asia

We remain committed to pursuing the Freedom Agenda in Russia and Ukraine. We must encourage Ukraine, Georgia to seek NATO and E.U. ties, push for reform in the Caucasus and for an end to the Nagorno-Karabakh conflict. In Central Asia, we must engage Kazakhstan, Kyrgyzstan, and Tajikistan, and demand reform from Uzbekistan and Turkmenistan.

Outside of Europe, however, we and our European partners face more daunting challenges and more dramatic opportunities.

Iraq

The United States is grateful to every nation that stands with us in Iraq, particularly today, as Iraqis went to the polls for the third time since January. In the coming months, some nations will extend the mandate for their forces and others will reduce the size of their contingents. Whatever our past disagreements over removing Saddam Hussein from power, the Europeans must now recognize that democracy's failure in Iraq would be a grave blow to our common security, and to the prospect for reform and stability throughout the Middle East. When new Iraqi government stands up Europe should stand up to support it, and engage the new Iraqi leaders in Baghdad.

Iran

Iran is pursuing a radical course through its pursuit of a nuclear weapons capability; its notoriety as the world's leading supporter of terrorist groups; and through the deplorable treatment of its own people. President Bush and Secretary Rice have noted publicly our support for the E.U.-3's diplomatic negotiations with Iran, and we are working closely with the Europeans, Russia, India, China and other countries with the hope of forming one increasingly united and purposeful coalition to deter Iran's efforts. This circle of countries is widening and Iran is increasingly isolated. Iran should listen to the call for it to return to active and sustained negotiations with Europe.

The Broader Middle East

The United States is working to promote long-term economic and democratic reform in this region through The G-8's [Canada, Germany, France, Italy Japan, Russia, the United Kingdom and the United States] Broader Middle East and North Africa Initiative. We would note the growing support of European governments for the initiative, with countries like Spain, Switzerland, Denmark, Greece and Hungary now supporting democratic reform and reformers in the region.

The United States remains very active, through initiatives like the Forum for the Future, which is changing the conversation in the Middle East about what is possible. We believe that American diplomacy can open the realm of the possible for the people of the Middle East, so what is possible looks different.

United States Secretary of State Condoleezza Rice put it most aptly, saying:

I remember during the period of German unification one day German unification looked impossible and a few days later it looked inevitable. And in a sense, what you're seeing in the Middle East is that what looked impossible what looked as if there was never going to be any change in these authoritarian governments, now people believe it is possible and they are acting on that possibility.

Success in Afghanistan

We are committed to ensuring that Afghanistan is never again a haven for terrorism. NATO and Coalition forces are leading the way. Provincial Reconstruction Teams, twenty-two of them, are extending the national government's reach into the provinces. This spring (2006) NATO is expected to move into southern Afghanistan, and eventually the east. We need European troops and commitment to make this happen.

NATO also seeks a strong partner on the civilian side, which is why, at the upcoming London Conference, we are looking for the appointment of a senior U.N. official empowered to coordinate overall civilian reconstruction. In addition, narcotics coming from Afghanistan are a major strategic threat with which we must deal. These narcotics could destroy all of the political, military, and economic progress that has been made in Afghanistan. We hope European governments will recognize the threat and respond appropriately by significantly funding alternative livelihood programs.

Asia

Countries like Australia, Japan, and South Korea are already engaged with us and our European Allies across the globe. and we look forward to working with them in 2006. America and Europe, however, need to develop a strategic consensus on how to engage a rising India and China. The United States is a Pacific power and we have serious concerns about the buildup of China's military forces. As the principal guarantor of peace and stability in the Asia-Pacific region, we will continue to clearly and pointedly let Europe know that lifting the embargo would be detrimental to security in that region, and has implications for our trans-Atlantic partnership. Through our strategic dialogue on security in the Asia and Pacific region, we hope Europe will raise its sights.

Africa

Supporting Africa's development is a new priority area for the United States, will continue to be a high priority for our government, and for Europe as well. United States aid to that continent has quadrupled over the last four years.

Through our \$660 million Global Peace Support Operations Initiative, we are building other nations' capacities to contribute to international peacekeeping. In the Sudan, the United States is working diligently with the E.U. and NATO to offer support and capacity to the African Union with expertise and equipment to help it carry out its important mission in Darfur. When the African Union makes a request, we hope that NATO and the E.U. will continue to respond quickly and favorably.

United States Policy on Detainees

As you know, the Administration reached agreement today with Senators McCain and Warner on steps to codify the Administration's policy against torture and cruel, inhuman, or degrading treatment of people detained in the war on terror. As the President said:

This will make it clear to the world that this government does not torture and that we adhere to the international Convention Against Torture, whether it be here at home or abroad.

By putting into law what we have carried out up to now as a matter of policy, we reaffirm that we are a nation that upholds our values and standards, unlike the ruthless international terrorists who threaten us and all of our citizens. As Senator McCain said yesterday, we hold no brief for the terrorists. We will continue to fight terror globally, side-by-side with our European allies and friends around the world. We will win the war on terror also by winning the war of ideas, staying true to our values. United States Secretary of State Condoleezza Rice said last December 2005 at NATO:

We are a nation of laws, one that lives up to our international obligations. We respect the sovereignty of our partners and allies as we cooperate with them in fighting terror. Let me reiterate that the United States does not transport detainees from one country to another for the purpose of interrogation by torture. We do not transport anyone to a country where we believe he will be tortured.

Our commitment to win the war against terrorism, which we and our European friends share with the global democratic community, is just one example of the principle President Bush articulated earlier this year: that "the concerted effort of free nations . . . is a prelude to our enemies' defeat.

We Are Natural Allies

The United States and Europe are natural allies not identical twins. You are more statist and we are more free market. You think of the E.U. first, we think NATO. We are convinced that the U.S. can win the World Cup, you probably think England, Czech Republic or Spain will win.

But, if you first glimpsed earth from a distant planet and did not know much, but studied what you saw, you would say, "those two people are the most alike, they believe basically the same things about life and about the future of earth."

Together, we constitute a single democratic civilization with common values. Together, we constitute a quorum of democratic legitimacy. For that reason, I am optimistic about U.S. and E.U. and I believe our skeptics are wrong.

Defense Trade Controls

By
John Hillen

Department of State Assistant Secretary for Political-Military Affairs

[The following are excerpts of the address to the 18th Annual Global Trade Controls Conference November 3, 2005.]

As you know, today the United States and other high technology countries are targeted by proliferators and terrorists seeking equipment and technology for weapons of mass destruction, missiles, and conventional weapons. It is clear that combating the twin threats of terrorism and proliferation will be one of the central tasks of the new century. There could hardly be a more dangerous security scenario for any country in the world than the combination of bad actors and bad materials. All our energies must be bent to prevent this sort of situation.

Enemies of modernism and open societies are on the move. They are constantly changing their tactics, locales, modalities, technologies, command structures, and methods of procurement. Their contemptible operations extend from the Twin Towers in New York City to Madrid, Casablanca, Istanbul, and Bali. Every day on our television screens we see the handwork of this enemy, targeting innocent civilians in the hopes of disrupting those countries' progress toward a democratic and peaceful future. And of course the fact that we are meeting here today in the great city of London reminds us of the brutal attacks on the public transportation system that took place on July 7, 2005.

We know these adversaries want access to our defense technology so they can use it against us. We know this because of intelligence information and enforcement efforts.

- This year, two Iranians, Mahoud Seif and Shahrazed Mir Gholikhan, were indicted in a U.S. court and convicted in an Austrian court for attempting to smuggle Generation III night vision goggles to Iran. A third suspect is still at large. This operation was an exceptional example of cooperation between U.S. and Austrian law enforcement authorities.
- This year, dual Lebanese-Canadian citizen Naji Antoine Khalil pled guilty in a U.S. court to attempting to export night vision equipment and infrared aiming devices to Hizballah.
- This year, Colombian citizen Carlos Gamarra-Murillo pled guilty in a U.S. court to brokering and exporting defense articles without a license. The weapons he was trying to export were destined for the Revolutionary Armed Forces of Colombia (FARC), in exchange for cash and cocaine.

We are here today at this conference to talk about export controls, which are nonproliferation in action. They are our first line of defense in denying our enemies the access to the weapons they would turn against us. And export controls are a very cost-effective tool.

Let me give you but one pressing example: One of the responsibilities of the Bureau of Political-Military Affairs, of which I became Assistant Secretary last month, is to conduct a program to destroy Man-portable Air Defense System (MANPADS) to keep them out of terrorist hands. So far, this program has resulted in the destruction of 14,000 MANPADS systems, and we have agreements in place with other countries to destroy 10,000 more. And as you know, the United States and other countries are considering deploying counter-MANPADS systems on civil aircraft to protect them against the proven terrorist threat.

How much more effective in terms not only of dollars, pounds sterling or euros, but also in terms of human lives would it have been to have exercised responsible export controls in the first place and kept these weapons out of the hands of our enemies?

The people in this room, like myself, probably spend more time on airplanes than do paperback novels. We should care. Now, nobody is more aware than this audience of the many considerations that must guide our defense export control decisions in the U.S. There are issues of defense cooperation and alliance interoperability. There are issues of globalization and the defense industrial base. But, let me be absolutely clear: while all these factors and others are part of our decision-making process, the polar star that should guide all our export control decisions in a world at war must be national security. This is the leg of our export control stool that can never be compromised.

As many of you are aware, the U.S. Congress is particularly concerned with making sure that national security concerns drive our thinking about defense trade. Indeed, the Congress has been very critical at times of administration efforts to rethink the defense trade calculus in the past few years.

In response, some critics have said that the U.S. Congress does not fully appreciate the need for international defense cooperation and especially for an alliance-leading, coalition-seeking America to share defense technologies with allies in the war on terrorism.

I think this is a misreading of the political currents in America and an unfair assessment of how our legislature is viewing these issues. Even the Congress' most critical assessment of administration defense trade control proposals expressed support for deepening defense cooperation with "two of our closest allies" and explained that the appropriate committees would consider other appropriate ways to facilitate bilateral cooperation. So I think it would be a mistake to characterize the debate in the U.S. as between an administration bent on loosening defense trade controls and a Congress not cognizant of the pressing operational need for defense cooperation. Either of these observations would be a caricature of the truth. There will be no loosening of national security considerations on my watch and I also feel confident that Congressional leaders will take up the cause of defense cooperation if presented to them in that context.

Our legislative bodies are keenly aware that within the uncompromising context of national security there are ways to promote defense cooperation and interoperability among allies and coalition partners. They know this because they know that America is in the alliance and coalition building business. Today, more than thirty countries are contributing military forces to the Coalition in Iraq. Over forty, many of them the same countries, are serving in Afghanistan. The North Atlantic Treaty Organization (NATO) is undertaking robust out-of-area operations ranging from Afghanistan to Africa even earthquake relief in Pakistan. For all the mistaken labeling that the U.S. gets from some quarters as a unilateralist country, nobody knows better than we how much we need our allies and coalition partners. And those allies and partners need access to military technology so they can operate effectively against our common enemies and do so in a way that makes joint Coalition operations viable. And that means defense industry cooperation, across borders and across continents.

Some of those countries are the same long-standing allies that I soldiered with when I was patrolling the Inner-German border when the Berlin Wall fell sixteen years ago. Here our United Kingdom (U.K.) hosts deserve pride of place. Some are the new NATO members, like Poland, Romania, Estonia, Latvia and Lithuania. But some are also relative newcomers to the Coalition of the Willing. El Salvador has 1100 soldiers in Iraq. And who would have predicted even a few years ago that U.S. soldiers would be fighting in Iraq alongside contingents from Albania, Georgia, Azerbaijan, and Mongolia?

If defense cooperation is to be successful, it is imperative that shared technology does not fall into the hands of those who would use it against us or our friends and allies. Defense export controls are an integral part of our broader security agenda, whether it is the global war on terrorism, preventing the spread of weapons of mass destruction, or bolstering regional stability around the globe.

Never has this mandate of defense trade controls, which has fallen to the Department of State since 1935, been more important to U.S. national security and that of our friends and allies. All

U.S. arms transfers under the foreign military sales (FMS) program are subject to the approval of the bureau that I lead. In addition, the export of U.S. defense articles and services under license is regulated by our bureau's Directorate of Defense Trade Controls.

Never has this mandate been more challenging to carry out. The strategic environment of the 21st Century has grown more complicated and more sophisticated. Technology changes far more rapidly than the regulatory regime. Globalization challenges borders and laws made in another time. There is a revolution in military affairs and a revolution in strategic affairs with modern militaries focused less on defense of territory and more on power projection, networked warfare, and counter-terrorism and counter-insurgency operations. We in the Political-Military Bureau have responded to this environment and its challenges in several ways.

First and foremost, we've responded to these complexities in part through more aggressive compliance efforts. In fiscal year 2005, we more than doubled the number of U.S. companies contacted in the Compliance Visit Program to review their internal compliance procedures. I might point out that during this period, there were seventy arrests and sixty criminal convictions (up from forty-five the previous year) for violations of the *Arms Export Control Act* and the *International Traffic in Arms Regulations*.

Where the export control sins aren't sufficiently serious to require criminal prosecution, we can resort to civil enforcement actions. Last fiscal year we concluded four new consent agreements that imposed monetary penalties that totaled \$35 million. While these fines are highly visible, these consent agreements also impose remedial compliance measures that help industry do a better job of complying with the regulations in the future.

In short, we are not just about large monetary penalties. We also encourage industry to self-report violations uncovered by their internal compliance programs, and last year we received 396 of these voluntary disclosures, more than one a day, every day, including Christmas. In addition to fostering industry's commitment to self-compliance, this program has also allowed us to learn of problems more quickly and address national security or foreign policy problems created by these violations. We also conducted more than 500 pre-license and post-shipment checks under our Blue Lantern program, and in eighty of these checks we uncovered information that did not quite square with the license application.

For example, we recently did a pre-license Blue Lantern investigation to establish the bona fides of a transaction for satellite components that were supposedly going to be used in a scientific experiment by a professor at a university in Asia. The Blue Lantern check established that there was no professor by that name at the university, and that the university itself had no satellite-related program. It was essentially a medical school. Needless to say, the license was denied.

Second, we have worked hard to ensure that our defense trade controls are timely and nimble enough to meet the urgent needs of our battlefield allies. To do this, we have instituted an expedited licensing procedure for the urgent needs of our Coalition partners in Afghanistan and Iraq. In fiscal year 2005, 768 licenses were handled under this expedited program, and the median processing time for these cases was seven calendar days. The American participants in this conference will confirm that there is not much more that you can expect from the U.S. federal government in a week.

Third, the nature of international defense trade has grown infinitely more complex. More and more we find it shifting toward direct commercial sales as U.S. and foreign defense companies seek to form international partnerships. In the last three fiscal years, applications to the PM Bureau for arms export licenses have grown at eight percent per year, and during the fiscal year that just ended, the Directorate received more than 65,000 export applications of all types. And every party to each of these transactions, not just the exporter and the recipient but everybody in between, such as freight

forwarders and shippers, is checked against a watchlist with more than 100,000 names of suspect parties.

One step we have taken to meet this growth is our new system for fully electronic defense trade, which is making our export licensing process faster, simpler, and more efficient. Today, D-Trade can be used for licenses for the permanent export of unclassified hardware, and about 15 percent of all license applications are received through the new system. License processing times for D-Trade cases are half those of paper licenses. Over the next year, D-Trade will be expanded to include all other export license applications, including agreements, as well as commodity jurisdictions and several compliance functions.

Not only has defense trade become more complex, but the nature of what is being exported has become more sophisticated as well. For the most part, “defense articles” used to mean weapons themselves and their component parts. But today the most sensitive defense exports don’t necessarily go “bang.” Exports of night vision equipment, for example, are treated with particular care. As someone who spent a good portion of the 1990s in the special operations world, I know how important it is for U.S. forces and our Coalition partners to “own the night.” Staying abreast of the technology environment is a challenge in itself. This is particularly true for the role that information technology plays in our defense. I am very aware of this phenomenon, having lead three information technology companies and sat on the boards of several others. For example, the Joint Strike Fighter combat effectiveness relies on integrated software far more than any previous U.S. fighter aircraft, such as the F-16.

Another trend we face is in the nature of the export applications. Although the majority of applications are for hardware, the most important and complex cases are for defense services, including the export of technical data instead of hardware. The Joint Strike Fighter program is still in its Systems Development and Design phase, but we have already approved hundreds of Technical Assistance Agreements worth several billions of dollars. In Fiscal Year 2005, we authorized the export of \$28 billion in defense services, compared with \$29.5 billion in defense articles.

Related to this is the challenge of controlling the export of defense technology by “intangible” means, including by e-mail, fax, or Internet. In the 21st century, no country can claim that it has a modern or effective export control system if it does not control intangible transfers. For example, almost all the work being done on the Joint Strike Fighter is being transferred electronically, through a Virtual Private Network. The security of such networks is critical to the companies involved. But governments also have to have the legal and regulatory authority to control the export and re-export of the technical data that travels over these electronic networks.

Casting its shadow over each of these trends is the impact of globalization in the world economy, including the defense industry. Until recently I was President of the U.S. subsidiary of an international corporation in the information technology field that was cleared to do classified work for the U.S. government. We had to maintain an arms-length relationship with our parent company under rules established by the Pentagon’s Defense Security Service. We maintained a separate board of directors with security clearances and had a government security committee of the board to ensure that the firewalls between my subsidiary and the foreign-owned parent were robust and monitored. Under certain circumstances, our company had to have a license to discuss technical data with officials of the parent company. This added some layers of complexity to an already complex business, but it was necessary, and it is an example of how we have tried to accommodate globalization trends to the over-arching requirements of national security.

Another example: in 1999 BAE Systems established a North American entity, which is now called BAE Systems Inc. and is the 6th largest supplier to the Department of Defense. This year, BAE Systems Inc. acquired United Defense which itself had acquired Bofors in Sweden in 2000. Thus, the North American subsidiary of a British defense company is now itself the owner of a Swedish defense

company. And Peter Lichtenbaum and I as regulators have to deal with the export control issues that such relationships create.

Similarly, transnational development of new defense systems or capabilities within structures such as the E.U. pose challenges to our regulatory regime. Projects whose development spreads across the Continent may require multiple licenses and agreements to govern the flow of U.S. defense articles and technical data. But we are committed to making that flow as smooth as possible once again, within the context of national security.

Given the increasingly global nature of defense trade, a key element of our defense export policy is to strengthen international export controls, which is also a major pillar of our broader nonproliferation policy. Our colleagues in the Bureau of International Security and Nonproliferation work closely in the multinational export control regimes, including the Wassenaar Arrangement, to develop effective international export controls. I mentioned our efforts to address the MANPADS threat earlier in this speech, and Wassenaar has done some useful work on MANPADS controls. In addition, we have invested heavily in helping other countries bring their export control systems in line with international standards.

While much of our work is aimed at meeting the threats posed by emerging challenges in the area of terrorism and nonproliferation, we also scrutinize potential defense exports for their effect on regional stability. And so we must recognize that international defense trade controls is not simply dependent on complementary regulatory regimes, but on common perspectives about security threats. Even if there was an extraordinary and unimpeachable commonality in national defense trade control systems around the world, it could be irrelevant in the face of profoundly different approaches to some security challenges. I certainly do not mean to imply that we should all feel the same way about every strategic issue in the world, but there should at the very least be an appreciation and respect for each others perspectives on security issues that may be closer to home for some than for others. In that regard, I want to offer our perspective on the E.U. embargo on arms sales to China. President Bush and Secretary Rice have made clear to our E.U. friends at the highest possible level our strong opposition to the possible lifting of the E.U. embargo. So have other regional states, including Japan.

The United States strongly welcomes the efforts of the European Union to improve its *Code of Conduct on Arms Transfers*, whose normative criteria strongly resemble those of the U.S. *Conventional Arms Transfer Policy*. However, we do not believe that even a strengthened *Code of Conduct* is an adequate substitute for the E.U.'s China arms embargo.

As we have pointed out in our discussions with our E.U. colleagues, the European Union's own public reports on arms transfers show that some E.U. member states currently approve arms transfers to China under both the embargo and the *Code*. Indeed, E.U. data show that those member states approve more licenses for China than they deny.

This does not provide us a strong feeling of confidence that the *Code of Conduct* alone without an embargo would be an effective guarantee that lifting the embargo would not result in a qualitative or quantitative increase in E.U. arms transfer to China, as the European Council said in December.

I want to leave our European friends in no doubt that if the E.U. lifts its embargo on China, this will raise a major obstacle to future U.S. defense cooperation with Europe. In addition, there is no doubt as to the strength of Congressional feeling on this issue. I think we can count on it: should the E.U. lift its embargo, the U.S. Congress will legislate.

This is of course not where we want to go. We want our defense cooperation with our European friends and allies to increase. I am encouraged by the U.S. and E.U. strategic dialogue on East Asia, including China, and I hope it leads to an appreciation and respect for the various positions of the parties, especially those who have tens of thousands of service members carrying out the day to day tasks of security in that part of the world.

In closing, I believe the context for the thoughts I have offered you this morning can be summarized in three fundamental principles. First, because of the threats to America and her allies and partners, even in the globalized world, national security can never be compromised and must take precedence over considerations in the defense trade calculus. Second, because it is absolutely necessary today for nations to fight together to combat the threats to their common security we must work harder to find politically digestible ways to spur defense cooperation among trusted allies. And third, in order to do this, the military forces of partner nations must be interoperable and capable, which places a premium on sharing of defense cooperation, and I cannot emphasize this enough on the protection of defense technology.

As I take up my duties in the Department of State, I will heavily invest my personal energy and leadership in continuing to ensure that we have even more efficient systems and processes in place to safeguard U.S. defense technology, while at the same time allowing the governments and defense industries of our respective nations to cooperate on behalf of security, stability, and the spread of democracy throughout the world.

I will close my remarks with a quotation from Sir Winston Churchill, an honorary American citizen who also has some connection with our British hosts. Churchill, a man who was visionary and pragmatic all at once, might have been talking about export controls when he said: "It is a mistake to try to look too far ahead. The chain of destiny can only be grasped one link at a time." Just so. Let us go forward in all our various capacities and try to frame common solutions to today's great threats in ways that are achievable and sustainable.

Threats, Concerns, and Other Challenges to the Americas

By
Charles Shapiro

United States Ambassador to the Bolivarian Republic of Venezuela

[The following are excerpts of the remarks to Inter-American Defense College, Seminar on Threats to Western Hemisphere Security, Washington, D.C., October 27, 2005.]

The topic of this seminar “Threats to Hemispheric Security” is a timely subject since next month the Summit of the Americas will meet in Mar Del Plata, Argentina. The Summit will be an opportunity to build upon the *Declaration on Security in the Americas*, adopted at the Organization of American States’ (OAS’) Special Conference on Hemispheric Security in Mexico City. This Declaration essentially a comprehensive hemispheric security charter for the 21st century recognizes the diverse and multidimensional threats that challenge our democracies and undermine the security and prosperity of our citizens in too many states. Yes, traditional border disputes in the Hemisphere still exist, and we must continue relentlessly to resolve them. But we also face new forces that threaten our security and that of our neighbors that are not always easy to identify, isolate, and target. Among the challenges the Declaration on Security in the Americas identifies are the following:

- Terrorism; transnational organized crime;
- Proliferation of weapons of mass destruction and their access, possession, and use by terrorists;
- Illicit drugs;
- Corruption; illicit trafficking in weapons;
- Trafficking in persons; and
- Money laundering.

In addition, it notes such non-conventional threats as extreme poverty, environmental degradation, natural disasters, and health pandemics including human immunodeficiency virus and acquired immunodeficiency syndrome (HIV/AIDS) and other diseases.

I would like to focus on three particular threats of a diverse nature that we face in the Americas:

- Threat from terrorism,
- Threat from illicit trafficking of arms including Man-portable Air Defense System (MANPADS); and
- Threat to our collective socio-economic well-being from natural disasters.

I would also like to conclude with some comments about the importance of this college and the Inter-American Defense Board (IADB) to our common security architecture.

The Treat of Terrorism

On September 15, 2005 at the United Nations (U.N.), the world’s leaders affirmed,

We strongly condemn terrorism in all its forms and manifestations, committed by whom ever, wherever and for whatever purposes, as it constitutes one of the most serious threats to international peace and security.

Just two months ago, we observed the fourth anniversary of the terrorist attacks of September 11, 2001 and reflected on a great turning point in our history. We recognized that, far from an isolated

incident, the evil of that day has reappeared in other places, including Mombasa, Riyadh, Jakarta, Istanbul, Madrid, London, Sharm el-Sheikh, and, once again, in Bali. Our region is no stranger to terrorism. The Western Hemisphere has known acts of terrorism such as the 1994 Buenos Aires Jewish Community Center (AMIA) bombing in Argentina and the 2002 Nogales bombing in Bogota. Just this month a bombing occurred in Trinidad and Tobago.

To face the threat of terrorism we must prevent attacks of terrorist networks before they occur. In this Hemisphere, this implies working with our allies to track possible terrorist travel and funding and exposing organized criminal networks that could facilitate terrorist activity. We must also redouble efforts to deny weapons of mass destruction to outlaw regimes and to their terrorist allies. Several states in the hemisphere have joined the Proliferation Security Initiative to stop any possible shipments of suspected weapons technology. Third, we must deny radical groups support and sanctuary. In this Hemisphere, Cuba is considered a state sponsor of terrorism for its unwillingness to cooperate in the war on terror and its willingness to harbor those who are terrorists.

It is also crucial to deny militants control of any territory that they could use as a home base and a launching pad for terror. In this Hemisphere, we have successfully worked with Colombian President Uribe to regain his country's national territory from the control of narcoterrorists. We remain vigilant to narcoterrorists use of neighboring countries as well.

We must deny the terrorists future recruits by replacing hatred and resentment with democracy and hope across the Middle East. In the Western Hemisphere, this implies vigilance against any possible recruitment efforts, as well as a continued strong commitment to work with nations to empower people through economic opportunity and political inclusion.

Here in the Americas, the OAS was the first organization to condemn the September 11, 2001 terrorist attacks. Since then, the countries of the Hemisphere have worked to increase their ability to handle security threats through training programs sponsored by the Inter-America Committee on Terrorism (CICTE). The Hemisphere has also developed the Inter-American Convention Against Terrorism that is now entered into force. Working together we can defeat terrorism.

Threat from Illicit Trafficking in Arms

The destabilizing accumulation and illicit trafficking of small arms and light weapons has proven a major obstacle to social peace, economic development, and progress in many societies. Terrorists, drug traffickers, gangs, and other criminal organizations acquire arms primarily through illegal diversion, theft and smuggling, rather than through legitimate transfers. The United States supports comprehensive steps to address the illicit trade of small arms. We believe that measures by individual countries and collective steps by regional and sub regional organizations go a long way toward establishing norms and practices that can defeat this threat to our common security.

The OAS has made important contributions towards reducing the problem of illicit weapons proliferation and the U.S. encourages the Organization of American states and its member states to continue to make progress in this area. The entry into force of the *Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition and Explosives* (CIFTA) in 1998 made the OAS a leader in multilateral efforts to address the problem of illicit weapons trafficking. As a CIFTA signatory, the U.S. supports the Convention and OAS states parties' efforts to aggressively implement it.

Effective export and import controls and their enforcement are the cornerstones of any successful effort to mitigate the problems of illicit trade in small arms and light weapons. The adoption by the OAS of the Inter-American Drug Abuse Control Commission (CICAD) model regulations on the control of transnational movement of firearms is an important step forward. However, these regulations must be adopted and enforced by member states in order to be effective.

Unregulated arms brokers are additional sources of weapons for the black market. As the January 6, 2003 OAS report on the *Diversion of Nicaraguan Arms to the United Self Defense Forces of Colombia* investigation demonstrated, licensing and regulating arms brokers is central to combating illicit arms trafficking. Both exporting and importing countries also need to exercise due diligence in authenticating end-user certificates to ensure that exported arms are destined for a legitimate end-user.

The Threat of Man-portable Air Defense Systems

Strict import and export controls are particularly important in regards to man-portable air defense systems (MANPADS). It is no surprise that MANPADS are attractive to terrorists because they are relatively inexpensive, widely available, easy to use and lethal to aircraft. A MANPADS attack in the hemisphere or an attack with MANPADS originating in or from any of our states of the hemisphere would have devastating consequences for all of us. International and domestic public confidence in the safety of air travel, the airline industry, and the hemisphere's economy would be seriously impacted. The unsuccessful MANPADS attack on a commercial airline in Kenya in 2002, resulted in an almost 25 percent drop in tourism to this country. Just imagine what the impact of a successful attack would have been.

Given the number of MANPADS in worldwide inventories, the inadequate control of stockpiles and their availability on the black arms market, we need to aggressively seek to deny these weapons to terrorists. As highlighted by the January 2005 arrest of its traffickers and the confiscation of MANPADS in Nicaragua, the ease with which terrorists can acquire MANPADS is an alarming reality today in our hemisphere. This threat has not gone unnoticed by the international community. Last year, the International Civil Aviation Organization (ICAO) and the United Nations highlighted the threat to civil aviation posed by MANPADS by adopting resolutions calling on states to ensure that they are taking all steps necessary to protect our citizens and our air travel from unauthorized use of these weapons. The OAS has added its voice to the chorus of international organizations working to address this pressing threat. On June 7, 2005 the OAS General Assembly adopted the *Recommended Guidelines on MANPADS Control and Security*, which identifies concrete measures that member states should take to ensure that MANPADS do not fall into the hands of terrorists. Full implementation of the OASGA resolution by our countries will be critical in addressing this threat.

The Threat of Natural Disasters

The recent devastating hurricane season that has caused such great destruction to our neighbors and the United States reminds us of the continuing susceptibility of the region to natural disasters, striking developed and developing countries alike. The recent disasters have caused not only death and suffering on a massive scale, but also severe damage to economic and social infrastructure and already fragile ecosystems.

In this region, the United States is working through the OAS, U.S. Agency for International Development (USAID), the Pan-American Development Foundation and private sector partners to respond to storms and to volcanic eruptions in Mexico and Central America, which have caused widespread flooding that have killed hundreds of people and affected millions more. These steps build on efforts that began last year to promote greater cooperation between and among inter-American bodies such as the Inter-American Development Bank, Pan-American Health Organization, and the Inter-American Institute for Cooperation on Agriculture.

We strongly support the OAS' renewed efforts to address the natural disaster threat. This year, the General Assembly called for the creation of a joint consultative body, which will harness the efforts of the both the Committee on Hemispheric Security (CHS) and the Permanent Executive Committee on CICDI (CEPCIDI). It is my hope that this new body will help OAS member states enhance their responses to natural disasters and focus on the importance of domestic mitigation

strategies, enhanced monitoring and alert, emergency preparedness and response, risk management, effective disaster recovery and reconstruction efforts, mutual assistance, and technical cooperation.

Hemispheric Security

The October 2003 Special Conference on Security concluded that our concept of hemispheric security is multidimensional that the threats, concerns, and other challenges facing the Americas include military, political, economic, social, and environmental facets. Adapting to the realities of the 21st century is a challenging proposition that merits the full resources and attention of the Inter-American system.

Today, the challenges mentioned in the *Declaration of Security in the Americas* require coordinated, cooperative, and multilateral responses by our governments. These threats spawn crosscutting problems that require multifaceted responses by the whole range of state institutions each playing their appropriate role, with full respect for democratic principles and human rights. In short, security cooperation within and among our states must be more coordinated and intensified.

The United States is committed to an inter-American security agenda that promotes prosperity and equity within our countries and that promotes cooperation and stability among them. We are committed to this agenda because it is in our national interest that the Americas are democratic, stable, and prosperous. While the *Declaration* embodies our common approach to hemispheric security, success will only come when we move forward with implementation of the *Declaration* on a national, sub-regional, and regional level. The task ahead is to make our security architecture even more relevant and effective.

The need to clarify the juridical and institutional relationship between the Inter-American Defense Board and the OAS is part of the modernization process identified in Mexico City and reaffirmed by our Ministers of Defense in Quito at the Defense Ministerial of the Americas. In June, 2005, at the OAS General Assembly in Ft. Lauderdale, Florida, our governments established December 31, 2005, as the date by which we must modernize the IADB, college and clarify the juridical link between these bodies and the OAS. Fulfilling this mandate is essential because this college is an integral component of the Inter-American security architecture. It bolsters security and democracy by bringing together defense and security experts from throughout the Hemisphere to hone your professional capabilities and contemplate the defense and security challenges to your nations. I am pleased to see that the college expanded both its curriculum and student body to respond to the new realities of the Hemisphere. The increased civilian enrollment at the college is an important development that recognizes the growing nexus between traditional defense and emerging security issues.

The Board likewise must respond to the call for transformation. The defense and security expertise provided by the Board and its staff to the OAS is invaluable. Unfortunately, despite the growing need for expert counsel in this specialized area, the OAS and other Inter-American bodies have not made adequate use of the Board. The Board should be in position to provide the OAS and its member states with the technical, advisory, and educational expertise in both defense and hemispheric security matters of a non-operational nature. The OAS and its member states need this expertise if they are to effectively respond to the threats of the 21st century.

It is simply not productive for some to say that the Board should modernize, but that member states should not be able to ask it directly for assistance. It makes little sense to modernize an institution only to create additional hurdles and obstacles that will undermine its ability to respond to the needs of those who its serves our governments. The Board must be treated in the same way as other entities of the OAS anything less would be unfair and counterproductive. If we do not find a way of modernizing and employing this unique resource, frankly, we run the risk of losing it. After an exhaustive review of the Inter-American security architecture, the special conference agreed unanimously on a cooperative

and multidimensional approach to security. The Board and the college must also embrace this focus and mandate.

The OAS cannot support an Inter-American Defense Board that is not comprised of all OAS members and responsive to their needs. I am confident that the OAS will agree to strengthen the college and the Board so that they are better able to respond to the needs of the member states and provide the defense and security expertise needed by all.

Whither China: From Membership to Responsibility?

By
Robert B. Zoellick
Department of State Deputy Secretary of State

[The following are excerpts of the remarks to the National Committee on the United States and China Relations, presented in New York City, September 21, 2005.]

Earlier this year, I had the pleasure of making the acquaintance of Mr. Zheng Bijian, Chair of the China Reform Forum, who over some decades has been a counselor to China's leaders. We have spent many hours in Beijing and Washington discussing China's course of development and Sino-American relations. It has been my good fortune to get to know such a thoughtful man who has helped influence, through the Central Party School, the outlook of many officials during a time of tremendous change for China. This month, in anticipation of President Hu's visit to the United States, Mr. Zheng published the lead article in *Foreign Affairs*, "China's 'Peaceful Rise' to Great Power Status." This evening, I would like to give you a sense of the current dialogue between the United States and China by sharing my perspective.

Some twenty-seven years ago, Chinese leaders took a hard look at their country and did not like what they saw. China was just emerging from the Cultural Revolution. It was desperately poor, deliberately isolated from the world economy, and opposed to nearly every international institution. Under Deng Xiaoping, as Mr. Zheng explains, China's leaders reversed course and decided "to embrace globalization rather than detach themselves from it." Seven U.S. presidents of both parties recognized this strategic shift and worked to integrate China as a full member of the international system. Since 1978, the United States has also encouraged China's economic development through market reforms. Our policy has succeeded remarkably well: the dragon emerged and joined the world. Today, from the United Nations to the World Trade Organization, from agreements on ozone depletion to pacts on nuclear weapons, China is a player at the table. And China has experienced exceptional economic growth. Whether in commodities, clothing, computers, or capital markets, China's presence is felt every day.

China is big, it is growing, and it will influence the world in the years ahead. For the United States and the world, the essential question is how will China use its influence? To answer that question, it is time to take our policy beyond opening doors to China's membership into the international system: We need to urge China to become a responsible stakeholder in that system. China has a responsibility to strengthen the international system that has enabled its success. In doing so, China could achieve the objective identified by Mr. Zheng: "to transcend the traditional ways for great powers to emerge"

As Secretary Rice has stated, the United States welcomes a confident, peaceful, and prosperous China, one that appreciates that its growth and development depends on constructive connections with the rest of the world. Indeed, we hope to intensify work with a China that not only adjusts to the international rules developed over the last century, but also joins us and others to address the challenges of the new century. From China's perspective, it would seem that its national interest would be much better served by working with us to shape the future international system. If it is not clear why the United States should suggest a cooperative relationship with China, consider the alternatives. Picture the wide range of global challenges we face in the years ahead terrorism and extremists exploiting Islam, the proliferation of weapons of mass destruction, poverty, disease and ask whether it would be easier or harder to handle those problems if the United States and China were cooperating or at odds.

For fifty years, our policy was to fence in the Soviet Union while its own internal contradictions undermined it. For thirty years, our policy has been to draw out the People's Republic of China.

As a result, the China of today is simply not the Soviet Union of the late 1940s. It does not seek to spread radical, anti-American ideologies. While not yet democratic, it does not see itself in a twilight conflict against democracy around the globe. While at times mercantilist, it does not see itself in a death struggle with capitalism. And most importantly, China does not believe that its future depends on overturning the fundamental order of the international system. In fact, quite the reverse: Chinese leaders have decided that their success depends on being networked with the modern world.

If the Cold War analogy does not apply, neither does the distant balance-of-power politics of 19th century Europe. The global economy of the 21st century is a tightly woven fabric. We are too interconnected to try to hold China at arm's length, hoping to promote other powers in Asia at its expense. Nor would the other powers hold China at bay, initiating and terminating ties based on an old model of drawing-room diplomacy. The United States seeks constructive relations with all countries that do not threaten peace and security. So if the templates of the past do not fit, how should we view China at the dawn of the 21st century? On both sides, there is a gulf in perceptions. The overwhelming priority of China's senior officials is to develop and modernize a China that still faces enormous internal challenges. While proud of their accomplishments, China's leaders recognize their country's perceived weaknesses, its rural poverty, and the challenges of political and social change. Two-thirds of China's population nearly 900 million people are in poor rural areas, living mostly as subsistence farmers, and 200 million Chinese live on less than a dollar a day.

In China, economic growth is seen as an internal imperative, not as a challenge to the United States. Therefore, China clearly needs a benign international environment for its work at home. Of course, the Chinese expect to be treated with respect and will want to have their views and interests recognized. But China does not want a conflict with the United States. Nevertheless, many Americans worry that the Chinese dragon will prove to be a fire-breather. There is a cauldron of anxiety about China. The U.S. business community, which in the 1990s saw China as a land of opportunity, now has a more mixed assessment. Smaller companies worry about Chinese competition, rampant piracy, counterfeiting, and currency manipulation. Even larger U.S. businesses once the backbone of support for economic engagement are concerned that mercantilist Chinese policies will try to direct controlled markets instead of opening competitive markets. American workers wonder if they can compete.

China needs to recognize how its actions are perceived by others. China's involvement with troublesome states indicates at best a blindness to consequences and at worst something more ominous. China's actions combined with a lack of transparency can create risks. Uncertainties about how China will use its power will lead the United States and others as well to hedge relations with China. Many countries hope China will pursue a peaceful rise, but none will bet their future on it. For example, China's rapid military modernization and increases in capabilities raise questions about the purposes of this buildup and China's lack of transparency. The recent report by the U.S. Department of Defense on China's military posture was not confrontational, although China's reaction to it was.

The U.S. report described facts, including what we know about China's military, and discussed alternative scenarios. If China wants to lessen anxieties, it should openly explain its defense spending, intentions, doctrine, and military exercises. Views about China are also shaped by its growing economic footprint. China has gained much from its membership in an open, rules-based international economic system, and the U.S. market is particularly important for China's development strategy. Many gain from this trade, including millions of U.S. farmers and workers who produce the commodities, components, and capital goods that China is so voraciously consuming. But no other country certainly not those of the European Union or Japan would accept a \$162 billion bilateral trade deficit, contributing to a \$665 billion global current account deficit. China and others that sell to China cannot take its access to the U.S. market for granted. Protectionist pressures are growing. China has been more open than many developing countries, but there are increasing signs of mercantilism, with policies that seek to direct markets rather than opening them. The United States will not be able

to sustain an open international economic system or domestic U.S. support for such a system without greater cooperation from China, as a stakeholder that shares responsibility on international economic issues.

For example, a responsible major global player shouldn't tolerate rampant theft of intellectual property and counterfeiting, both of which strike at the heart of America's knowledge economy. China's pledges including a statement just last week by President Hu in New York to crack down on the criminals who ply this trade are welcome, but the results are not yet evident. China needs to fully live up to its commitments to markets where America has a strong competitive advantage, such as in services, agriculture, and certain manufactured goods. And while China's exchange rate policy offered stability in the past, times have changed. China may have a global current account surplus this year of nearly \$150 billion, among the highest in the world. This suggests that China's recent policy adjustments are an initial step, but much more remains to be done to permit markets to adjust to imbalances. China also shares a strong interest with the United States in negotiating a successful World Trade organization Doha agreement that opens markets and expands global growth.

China's economic growth is driving its thirst for energy. In response, China is acting as if it can somehow "lock up" energy supplies around the world. This is not a sensible path to achieving energy security. Moreover, a mercantilist strategy leads to partnerships with regimes that hurt China's reputation and lead others to question its intentions. In contrast, market strategies can lessen volatility, instability, and hoarding. China should work with the United States and others to develop diverse sources of energy, including through clean coal technology, nuclear, renewables, hydrogen, and biofuels. Our new Asia Pacific Partnership on Clean Development and Climate as well as the bilateral dialogue conducted by the U.S. Department of Energy and China's National Development and Reform Commission offer practical mechanisms for this cooperation. We should also encourage the opening of oil and gas production in more places around the world. We can work on energy conservation and efficiency, including through standards for the many appliances made in China.

Through the IEA we can strengthen the building and management of strategic reserves. We also have a common interest in secure transport routes and security in producing countries. All nations conduct diplomacy to promote their national interests. Responsible stakeholders go further, they recognize that the international system sustains their peaceful prosperity, so they work to sustain that system. In its foreign policy, China has many opportunities to be a responsible stakeholder. The most pressing opportunity is North Korea. Since hosting the Six-Party Talks at their inception in 2003, China has played a constructive role. This week we achieved a Joint Statement of Principles, with an agreement on the goal of "verifiable denuclearization of the Korean peninsula in a peaceful manner." But the hard work of implementation lies ahead, and China should share our interest in effective and comprehensive compliance. Moreover, the North Korea problem is about more than just the spread of dangerous weapons. Without broad economic and political reform, North Korea poses a threat to itself and others. It is time to move beyond the half century-old armistice on the Korean peninsula to a true peace, with regional security and development. A Korean peninsula without nuclear weapons opens the door to this future. Some thirty years ago America ended its war in Viet Nam. Today Viet Nam looks to the United States to help integrate it into the world market economic system so Viet Nam can improve the lives of its people. By contrast, North Korea, with a fifty year-old cold armistice, just falls further behind.

Beijing also has a strong interest in working with us to halt the proliferation of weapons of mass destruction and missiles that can deliver them. The proliferation of danger will undermine the benign security environment and healthy international economy that China needs for its development. China's actions on Iran's nuclear program will reveal the seriousness of China's commitment to non-proliferation. And while we welcome China's efforts to police its own behavior through new export controls on sensitive technology, we still need to see tough legal punishments for violators.

China and the United States can do more together in the global fight against terrorism. Chinese citizens have been victims of terror attacks in Pakistan and Afghanistan. China can help destroy the supply lines of global terrorism. We have made a good start by working together at the United Nations and searching for terrorist money in Chinese banks, but can expand our cooperation further. China pledged \$150 million in assistance to Afghanistan, and \$25 million to Iraq. These pledges were welcome, and we look forward to their full implementation. China would build stronger ties with both through follow-on pledges. Other countries are assisting the new Iraqi government with major debt forgiveness, focusing attention on the \$7 billion in Iraqi debt still held by Chinese state companies.

On my early morning runs in Khartoum, I saw Chinese doing tai chi exercises. I suspect they were in Sudan for the oil business. But China should take more than oil from Sudan it should take some responsibility for resolving Sudan's human crisis. It could work with the United States, the U.N., and others to support the African Union's peacekeeping mission, to provide humanitarian relief to Darfur, and to promote a solution to Sudan's conflicts.

In Asia, China is already playing a larger role. The United States respects China's interests in the region, and recognizes the useful role of multilateral diplomacy in Asia. But concerns will grow if China seeks to maneuver toward a predominance of power. Instead, we should work together with the Association of Southeast Asian Nations (ASEAN), Japan, Australia, and others for regional security and prosperity through the ASEAN Regional Forum and the Asia Pacific Economic Cooperation forum.

China's choices about Taiwan will send an important message, too. We have made clear that our "one China" policy remains based on the three communiqués and the *Taiwan Relations Act*. It is important for China to resolve its differences with Taiwan peacefully. The United States, Japan, and China will need to cooperate effectively together on both regional and global challenges. Given China's terrible losses in World War II, I appreciate the sensitivity of historical issues with Japan. But as I have told my Chinese colleagues, I have observed some sizeable gaps in China's telling of history, too. When I visited the "918" museum at the site of the 1931 "Manchurian Incident," I noted that the chronological account jumped from 1941 to the Soviet offensive against Japan in August 1945, overlooking the United States involvement in the Pacific from 1941 to 1945! Perhaps we could start to ease some misapprehensions by opening a three-way dialogue among historians. Clearly, there are many common interests and opportunities for cooperation. But some say America's commitment to democracy will preclude long-term cooperation with China. Let me suggest why this need not be so.

Freedom lies at the heart of what America is as a nation, we stand for what President Bush calls the non-negotiable demands of human dignity. As I have seen over the twenty-five years since I lived in Hong Kong, Asians have also pressed for more freedom and built many more democracies. Indeed, President Hu and Premier Wen are talking about the importance of China strengthening the rule of law and developing democratic institutions. We do not urge the cause of freedom to weaken China. To the contrary, President Bush has stressed that the terrible experience of September 11, 2001 has driven home that in the absence of freedom, unhealthy societies will breed deadly cancers. In his Second Inaugural, President Bush recognized that democratic institutions must reflect the values and culture of diverse societies. As he said, "Our goal is to help others find their own voice, attain their own freedom, and make their own way."

Being born ethnically Chinese does not predispose people against democracy just look at Taiwan's vibrant politics. Japan and South Korea have successfully blended a Confucian heritage with modern democratic principles. Closed politics cannot be a permanent feature of Chinese society. It is simply not sustainable as economic growth continues, better-off Chinese will want a greater say in their future, and pressure builds for political reform: China has one umbrella labor union, but waves of strikes. A party that came to power as a movement of peasants now confronts violent rural

protests, especially against corruption. A government with massive police powers cannot control spreading crime. Some in China believe they can secure the Communist Party's monopoly on power through emphasizing economic growth and heightened nationalism. This is risky and mistaken.

China needs a peaceful political transition to make its government responsible and accountable to its people. Village and grassroots elections are a start. They might be expanded perhaps to counties and provinces as a next step. China needs to reform its judiciary. It should open government processes to the involvement of civil society and stop harassing journalists who point out problems. China should also expand religious freedom and make real the guarantees of rights that exist on paper but not in practice.

Ladies and gentlemen, how we deal with China's rising power is a central question in American foreign policy. In China and the United States, Mr. Zheng's idea of a "peaceful rise" will spur vibrant debate. The world will look to the evidence of actions. I have suggested that the U.S. response should be to help foster constructive action by transforming our thirty-year policy of integration. We now need to encourage China to become a responsible stakeholder in the international system. As a responsible stakeholder, China would be more than just a member it would work with us to sustain the international system that has enabled its success.

Cooperation as stakeholders will not mean the absence of differences we will have disputes that we need to manage. But that management can take place within a larger framework where the parties recognize a shared interest in sustaining political, economic, and security systems that provide common benefits. To achieve this transformation of the Sino-American relationship, this Administration and those that follow it will need to build the foundation of support at home. That is particularly why I wanted to join you tonight. You hear the voices that perceive China solely through the lens of fear. But America succeeds when we look to the future as an opportunity, not when we fear what the future might bring. To succeed now, we will need all of you to press both the Chinese and your fellow citizens.

When President Nixon visited Beijing in 1972, our relationship with China was defined by what we were both against. Now we have the opportunity to define our relationship by what are both for. We have many common interests with China. But relationships built only on a coincidence of interests have shallow roots. Relationships built on shared interests and shared values are deep and lasting. We can cooperate with the emerging China of today, even as we work for the democratic China of tomorrow.

A Strategy for Central Asia

By
Daniel Fried

Assistant Secretary of State for European and Eurasian Affairs

[The following are excerpts from the statement presented to the Subcommittee on the Middle East and Central Asia of the House International Relations Committee, Washington, D.C., October 27, 2005.]

I would like to take this opportunity to outline the Administration's policy towards Central Asia, and include the goals and challenges we face in implementing them. We pursue three sets of strategic interests in Central Asia:

- Security;
- Energy and regional economic cooperation; and
- Freedom through reform.

We believe that these objectives are indivisible and ultimately consistent. Political reform, economic reform and security all are mutually reinforcing.

In her visit earlier this month to Kyrgyzstan, Tajikistan and Kazakhstan, United States Secretary of State Condoleezza Rice significantly advanced our objectives in all three areas. Her travel there, including the first visit ever by a U.S. Secretary of State to an independent Tajikistan, reflects our strong interest in supporting the development of these countries as sovereign, stable, democratic and prosperous nations. These countries have long been at the crossroads of world history. So they are again today. And despite the geographic distance between our country and those of Central Asia, we find ourselves faced with many challenges of immediate and pressing concern.

Terrorism is one such challenge. The Islamic Movement of Uzbekistan and other extremist groups, including the Islamic Jihad Group, continue to pose a threat to security and stability. Poor and rapidly growing populations still lacking in economic opportunity and feeling a sense of injustice are potentially susceptible to the call of violent extremism, particularly when legitimate avenues of dissent are foreclosed. A legacy of authoritarianism, as well as endemic corruption, continue to hamper the development of public institutions, good governance and the rule of law. Retrograde regimes in Uzbekistan and Turkmenistan hold their peoples back, and detract from regional cooperation and development. Yet there is also ample cause for optimism. Every year, more and more people throughout the region are finding new opportunities to thrive in economies that are privatizing and diversifying, and growing rapidly. Kazakhstan is the best example of the region's potential economic dynamism, as it moves to take its place among the world's top energyproducing nations. In Kyrgyzstan, civil society is gradually finding new political space to assemble freely and call for reform. Throughout the region, 1000-year-old traditions of tolerant faith and scientific learning continue to provide a natural shield against imported and narrow interpretations of Islam that breed extremism and violence.

We are doing what we can to support these positive trends. In fiscal year (FY) 2005, we budgeted over \$240 million in assistance to Central Asia, focusing our efforts on building and strengthening civil society, promoting democratic and economic reform, and combating criminal activities and terrorism. We are also directing assistance toward promoting regional security through counterproliferation, counter-terrorism and counter-narcotics cooperation. This is money well spent.

We pursue all three sets of our strategic interests in tandem, because failure in one area will undermine the chance of success in another. We are therefore supporting political and economic reform, rule of law, good governance, respect for human rights, religious freedom and tolerance, free

trade and open markets, development of small businesses, energy investment, and cooperation in the fight against terror and weapons of mass destruction, all at the same time.

Security

Since September 11, 2001, the United States has undertaken an ambitious forward strategy in Central Asia in support of the Global the War on Terrorism. Three of the five countries in Central Asia border on Afghanistan, and all five have provided support to Operation Enduring Freedom in various forms bases, over-flight rights, and re-fueling facilities. Our cooperation with these countries is underpinned by our common interest in fighting terrorism and in securing a stable and democratic future for Afghanistan. And this cooperation has been strengthened and made easier by the participation of these countries in military training and exercises through North Atlantic Treaty Organization's (NATO's) Partnership for Peace.

We are grateful for their contributions. During Secretary of State Rice's visit to Bishkek, Kyrgyz President Bakiyev emphasized his continued support for the presence of coalition forces at Manas air base until the mission of fighting terrorism in Afghanistan is completed. In Dushanbe, Tajik President Rahmanov also voiced strong support for coalition efforts in the global war against terrorism. Their continued support is all the more important with the departure of our forces from Karshi-Khanabad (K2) airbase in Uzbekistan.

In the period since their independence, the countries of Central Asia also have been an integral part of the United States' nonproliferation strategy. Kazakhstan's role in the former Soviet Union's nuclear missile launch capacity and weapons grade nuclear fuel generation goals made it one of the first countries included under Nunn-Lugar Counterproliferation assistance. Kazakhstan's cooperation with the United States under these programs has set a benchmark. We later included the other four countries in a regional Export Control and related Border Security (EXBS) strategy to control the spread of Chemical, Biological, Nuclear and Radiological (CBRN) weapons.

Central Asia's location as a crossroads for trade also makes it a crossroads for traffickers in weapons of mass destruction, missiles, and related technologies, particularly through their air routes. The Central Asia Republics have almost unanimously endorsed the *Proliferation Security Initiative* (PSI). The strong stance by these governments in support of PSI will serve as a deterrent to would be proliferators, and will ensure strategically important partners to the United States and other PSI participants in our global efforts to stop the proliferation of weapons of mass destruction.

The Department of State provides nonproliferation assistance in Central Asia drawing on funding from Nonproliferation, Anti-Terrorism, Demining and Related Programs (NADR). The multi-million dollar efforts of the Science Centers Program, Bio-Chem Redirect Program, and Bio-Industry Initiative, are central to our efforts to engage former weapons experts from Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, in transparent, sustainable, cooperative civilian research projects. This work is carried out through two multilateral Science Centers: the International Science and Technology Center in Moscow, and the Science and Technology Center in Ukraine in Kyiv.

Due to increasing concerns regarding terrorist access to biological and chemical expertise, the Department of State has recently targeted significant resources toward engaging biological and chemical experts in Central Asia through our scientist redirection efforts. The Export Control and related Border Security (EXBS) Program uses funding from Nonproliferation, Anti-Terrorism, Demining and Related Programs (NADR), and the *Freedom Support Act* (FSA) to achieve the United States Government's nonproliferation goals. The lack of delineated and demarcated internal borders among these five countries under Soviet rule made the need for assistance to border security projects a priority. Most EXBS program funding in Central Asia during fiscal years 2000-2005 delivered basic equipment and training to customs officials and border guards to secure borders and detect nuclear materials transit.

Through the Nonproliferation and Disarmament Fund (NDF), the Department of State has assisted the Department of Energy in funding the draining of sodium and spent fuel disposition at the BN-350 reactor at Aktau, Kazakhstan, and is also providing funds to enhance pathogen security legislation in Georgia, Kazakhstan and Uzbekistan. Through NDF, the Department has also funded additional physical security upgrades at the Uzbekistan Institute of Nuclear Physics, including perimeter fencing, conversion of the reactor to utilize low-enriched uranium fuel, upgrades to the control room, and return of 70kgs of highly-enriched uranium to Russia.

Energy and Economic Cooperation

Regional economic development is one of our top policy priorities in Central Asia. We are deepening our support of the countries of Central Asia to expand regional trade and investment. The trade links of the ancient Silk Road need to be revitalized to provide Central Asia with greater access to the global economy, through both South Asia and Europe. To advance these goals, we are working with the U.S. Trade Representative to operationalize the Central Asia trade and Investment Framework Agreement. We are also hard at work with our partners in Afghanistan and Tajikistan to build the roads and bridges essential to revitalizing regional and global trade. In addition, we are exploring hydropower as a potential major source of revenue for Kyrgyzstan and Tajikistan, and a possible catalyst for economic growth in Afghanistan.

Energy is a key sector, especially in Kazakhstan. Revenues from the energy sector can power regional economic growth, but only if these revenues are managed wisely. We are encouraging inter- and intra-regional energy trade, investment, and commercial competition by providing technical assistance and helping the governments coordinate with relevant international financial institutions. But oil and gas is not enough. Small-to-medium size businesses outside the energy sector are crucial to growing new jobs in the region, and extending prosperity to all.

Under Secretary for Economic Business and Agricultural Affairs, Josette S. Shiner's meetings with entrepreneurs in these countries during Secretary Rice's recent trip to Central Asia and our longstanding enterprise assistance programs are evidence of our strong support for economic diversification. To realize their full potential, each of the countries in Central Asia must do more to fight corruption, which is simply a tax on those least able to pay it. The family farmers, small businesspeople, and school teachers of Central Asia must know that government officials cannot arbitrarily seize their property. They must have confidence in their banking system and free access to credit and capital.

Governments in the region also need to do more to create welcoming environments for foreign trade and investment. There must be clear rules, transparency in how the rules are made, well-functioning judicial systems, and respect for rule of law.

Advancing Freedom Through Reform

I said earlier that freedom and democracy, including respect for human rights and religious freedom, provide the only path to genuine stability, as well as economic prosperity, in the region. Progress on reform on both democratic and economic fronts rule of law, respect for human rights and religious freedom, and the building of vibrant civil societies are also essential to our ability to sustain strong, positive and lasting bilateral relationships with these nations.

Allow me to cite a few brief examples of U.S. funded programs in the region. In Kyrgyzstan, we have brought human rights defenders together with Kyrgyz security, justice, and election officials for unprecedented discussions on torture, freedom of assembly, and the handling of elections. In Uzbekistan, we are working to strengthen microfinance institutions to create opportunities for self-employment and allow entrepreneurs to create new jobs; to date, this program has created twenty savings and credit unions nationwide, with total membership expected to reach 40,000 in 2006. In

Tajikistan, we are providing assistance to the critically important agricultural irrigation sector; recent economic analyses estimate that the impact of this assistance in terms of improved water delivery, depending on actual crop yields, is between \$250,000 and \$1 million annually.

These are examples of programs that help create improved social and economic conditions. By creating employment, supporting education, improving health care, and supporting small and medium-sized enterprises, we combat the attraction of extremist groups. Our concurrent message to these governments is that economic opportunity and respect for human rights is the best possible antidote to extremist ideas still plaguing the region. While there are barriers to reform and challenges to the establishment of civil society that face the region as a whole, our approach needs to be fine-tuned for each of these unique states. Let me discuss each of them in turn.

Kazakhstan Potential Regional Leader

In her visit to Astana, Secretary Rice expressed our interest in taking our bilateral relationship with Kazakhstan to a qualitatively new level. However, to make this possible, Kazakhstan will need to take forward the bold commitments put forward by President Nazarbaev to carry out further democratic reform.

The presidential election held in December 2005 gives Kazakhstan an opportunity to demonstrate whether it is becoming one of the region's leaders in democracy. We welcome the Central Election Commission's recent announcement of a series of measures aimed at clearing the way for what we hope will be an election that meets international standards. During this critical pre-election period, we are watching closely to see what steps are taken to allow for freedom of assembly, access to media, and an overall level playing field for opposition candidates, some of whom Secretary Rice met during her recent visit.

Sustained progress on democratic reform up to and beyond the election will be crucial for Kazakhstan's ambitions to serve as Chairman of Office of the Organization for Security and Cooperation in Europe (OSCE). We believe that the OSCE has a vital role to play in Central Asia and hope that Kazakhstan's interest in this translates into leadership in the region on the OSCE's values.

Kazakhstan has already been a leader in economic reform, implementing bold programs that have attracted investment, created jobs, and established a vibrant banking system. The Government of Kazakhstan has made a wise choice to begin diversifying its economy and ensure that its vast oil wealth contributes to social mobility, not social stagnation. The United States supports the Government of Kazakhstan's effort to develop non-energy sectors of its economy through the "Houston Initiative," developed during President Nazarbayev's visit to the United States in December, 2001. We are committed to working with Kazakhstan as it implements necessary requirements for admission to the World Trade Organization.

Most recently, Secretary Rice unveiled in Almaty a new Central Asian Infrastructure Integration Initiative, led by the U.S. Trade and Development Agency. This initiative will target activities in the areas of energy, transportation and communications that promote cooperation among the countries in the region and their integration into the global economy. While the initiative will initially involve Tajikistan, Kyrgyzstan and Kazakhstan, other countries could be invited in the future.

All of these steps stem from our belief that Kazakhstan has the potential to emerge as a regional leader in powering economic growth, promoting tolerance, and perhaps even advancing democratic reform. Our vision is of a reforming and prosperous Kazakhstan, leading a new corridor of reform in Central Asia by spearheading energy, trade and investment in Kyrgyzstan, Tajikistan and other neighboring countries. This is the kind of leadership that Kazakhstan has shown in the past when, at the end of the Cold War, it renounced its nuclear weapons and freely transferred over half a ton of weapons-grade uranium to secure sites outside the country.

Today, as the spread of nuclear weapons takes new forms, Kazakhstan is expanding its cooperation with the United States through the Proliferation Security Initiative. President Bush has in fact cited Kazakhstan as a key example of how a state rids itself of weapons of mass destruction when it has the will to do so.

Kyrgyzstan and Tajikistan Emerging Reformers?

We believe Kyrgyzstan stands on the threshold of a new era of stability, provided its leaders can consolidate the steps toward democracy emerging from last March's "Tulip Revolution." Although Kyrgyzstan's Presidential election earlier this year fell short of international standards, it demonstrated tangible progress and genuinely reflected the will of Kyrgyz voters and deserves our praise for its pioneer move forward towards genuine participatory democracy.

Working with the OSCE, we are encouraging the Government of Kyrgyzstan to sustain this momentum and press ahead with constitutional and electoral reform, anti-corruption measures, and market economic reforms. We are confident that such reforms will unleash the dynamism of Kyrgyzstan's civil society by providing the Kyrgyz people a way to participate in the civic life of their country, to earn a decent living, and to lift their entire country toward prosperity and democracy. Absent such opportunities, Kyrgyz society may face a resurgence of the sense of injustice that spawned the "Tulip Revolution." Our belief in the stabilizing and transformative power of freedom is the core principle of the Millennium Challenge Account. We are committed to working with the government and citizens of Kyrgyzstan to help advance the reforms necessary to participate in this innovative program.

Tajikistan, having generally recovered from its 1992-1997 civil war, has taken credible steps toward reform. All major participants in Tajikistan's past fighting are now sharing power in parliament. This includes the only legal Islamic political party in all of Central Asia, which is also represented in President Rahmonov's government. But long-term stability requires faster progress on democratic reform; our assistance to Tajikistan must reflect that priority.

Our security cooperation with Tajikistan is increasingly significant. Following the withdrawal of Russian Border Guards from the Tajikistan-Afghanistan border in July 2005, we have helped Tajikistan to secure its borders and fight narco-trafficking and weapons proliferation by budgeting approximately \$33 million in FY 2005. We hope to continue such cooperation in FY 2006.

For Kyrgyzstan and Tajikistan, regional cooperation is an economic lifeline. Both are in urgent need of investment and natural gas from Kazakhstan and Russia to eradicate poverty. The two poorest member states of the OSCE, Kyrgyzstan and Tajikistan increasingly look toward Afghanistan as a land bridge toward Indian Ocean ports and south Asian markets. The United States seeks to stimulate such regional and intra-regional cooperation by working with international financial institutions.

During her visit to Bishkek, Secretary Rice announced \$1.4 million in new U.S. assistance to reduce regional trade barriers and stimulate foreign investment in energy, transportation, and telecommunications infrastructure. We hope in particular to encourage the development of hydroelectric power generation in Kyrgyzstan and Tajikistan, with electricity exports to Afghanistan and Kazakhstan. We also want to improve their North-South energy transmission routes, and in Kyrgyzstan's case, help develop a sustainable solution to current dependence on Uzbekistan for energy in the south.

Turkmenistan

Turkmenistan remains an autocratic state. We are concerned about border security due to the potential for trafficking in weapons of mass destruction (WMD) and persons, and ongoing problems with drug trafficking.

Political and economic reform in Turkmenistan has been minimal since independence. Nevertheless, we are pursuing a policy of engagement with the government, and modest cooperation

where there are clear benefits to our interests and to the people of Turkmenistan. We will continue to press the government for progress in freedom of religion, assembly and movement for its citizens. Simultaneously, we must provide the people of Turkmenistan with the tools they need to build a more stable, free and prosperous future. These tools are principally educational and professional exchanges, and support for civil society.

Turkmenistan recently publicly agreed to support the Proliferation Security Initiative, and adopted a decree banning over-flights of planes suspected of carrying WMD or missile technology. These are positive steps. We plan to continue our assistance in counter-narcotics training, and to enhance export control and related border security program activities. We also support increasing Turkmenistan's international military education and training (IMET) participation, focusing on junior officers, and inviting participation in the Department of Defense's Counter-Terrorism Fellowship Program.

Uzbekistan

In Uzbekistan, the aftermath of the May 2005 events in Andijon and the government's indiscriminate use of force in response continue to color our evolving policy. Despite repeated calls by the international community for an independent investigation into these tragic events, the government of President Islam Karimov has refused to allow for a transparent accounting of what took place. Instead, the Uzbek government has engaged in an escalating campaign of harassment against the independent media, non-government organizations and other civil society groups.

Several weeks ago I traveled to Tashkent and met with President Karimov. In my discussion, I reaffirmed the need for an independent inquiry into Andijon, and I made clear our concerns regarding the deteriorating human rights situation there, including our concerns about religious freedom. The United States still sees a basis for cooperation and engagement with Uzbekistan, but our relationship cannot be compartmentalized nor limited to our security interests. Rather, it must be a broad relationship including attention to political and economic reform, as we agreed when President Karimov visited Washington in 2002.

As we move forward, we will continue to speak up both publicly and privately about our concerns. At the same time, we will continue to make clear that our intent is to help develop civil society and encourage peaceful democratic reform, not foment revolution, as some have falsely charged. We will continue to urge the government of Uzbekistan to reverse its current path and to embrace reform as the only way to achieve long-term stability. But we will not wait idly by for that day to come, but instead move forward now with our partners in Central Asia who seek stability through freedom.

To accomplish these goals, we need to step up democracy programs, including providing increased Uzbek language broadcasts and expanding programming for civil society, political parties and non-government organizations (NGOs). We are also seeking ways to support local traditions that embrace both tolerant faith and reason, as well as protecting the religious freedom of minority religious groups.

On the economic front, we intend to continue our development agenda in Uzbekistan, pushing for the removal of trade and transit barriers, as well as seeking ways to expand trade, energy and transit contacts with Afghanistan. In addition, we are working to shift economic engagement towards rural and small-medium enterprise development.

Conclusion

Our policy challenges in Central Asia are formidable but not unassailable. Pursuing a balance among our three sets of core interests security, energy and regional cooperation, and freedom through reform offers the best chance of success. If we can succeed in this effort, we believe that Central Asia can reemerge as a key interchange of commerce and culture, as it was

for centuries during the period of the Great Silk Road, a region that contributes to Afghanistan's stability as well as to our own security. Accomplishing this goal will require wise use of our limited resources. We look forward to working with the committee in this important effort.

The United States and the Organization for Security and Cooperation in Europe: A Partnership for Advancing Freedom

**By
Daniel Fried
Assistant Secretary of State for European and Eurasian Affairs**

[The following are excerpts of the testimony before the U.S. Commission on Security and Cooperation in Europe (Helsinki Commission), Washington, D.C., October 25, 2005.]

I am pleased to be here in this year marking the 30th anniversary of the *Helsinki Final Act* to discuss the Organization for Security and Cooperation in Europe (OSCE) and its role in advancing not only the interests but the values of our nation. I am grateful for the leadership and support you and other members of the commission have given to the Helsinki principles and OSCE over the years.

In his second Inaugural Address, President Bush declared a policy of promoting democracy and freedom throughout the world. The OSCE, Mr. Chairman, is the premiere institution for advancing freedom in the Euro-Atlantic region. On human rights and support for democracy, the so-called human dimension, its expertise and accomplishments are unparalleled. Its election observation methodology represents the gold standard in this field. And the OSCE's efforts have been instrumental in advancing democracy.

The organization has undertaken groundbreaking work in the promotion of tolerance and in combating anti-semitism and other forms of intolerance. The OSCE is a valuable partner in our efforts to promote basic freedoms and human rights, including religious freedom and freedom of the media. Its field missions are vital to the OSCE's work in many areas, and we strongly support their works in promoting security through good human rights, strong civil societies, and democratic practices.

The OSCE also performs important work in the security and economic spheres; it is a key instrument in helping solve regional conflicts, in countering terrorism, and combating trafficking in persons. The significant role the OSCE in promoting democracy and freedom was well illustrated during the last year in the impartial election observation missions it conducted, most notably in Ukraine and Kyrgyzstan. Citizens of these countries demanded their leaders' adherence to OSCE commitments and to principles of freedom and democracy. They said "enough" to fraudulent elections. OSCE helped them voice their opinions and give them a legitimate vote. Moreover, initial fraudulent elections in Ukraine bore witness to the importance of thorough and objective election observation, observation which provided both the international community and domestic citizens with a credible assessment on which to base demands for a legitimate outcome. The OSCE is continuing to work with the governments and civil society in Georgia, Ukraine, Kyrgyzstan and other countries to help them create and maintain democratic and open societies based on the rule of law, which will make them stable and secure neighbors.

Another success this year was the OSCE Cordoba Conference. This well-attended event successfully drew high-level attention, not only to the problems of anti-semitism and intolerance, but also to best practices for combating them. We believe that the OSCE should follow up on the 2004 Sofia Tolerance decision and the 2005 Cordoba conference, through regional seminars or expert-level meetings on implementation in 2006. These will generate even more enthusiasm among governmental and non-government experts for implementing OSCE commitments and focus attention on specific Office for Democratic Institutions and Human Rights (ODIHR) projects and national best practices. We support having high-level conferences along the lines of Cordoba and its predecessors every other year, to ensure high-level political attention to fulfillment of commitments. Also successful was our effort last year, together with non-government organizations partners, to have the OSCE establish three personal representatives on tolerance. Throughout

2005, these representatives have traveled widely to raise awareness of OSCE commitments and to support projects to assist OSCE states implementation of these commitments. We strongly support the work of the personal representatives and support their reappointment in January 2006.

Similarly, we have provided significant political and financial support to the activities of the OSCE's ODIHR in these areas of preventing hate crimes and discrimination. We recently seconded an expert to the post of legal adviser on hate crimes for ODIHR's Tolerance Program.

As with Cordoba, U.S. goals for this year's Human Dimension Implementation Meeting, held in Warsaw, September 2005, were successfully met. They included the following

- Reinforcing our commitments to human rights and democracy;
- Showing support for non-government organizations working in these fields;
- Generating political will among states for implementing OSCE commitments;
- Responding accurately to criticisms of the U.S. about media freedom and human rights and the war on terrorism;
- Building support for U.S. positions on tolerance conferences; and
- The three personal representatives on tolerance, OSCE reform, and other issues.

In addition to delegations from participating states, a record number of over 300 non-government organizations also participated in this year's Human Dimension Implementation Meeting, showcasing the OSCE's special ability to promote civil society through active cooperation. I am grateful for the participation of the Helsinki Commission staff, some of whom I have had the pleasure of working for more years, I am we would like to recall, participation of your staff as part of the U.S. delegation.

Notwithstanding the OSCE's successes, the OSCE should continue to adapt, but not at the expense of its effectiveness. One of the key tasks facing the OSCE this fall is the question of reform. This process got under way with the recommendations made by the Eminent Persons Panel earlier this year. We are closely examining these proposals that might and are looking especially at those that might enhance the effectiveness and efficiency of the organization, without undercutting its work in the human dimension. We are working with the Slovenian Chair, the European Union, and all other participating states to find ways to do just that.

The OSCE's work, through ODIHR and election monitoring, is rightly recognized as superb. Unfortunately, there have been calls by some states to review and even question election-related commitments and methodology. We are amenable to review in areas where ODIHR's effectiveness could be enhanced; however, we are strongly against any proposals that would undermine election commitments or impinge on ODIHR's autonomy or effectiveness. We see no need to change something that works so well. The issue here is not methodology but rather marshalling the political will among participating states to ensure implementation of existing commitments, thus allowing the voice of the electorate to be heard.

One of the OSCE's most important assets is its institutions and the seventeen field presences, from the Balkans to Central Asia. We strongly support OSCE field work and believe that field offices are critical to promoting OSCE commitments, especially democratic values and international human rights standards. In their work with host governments, non-government organizations and the public, field missions perform vital work in numerous fields, from institution-building, promotion of democracy and development of civil society, to coordinating international efforts at conflict prevention, post-conflict rehabilitation, and conflict resolution.

At the Ljubljana Ministerial in December 2005, we highlighted the accomplishments of the OSCE in this anniversary year, while we built support for the important work which still lies ahead

While there has been some progress in negotiations between Georgia and Russia, we will again strongly urge Russia to fulfill its Istanbul commitments. We expect the ministerial to endorse OSCE work on promoting tolerance, gender equality, shipping container security, small arms and light weapons, man-portable air defense system (MANPADS), and the destruction of excess stockpiles of ammunition and weapons.

The issue of how the OSCE funds itself is still unresolved, but we hope by the ministerial to have agreement on new OSCE scales of assessment. Russia is seeking a dramatic reduction in its contributions to the OSCE and remains the lone holdout among OSCE's fifty-five participating states on new scales. The United States stands behind the criteria for adjustment of the scales adopted in 2001 and 2002.

In November, 2005, the Department of State co-sponsored a conference held in Vienna, which brought together high-level officials from capitals to discuss new ways of combating terrorist financing. Over the past year, the OSCE has continued to expand and strengthen its efforts on combating the modern-day slavery called trafficking in persons. In addition to establishment of the special representative on combating TIP, the Anti-Trafficking Assistance Unit got up and running, headed by a very effective U.S. expert, Michele Clark. We want to see this unit and the special representative focus OSCE activities on strategic priorities in the area where OSCE can make a difference.

The OSCE took the lead in the international community in establishing a code of conduct for its mission members to ensure that they do not contribute to trafficking in persons. And this fall, the United States will again introduce a draft ministerial decision to strengthen this work and have OSCE States agree to take responsibility for their own peacekeeping troops and mission members.

This year, we updated it to include the issue of preventing sexual exploitation by peacekeepers and international mission members. I would like to note the Parliamentary Assembly's declaration in Washington in support of this ministerial decision and thank Congressman Smith, express my thanks to Congressman Smith for his leadership on this initiative.

The OSCE has value and has demonstrated its value in achieving U.S. foreign policy objectives and in the promotion of our common values. In promoting democratic development and respect for human rights, the OSCE is a lead organization in the Euro-Atlantic area. On economic development, the OSCE promotes good governance and helps countries put systems in place to fight corruption.

On political-military issues, such as the fight against terrorism, border security, small arms and light weapons, and excess stockpiles, the OSCE fills crucial gaps. It has proven itself an effective tool. It complements our bilateral, diplomatic and assistance efforts throughout Europe and Eurasia.

United States Department of State Fact Sheet

Office of the Spokesman, Washington, D.C. 6 February 2006

International Affairs, First Release, Fiscal Year 2007 Budget Summary

The President's FY 2007 International Affairs Budget for the Department of State, the U.S. Agency for International Development, and other foreign affairs agencies totals \$ 35.1 billion:

- Foreign Operations \$23.7 billion;
- State Operations \$9.3 billion;
- Food Aid and Famine Assistance \$1.3 billion;
- International Broadcasting \$672 million; and
- Other Programs \$93 million.

The President's Budget Proposal

- Supports transformational diplomacy to build and sustain democratic, well governed states that will respond to the needs of their people and conduct themselves responsibly within the international system.
- Continues funding for a broad coalition of nations committed to winning the war on terror.
- Affirms our commitment to the citizens of Afghanistan and Iraq by providing funding for economic growth and democracy building.
- Maintains strong U.S. leadership globally in funding international human immunodeficiency virus and acquired immunodeficiency syndrome (HIV/AIDS) care, treatment, and prevention.
- Strengthens protection of America's security by pursuing secure borders and opening doors through the application of enhanced technology and biometrics.

Highlights of the Budget - Foreign Operations and Related Agencies

- \$6.2 billion in assistance to our partners in the global war on terror.
- \$4 billion in total U.S. funding to prevent and treat the HIV/AIDS global epidemic.
- \$1.1 billion for reconstruction activities in Afghanistan.
- \$771 million to support Iraq's transition to self reliance.
- \$3 billion for the fourth year of the Millennium Challenge Corporation.
- \$2.7 billion in development and child survival and health assistance.
- \$1.3 billion in disaster, transition, and refugee assistance.
- \$1.3 billion in food and famine assistance.
- \$722 million in counter-narcotics funding for the Andean Counterdrug Initiative, including \$465 million for Colombia.
- \$276 million to address global peacekeeping requirements and establish the Office of the Coordinator for Reconstruction and Stabilization to coordinate U.S. government civilian response to conditions in failed, failing, and post-conflict states.

State Operations and Related Programs

- \$1.540 billion for security-related construction and major physical security and rehabilitation requirements of U.S. embassies and consulates.
- \$1.139 billion to improve protection of U.S. borders through the Border Security Program.
- \$795 million to increase security for diplomatic personnel and facilities in the face of terrorism.
- \$890 million from all funding sources to exploit information technology.
- \$351 million for public diplomacy to engage foreign audiences and win support for U.S. foreign policy goals.
- \$474 million for educational and cultural exchanges to build strategic relationships.
- \$1.269 billion for U.S. obligations to 45 international organizations, including the United Nations.
- \$1.135 billion to pay the U.S. share of assessments for United Nations peacekeeping missions.

New Direction for United States Foreign Assistance

Fact Sheet from the Office of the Spokesman, Washington, D.C., 19 January 2006

Foreign assistance is an essential component of our transformational diplomacy. In today's world, America's security is linked to the capacity of foreign states to govern justly and effectively. Our foreign assistance must help people get results. The resources we commit must empower developing countries to strengthen security, to consolidate democracy, to increase trade and investment, and to improve the lives of their people. America's foreign assistance must promote responsible sovereignty, not permanent dependency. Ladies and Gentlemen: We were attacked on 11 September 2001, by terrorists who had plotted and trained in a failed state: Afghanistan. Since then, we have cycled tens of thousands of troops through the country, spent billions of dollars, and sacrificed precious lives to eliminate the threat and to liberate the brutally repressed people of Afghanistan. In the final analysis, we must now use our foreign assistance to help prevent future Afghanistans and to make America and the world safer.

United States Secretary of State Condoleezza Rice, 19 January 2006

Secretary of State Rice announced a major change in the way the U.S. government directs foreign assistance. In a time of transformational diplomacy as America works with our partners to build and sustain democratic well-governed states changes are necessary to meet new challenges. This reorganization will:

- Ensure that foreign assistance is used as effectively as possible to meet our broad foreign policy objectives;
- More fully align the foreign assistance activities carried out by the Department of State and United States Agency for International Development (USAID);
- Demonstrate that we are responsible stewards of taxpayer dollars.

New Position: Director of Foreign Assistance

The Secretary announced her intention to create the new position of Director of Foreign Assistance (DFA). The DFA will:

- Serve concurrently as USAID Administrator while carrying out the duties of Director of Foreign Assistance.
- As USAID Administrator, be nominated by the President and confirmed by the Senate, and serve at a level equivalent to Deputy Secretary.
- Have authority over all Department of State and USAID foreign assistance funding and programs, with continued participation in program planning, implementation, and oversight from the various bureaus and offices within the Department of State and USAID, as part of the integrated interagency planning, coordination and implementation mechanisms.
- Develop a coordinated U.S. government foreign assistance strategy, including developing a five-year country specific assistance strategies and annual country-specific assistance operational plans.
- Create and direct consolidated policy, planning, budget and implementation mechanisms and staff functions required to provide umbrella leadership to foreign assistance.

- Provide guidance to foreign assistance delivered through other agencies and entities of the U.S. government, including the Millennium Challenge Corporation and the Office of the Global Acquired Immunodeficiency Syndrome Coordinator.

- Direct the required transformation of the U.S. government approach to foreign assistance in order to achieve the President's Transformational Development Goals.

This change will be implemented consistent with current law. No new legislation will be required at this time. The USAID's status as an independent organization with an administrator reporting directly to the Secretary of State remains unchanged.

United States and the Republic of Korea Launch Strategic Consultation for Allied Partnership

Media Note

Washington, D.C., 19 January 2006

[The following is the text of a joint United States and Republic of Korea statement on the launch of the Strategic Consultation for Allied Partnership.]

The first session of the U.S. and Republic of Korea (ROK) Strategic Consultation for Allied Partnership was held 19 January 2006, in Washington, D.C. The decision to launch a ministerial-level strategic consultative process was made at the Gyeongju Summit in November 2005 and signifies the growing reach and ambitions of the partnership between the United States and the Republic of Korea.

The U.S. and ROK alliance was forged in battle and tested through the long years of the Cold War. Today, our alliance remains a bulwark of stability in Northeast Asia and our security cooperation has provided a framework for the development and growth of our economic ties and the nurturing and protection of common values rooted in shared respect for democracy, human rights and the rule of law.

Secretary of State Condoleezza Rice and Foreign Minister Ban Ki-Moon agreed that the U.S. and ROK partnership encompasses a broad range of interests and goals. The Strategic Consultation for Allied Partnership aspires through regular high-level meetings supported by senior-level discussions to harness and focus the respective strengths of our societies to resolve pressing regional and global challenges.

Secretary Rice and Foreign Minister Ban set out a dynamic agenda for future discussions within the framework of the Strategic Consultations. Their emphasis is on creative initiatives producing concrete results and highlighting cooperation between the two countries. Key initiatives include:

- Cooperation and coordination of efforts to promote freedom, democratic institutions and human rights worldwide, demonstrated by their successful shared effort in Iraq and Afghanistan;
- Strengthened cooperation on fighting terrorism, and exerting common efforts for the observance and implementation of international security cooperation regimes for the prevention of proliferation of Weapons of Mass Destruction and their delivery means;
- Coordination and combination of efforts to develop comprehensive international strategies to fight transnational pandemic disease;
- Maintaining a strong U.S. and ROK alliance to contribute to peace and stability in Northeast Asia, leading possibly to an eventual regional multinational mechanism for security cooperation;
- Developing common approaches to reinforcing peace and stability through multilateral peacekeeping and improved collaboration on crisis response and disaster management.

These initiatives will form the core of the agenda for a U.S. ROK Sub-Ministerial dialogue chaired by Under Secretary Nicholas Burns and his counterpart, Vice Foreign Minister Yu Myung-Hwan, in Seoul.

Regarding the issue of strategic flexibility of U.S. forces in the ROK, Secretary Rice and Foreign Minister Ban confirmed the understanding of both governments as follows:

The ROK, as an ally, fully understands the rationale for the transformation of the U.S. global military strategy, and respects the necessity for strategic flexibility of the U.S. forces in the ROK.

In the implementation of strategic flexibility, the U.S. respects the ROK position that it shall not be involved in a regional conflict in Northeast Asia against the will of the Korean people.

Together, the Ministers expressed hope that a basis for a permanent peace regime on the Korean Peninsula can be explored in the course of resolving the North Korean nuclear issue. Secretary Rice and Minister Ban reaffirmed that efforts to establish a peace regime on the Korean Peninsula will be based on the U.S. and ROK alliance.

The two Ministers discussed steps the two countries can take together to end the threat from the Democratic People's Republic of Korea (DPRK) nuclear weapons and programs. They agreed that the DPRK must return promptly to the Six-Party Talks and that the focus of future discussions in Beijing must be on steps to implement the 19 September 2005 Joint Statement.

The two Ministers welcomed recent progress in U.S. and Korea trade relations, and discussed ways to further deepen bilateral economic cooperation. Secretary Rice and Minister Ban welcomed the inauguration of the Strategic Consultation for Allied Partnership, viewing it as an important contribution to the strength of the bilateral relationship. They pledged sustained follow up through further discussions later in the year.

National Security Language Initiative

Fact Sheet from the Office of the Spokesman, Washington, D.C., 5 January 2006

President Bush today [5 January 2006] launched the National Security Language Initiative (NSLI), a plan to further strengthen national security and prosperity in the 21st century through education, especially in developing foreign language skills. The NSLI will dramatically increase the number of Americans learning critical need foreign languages such as Arabic, Chinese, Russian, Hindi, Farsi, and others through new and expanded programs from kindergarten through university and into the workforce. The President will request \$114 million in fiscal year 2007 to fund this effort.

An essential component of U.S. national security in the post, 11 September 2001 world is the ability to engage foreign governments and peoples, especially in critical regions, to encourage reform, promote understanding, convey respect for other cultures and provide an opportunity to learn more about our country and its citizens. To do this, we must be able to communicate in other languages, a challenge for which we are unprepared.

Deficits in foreign language learning and teaching negatively affects our national security, diplomacy, law enforcement, intelligence communities, and cultural understanding. It prevents us from effectively communicating in foreign media environments, hurts counter-terrorism efforts, and hampers our capacity to work with people and governments in post-conflict zones and to promote mutual understanding. Our business competitiveness is hampered in making effective contacts and adding new markets overseas.

To address these needs, under the direction of the President, the Secretaries of State, Education and Defense and the Director of National Intelligence have developed a comprehensive national plan to expand U.S. foreign language education beginning in early childhood and continuing throughout formal schooling and into the workforce, with new programs and resources. The agencies will also seek to partner with institutions of learning, foundations and the private sector to assist in all phases of this initiative, including partnering in the K-16 language studies, and providing job opportunities and incentives for graduates of these programs.

The National Security Language Initiative has three broad goals:

- Expand the number of Americans mastering critical need languages and start at a younger age.
 - Providing \$24 million to create incentives to teach and study critical need languages in K-12 by re-focusing the Department of Education's Foreign Language Assistance Program (FLAP) grants.
 - Building continuous programs of study of critical need languages from kindergarten to university through a new \$27 million program, which will start in twenty-seven schools in the next year through Department of Defense's NSEP program and the Department of Education, and will likely expand to additional schools in future years.
 - Providing Department of State scholarships for summer, academic year and semester study abroad, and short-term opportunities for high school students studying critical need languages to up to 3,000 high school students by summer 2009.
 - Expanding the State Department Fulbright Foreign Language Teaching Assistant Program, to allow 300 native speakers of critical need languages to come to the U.S. to teach in U.S. universities and schools in 2006 and 2007.

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- Establishing a new component in State's Teacher Exchange Programs to annually assist 100 U.S. teachers of critical need languages to study abroad.
 - Establishing Director of National Intelligence language study "feeder" programs, grants and initiatives with K-16 educational institutions to provide summer student and teacher immersion experiences, academic courses and curricula, and other resources for foreign language education in less commonly taught languages targeting 400 students and 400 teachers in five states in 2007 and up to 3,000 students and 3,000 teachers by 2011 in additional states.
 - Increase the number of advanced-level speakers of foreign languages, with an emphasis on critical needs languages by:
 - Expanding the National Flagship Language Initiative to a \$13.2 million program aiming to produce 2,000 advanced speakers of Arabic, Chinese, Russian, Persian, Hindi, and Central Asian languages by 2009.
 - Increasing to up to 200 by 2008 the annual Gilman scholarships for financially-needy undergraduates to study critical need languages abroad.
 - Creating new Department of State summer immersion study programs for up to 275 university level students per year in critical need languages.
 - Adding overseas language study to 150 U.S. Fulbright student scholarships annually.
 - Increasing support for immersion language study centers abroad.
 - Increase the number of foreign language teachers and the resources for them by:
 - Establishing a National Language Service Corps for Americans with proficiencies in critical languages to serve the nation by:
 - Working for the federal government;
 - Serving in a Civilian Linguist Reserve Corps (CLRC);
 - Joining a newly created Language Teacher Corps to teach languages in our nation's elementary, middle, and high schools. This program will direct \$14 million in fiscal year 2007 with the goal of having 1,000 volunteers in the CLRC and 1,000 teachers in our schools before the end of the decade.
 - Establishing a new \$1 million nation-wide distance-education E-Learning Clearinghouse through the Department of Education to deliver foreign language education resources to teachers and students across the country.
 - Expand teacher-to-teacher seminars and training through a \$3 million Department of Education effort to reach thousands of foreign language teachers in 2007.
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Containing the Threat from Man-Portable Air Defense Systems

**Fact Sheet from the Office of the Spokesman,
Washington, D.C., 22 November 2005**

The Office of Weapons Removal and Abatement in the U.S. Department of State's Bureau of Political-Military Affairs and the Office of Conventional Weapons Threat Reduction in the Bureau of International Security and Nonproliferation have released a new fact sheet, *The MANPADS Menace: Combating the Threat to Global Aviation from Man-Portable Air Defense Systems*.

Available at www.state.gov/t/pm/rls/fs/53558.htm, or <http://10.4.32.12/t/np/acw/acw.htm>, the fact sheet provides a brief description of MANPADS, commonly referred to as shoulder-fired anti-aircraft missiles, their origins and capabilities, and summarizes the United States' bilateral and multilateral efforts to work with other countries and international organizations to prevent them from falling into the hands of criminals, terrorists and other non-state actors. It also provides examples of Department of State successes in working with other countries to destroy their excess MANPADS. The potential danger from MANPADS in the wrong hands is real, not theoretical. The fact sheet contains examples of incidents as early as 1978 in which civilian aircraft were deliberately targeted by groups that had obtained these short-range surface-to-air missiles.

The Office of Weapons Removal and Abatement www.state.gov/t/pm/wra and the Office of Conventional Weapons Threat Reduction www.state.gov/t/np/acw lead the Department of State's efforts to stem illicit trafficking in MANPADS. The Office of Weapons Removal and Abatement manages programs to destroy or secure MANPADS that pose a proliferation threat. The Office of Conventional Weapons Threat Reduction engages with foreign governments to promote rigorous standards for MANPADS transfers. Both coordinate closely with the U.S. Defense Threat Reduction Agency www.dtra.mil/toolbox/directorates/osi/programs/smarms/liaison.cfm to assist foreign governments with improving the physical security of stockpiled MANPADS and other types of weapons.



EDUCATION AND TRAINING

The Defense Security Cooperation Agency Announces the Activation of the Professional Development On-Line Certification Application and Tracking System

**By
Gregory W. Sutton
Defense Institute of Security Assistance Management**

As the Defense Security Cooperation Agency (DSCA) executive agent for workforce professional development, DISAM is happy to announce a significant step forward to assist the international affairs (IA) workforce in career planning, documenting accomplishments, and applying for IA certification. IA certification is just one leg of the triad of DSCA initiatives to promote the professionalism of those involved in all aspects of international affairs, from foreign military sales (FMS) through co-operative research and development programs and all components in between.

Beginning in November 2001, with the publication of *The Department of Defense, International Affairs, Certification and Career Development Guidelines*, the Defense Security Cooperation Agency (DSCA) has been progressively advancing a three pronged approach to dealing with the significant potential fallout of a senior workforce, and providing our current and future IA professionals with the necessary tools to effectively deal with an ever broadening environment. This “triad” of initiatives includes an internship program, a graduate studies program (GMAP), and the focus of this writing – the IA Certification Program. Additional information on all of the initiatives can be found on-line at: <https://www.personnelinitiatives.org/index.html> The Department of Defense (DoD) guidelines describe the certification portion of the personnel initiatives this way:

These International Affairs Certification and Career Development Guidelines (IAC&CDG) are established primarily for personnel performing IA duties as their primary discipline. Participation in this program is voluntary and is open to civil service, military, and foreign service national personnel. Titles 10 and 22 of the U.S. Code define International Affairs functions. Successful program execution under either requires specific, and cross-cutting, functional expertise. The International Affairs population is extremely broad and varied. Individuals may be full or part time, with a primary specialty within international affairs or as an adjunct to a primary functional area. It is because of the broad nature of the population, that the career programs are administered by the various military departments (MILDEPs) as well as DSCA and DISAM for non-MILDEP agencies within DoD. The federal workforce faces a critical loss of human ‘information’ capital. A variety of options are available to senior leaders to effectively limit adverse results. They include:

- Establishment of mentoring programs;
- Intensive training and educational programs;
- Recruitment and retention;
- Competitive benefits; and
- A variety of inducements, including monetary, targeted to recruit and retain a qualified workforce.

A structured and well-funded training program is critical to the success of any workforce shaping or career development program. The creation of a 'pool' of qualified personnel, which provides the basis for future senior leadership, requires the identification and availability of qualitative and quantitative training. This combination provides the necessary functional knowledge, as well as, the skills and abilities to effectively execute IA.

The IA Certification is one portion of the effort which consists of meeting specific educational, training, and experience requirements for each of three levels of certification. Each MILDEP, DSCA and DISAM for non-MILDEP agencies has developed service specific implementation plans, but all certifications are transportable throughout DoD and must be in accordance with DoD Guidelines.

The Guidelines

Multiple levels of certification are used in current Defense Organizations' career programs. These programs use job experience, training, and education to establish thresholds for certification. Because of the voluntary nature of this program, certification level requirements for a position can not be assigned.

Below is an extract from the *The Department of Defense, International Affairs, Certification and Career Development Guidelines* which covers the broad requirements for certification at the three levels. Individual MILDEP and non-MILDEP/Agency implementation plans are more specific and should be consulted by members of that MILDEP wishing to apply for certification. The plans can be found at the following web site: <https://www.personnelinitiatives.org/certification/certification.asp>. Military personnel serving in joint billets or at the combatant commands should apply through their parent service regardless of current assignment.

International Affairs Certification Requirements

The following requirements are general in nature, and are further defined by the defense organizations. The long-term goal of these guidelines is to establish a minimum set of requirements for the DoD International Affairs 'prime candidate population'. The criteria heretofore may be used in conjunction with or to complement already established defense organizations career development programs. Significant research and analysis occurred to determine the appropriate relationship between a certification level and the level of education, training, and experience expected. These guidelines are consistent with existing DoD, U.S. Navy, U.S. Army, and U.S. Air Force career development, training, and education.

Although obtaining certification may not be mandatory, nor guarantee promotion, they do provide IA personnel a road-map designed for career enhancement and development programs.

1.1.1. Level I Certification

1.1.1.1. Education

(Desired) Baccalaureate degree with a major or equivalent, or a combination of courses totaling at least 24 semester hours, in international law and international relations, political science, economics, history, sociology, geography, social or cultural anthropology, law, statistics, or in the humanities; or 12 semester hours in one of the above disciplines and 12 semester hours in statistics/quantitative methods. Or, combination of education and experience—courses equivalent to a major, or a combination of related courses totaling at least 24 semester hours, as shown above plus appropriate experience or additional education. Or, four years of appropriate experience in one or more of the fields listed in work associated with international organizations, problems or other aspects of foreign affairs.

1.1.1.2. Training

- International Programs Security Requirements Course (or DAU PMT 203) [N/A if SAM-O, SAM-C have been completed after 1 September 2000.] (Required); and
- Introductory functional development courses offered by MILDEP or Defense University (DU¹) (Required); and
- Introductory Security Cooperation course offered by DISAM, and/or other relevant international affairs job-related introductory course offerings within a federal agency (required);

1.1.1.3. Experience

One year of International Affairs experience. (Required) [Level II and Level III requirements are additional to Level I with few exceptions.]

1.1.2. Level II Certification

1.1.2.1. Education

(Desired) Baccalaureate degree with a major or equivalent, or a combination of courses totaling at least 24 semester hours, in international law and international relations, political science, economics, history, sociology, geography, social or cultural anthropology, law, statistics, or in the humanities; or 12 semester hours in one of the above disciplines and 12 semester hours in statistics/quantitative methods. Or, combination of education and experience—courses equivalent to a major, or a combination of related courses totaling at least 24 semester hours, as shown above plus appropriate experience or additional education.

1.1.2.2. Training

- International Programs Security Requirements Course (Required); [N/A if already completed at Level I.]
- Intermediate functional development courses offered by MILDEP or DU in primary area of expertise (Required);
- Introductory functional development courses offered by MILDEP or DU in secondary area of expertise (Required); and
- Intermediate or refresher courses in Security Cooperation offered by DISAM, or other relevant international affairs job-related courses offered by Defense Acquisition University or within other federal agencies (Required); and
- At least one formal course in leadership or management (Required).

1.1.2.3. Experience

- Two years of international affairs experience (Required); and
- An additional two years of international affairs experience in a different agency or organization (Desired).

1.1.3. Level III Certification

1.1.3.1. Education

(Desired) Baccalaureate degree with a major or equivalent, or a combination of courses totaling at least 24 semester hours, in international law and international relations, political science, economics, history, sociology, geography, social or cultural anthropology,

¹ Representational of any sponsored educational program, college, or university recognized by the DoD.

law, statistics, or in the humanities; or 12 semester hours in one of the above disciplines and 12 semester hours in statistics/quantitative methods. Or, combination of education and experience—courses equivalent to a major, or a combination of related courses totaling at least 24 semester hours, as shown above plus appropriate experience or additional education.

- International Programs Security Requirements Course (Required) [N/A if already completed for Level I.];
- Advanced functional development course offered by MILDEP or DU in primary area of expertise (Required); and
- Intermediate functional development courses offered by MILDEP or DU in secondary area of expertise (Required); and advanced or executive course in security cooperation offered by DISAM, or other relevant international affairs job-related course or the International Security and Technology Transfer/Control Course offered by Defense Acquisition University or other federal agency (Required); and
- At least one formal advanced course in leadership or management (Required)

1.1.1.1. Experience

- Four years of international affairs experience (Required)
- (Desired) An additional four years of international affairs experience in a different agency or organization, or functional specialty

1.2. Continuing Education

Individual MILDEPs and agencies are encouraged to establish continuing education requirements for those personnel who become IA certified. The intent is for those personnel to stay abreast of developments within both their functional specialties and overall international affairs. For individuals certified at level I and/or II, advancing to the next certification level is a reasonable goal. For those certified at level III, the MILDEPs and agencies should determine the range, level, and hours required to reach their goals, and publish those requirements as part of their MILDEP and agency implementation plans.”

The Defense Institute of Security Assistance Management’s specialized courses i.e., SAM-CM, SAM-CS, SAM-CR, SAM-CF, SAM-AR, SAM-AT, SAM-TO, can be used to meet either Level II or Level III certification requirements for security cooperation courses; each individual course may be used once.

In order to facilitate the certification process, the DSCA/DISAM on-line, personnel initiatives website and database was developed and fielded. It not only allows the user to apply for certification by filling out self-explanatory data fields of required activity completion, but also allows the relatively new IA worker an automated tool to enter and track accomplishments as they occur, eventually leading to certification. The process is relatively simple, however, a user’s guide is also available on the home page to step the applicant/user through the process and an on line “getting started,” and frequently asked questions area is also available to help the 1st (or maybe 2nd and 3rd) time user. The personnel initiatives pages below depict a “quick view” of these features.

Personnel Initiatives
Sponsored by the Defense Security Cooperation Agency

Manage Your Account Certification GMAP Internships Courses

« Certification

The Department of Defense International Affairs, Certification and Career **Guidelines**, dated 7 November 2001, establishes the requirement for each

« GMAP

The Defense Security Cooperation Agency (DSCA) and Tufts University's Fletcher School of Law and Diplomacy have signed a **memorandum of understanding** that allows Department of Defense civilian employees and military members to participate in the **Global Master of Arts Program (GMAP)**. The **Defense Institute of Security Assistance Management (DISAM)** has been appointed by the Director DSCA to serve as the executive agent for the program.

The purpose of the GMAP is to improve the quality and professionalism of the international affairs workforce. This program is open to all mid-career military and civilian personnel serving in international affairs who have at least 8 years of professional experience.

« Internships

The Military Departments anticipate significant personnel losses soon due to retirement, reassignment, and other forms of attrition.

« Courses

The course listing section provides a significant, but not exhaustive, list of courses that can be used to meet certification requirements. Each course listing includes the name of the provider and a brief description of the course.

What's New

Getting Started
A Quick Start Guide for the Personnel Initiatives System

DSCA launches the Personnel Initiatives website. This site allows users to learn more about the various International Affairs Workforce Initiatives and apply for International Affairs Certification using the online application process.

Air Force
For more information on Air Force Workforce Initiatives, visit www.iaprograms.org/certification.htm

Navy, Marines, Coast Guard
Navy, Marines and Coast Guard users may visit www.personnelinitiatives.org/navy/ and <https://www.nipo.navy.mil/> for more information on the US Navy program.

Army
For more on Army Workforce Initiatives, visit www.personnelinitiatives.org/army/

All Other
All other military personnel may find more information by visiting www.disam.dsca.mil/

Contact Us
[Please read this Privacy and Security Notice](#)

DSCA Personnel Initiatives Home Page

New User Registration Page – Personnel Initiatives Web Site

As noted, the IA certification program described in this article is but one of three DSCA initiatives designed to aid the IA workforce. The other two legs are the IA internship program, and the graduate studies program with the Fletcher School of Law and Diplomacy, Tufts University (GMAP II). General information on both of these programs can be found on the personnel initiatives home page <https://www.personnelinitiatives.org/index.html> and each of the military department personnel home pages:

- Air Force - <http://www.iaprograms.net>;
- Navy/USMC/CG - <https://wnnipo.navy.mil/nipo/career/>;
- Army - <http://www.personnelinitiatives.org/army>; and
- For the non-MILDEP DoD agencies information is available on both the initiatives home page and the DISAM homepage: <http://www.disam.dsca.mil/>.



Personnel Initiatives

Sponsored by the Defense Security Cooperation Agency

[Manage Your Account](#) |
 [Certification](#) |
 [GMAP](#) |
 [Internships](#) |
 [Courses](#) |
 [Home](#)

Manage Your Account

[New User](#)

Privacy Act Statement: 5 U.S.C. 301, Departmental Regulation: 10 U.S.C. Chapter 2, Secretary of Defense, E.O. 9397 (SSH) authorizes collection of this information. The primary use of this information is to implement the International Affairs Personnel program managed by the Defense Security Cooperation Agency through the Defense Institute of Security Assistance Management. Collection of this information is voluntary and is under OSD Privacy Act Systems Notice (DSACA-01), International Affairs Personnel Initiatives Database (IAPID).

Login Information

Email Address

Your email address will be used for logging in.

Password

Password must be at least eight characters and contain at least one uppercase letter, one lowercase, one digit, and one special character.

Retype Password

User Information

First Name

Middle Initial

Last Name

Contact Information

Street Address

City

State

Country

Zip Code

Phone

Fax

Job and Education Information

Current Certification Level

Highest Education Completed

Education Field of Study

Service

Status (i.e. Civilian or Military)

Major Command

Major Command Mailing Address

Organization

Office Symbol / Code

Job Title

Job Function

Job Function (if other specified above)

Grade / Rank

Job Code Civilian Series

Job Code Military Specialty

Start Date Working for U.S. Government (Civilians)

Start Date for Entering Service (Military)

Total Months in International Affairs Related Work

Billet Information

Supervisor Information

Please provide information below about your most direct supervisor:

Supervisor First Name

Last Name

Email Address (Work)

Organization

Office Symbol

Phone (Work)

Fax (Work)

Notes or Comments

You may use the area below to include comments or notes about yourself.
You may choose to leave this area blank.

Notes or Comments

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Password

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It is hoped that through this triad of programs, the IA workforce can overcome the loss of corporate experience as our personnel retire in larger than usual numbers. In addition it is hoped that the IA workforce will become an even more professional cadre, and will become more prepared for the IA challenges ahead.

About the Author

Gregory Sutton is the Director of Research, Defense Institute of Security Assistance Management (DISAM), Wright-Patterson Air Force Base, Ohio. He has over eighteen years experience in international affairs, and has been a DISAM Instructor and Associate Professor since April 1994.

International Programs Security Requirements Course Revamped

By
John M. Smilek
Defense Institute of Security Assistance Management

The International Programs Security Requirements (IPSR) Course, which has been taught for over ten years, recently went through a major update and restructuring. The IPSR Course began as a five-day course and an “Executive Level” two-day course was added in 1999. Over the last six years changes in the course material, makeup of the audience, and constraints on time required an evolution of the Course into the new three-day version which began in January 2006.

Like its predecessors, the three-day IPSR Course is not classified and covers the principles and procedures that facilitate international technology transfer, export controls and foreign disclosure. Specific lessons discuss the legal and regulatory basis for international programs, key U.S. government players, laws and national policies, and basic security principles. This is followed by a discussion of controlled unclassified information (CUI) and foreign government information (FGI), the *International Traffic in Arms Regulations* (ITAR) and The *National Disclosure Policy* all on day one.

- Day two covers visits, lifecycle management (acquisition), program protection planning, and the Multinational Industrial Security Working Group (MISWG).
- Day three begins on an industry theme with topics on the Committee on Foreign Investment in the U.S. (CFIUS) and foreign ownership, control or influence, and the Defense Security Service’s (DSS). The last presentation covers international transfers.

The definition of who is required to take the IPSR course was better defined in 2005 when the revised DoD Directive 5230.20, *Visits, Assignments, and Exchanges of Foreign Nationals*, was signed June 22, 2005. Part 4.12 of the Directive states:

All DoD personnel responsible for negotiating, overseeing, managing, executing or otherwise participating in international activities shall successfully complete one or more of the courses required by Deputy Secretary of Defense Memorandum dated October 22, 1999.

In the Memo (see next page), Deputy Secretary of Defense Hamre makes the point that strong allies and coalition partners make America stronger and it is in America’s national security interest to promote cooperation. He goes on to say that,

. . . we must ensure that sensitive and classified U.S. technology and military capabilities are protected.

Taking the IPSR Course, in one of its forms, fulfills the requirement in the Directive. The three-day IPSR Course is the primary method of completing the training requirement, but there are other venues. Students that graduate from the Defense Institute of Security Assistance Management (DISAM) SAM-CONUS or SCM-Overseas course since October 2000, or graduation from the Defense Acquisition University (DAU) PMT 203 Course, International Security and Technology Transfer meet the requirements for the IPSR course.

There is also a distance learning version of the IPSR Course that is hosted on the DISAM web page that fulfills the course requirements. Anyone with a .mil or .gov mailing address is eligible to take the on-line course. If you are employed by a company that does work for the U.S. government and are a U.S. person, as defined in the *International Traffic in Arms Regulations* (ITAR) Part 120.15, you may take the course if you are sponsored by someone with a .mil or .gov address.



DEPUTY SECRETARY OF DEFENSE
1010 Defense Pentagon
Washington, D.C. 20301-1010
22 October 1999

**MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN, JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTORS OF DEFENSE AGENCIES**

Subject: Training in International Security and Foreign Disclosure Support to International Programs

Strong allies, and well-equipped coalition partners, make America stronger. It is, therefore, in America's national security interest to promote cooperation with other nations, seek-international participation in our weapons acquisition process and support appropriate FMS.

At the same time, we must ensure that sensitive and classified U.S. technology and military capabilities are protected. Classified information should be shared with other nations only when there is a clearly defined advantage to the United States. Disclosures must be carefully designed to achieve their purpose, and recipients must protect the information. To make certain that we accomplish these goals, certain security arrangements must be in place prior to any foreign participation in DoD programs. It is therefore vital that every DoD employee involved in international programs understand these security arrangements, as well as the laws, policies, and procedures that govern foreign involvement in our programs.

To insure that all relevant employees are fully trained in this area, the Office of the Deputy to the Under Secretary of Defense (Policy) for Policy Support (DUSD(PS)) has developed a course of instruction that covers the practical application of relevant law, executive orders, and DoD policies on this subject. All DoD personnel responsible for negotiating, overseeing, managing, executing or otherwise participating in international activities shall successfully complete either the International Security Requirements Course offered by DUSD(PS), the International Programs Security and Technology Transfer Course taught by the Defense Systems Management College, or an executive version of the course for mid-level and senior managers now being developed. This requirement applies to anyone who works in an office dealing exclusively with international matters, in international cooperation offices within broader functional offices, and those working on international issues within a DoD program. Examples of applicable activities include: security assistance, cooperative research, foreign disclosure, specific country relationships, and other international policy activities.

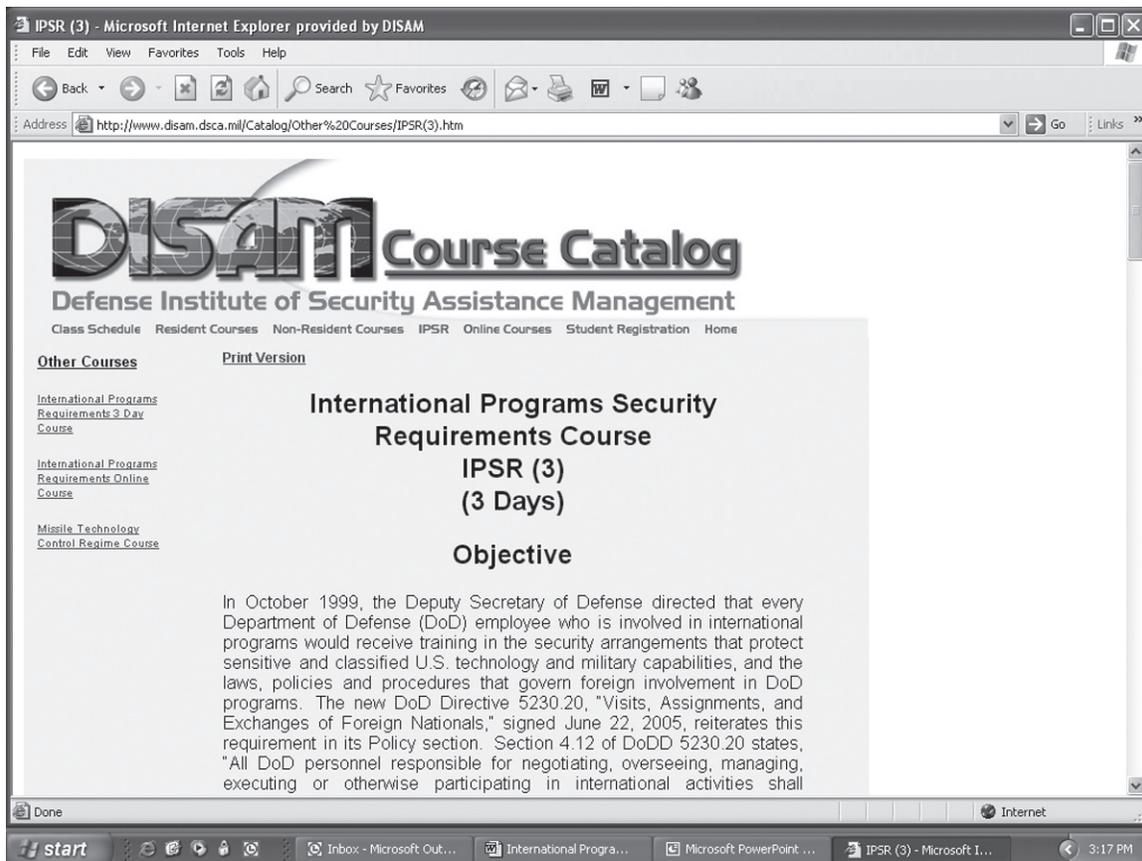
The law also requires that we consider systems of allied nations, or the co-development of systems with allied nations, before a U.S.-only program may be initiated. Therefore the basic, intermediate, and advanced program manager courses at DSMC shall include at least four hours of training in international security requirements related to acquisition programs. Anyone working in program offices where any international activities occur, including exports, must also complete the full five day course. DoD personnel who are newly assigned to international programs shall participate in one of the courses within six months of the assignment.

To ensure consistency, DoD components that offer specialized training in foreign disclosure and security requirements for international programs shall coordinate the contents of their courses with the DUSD(PS).

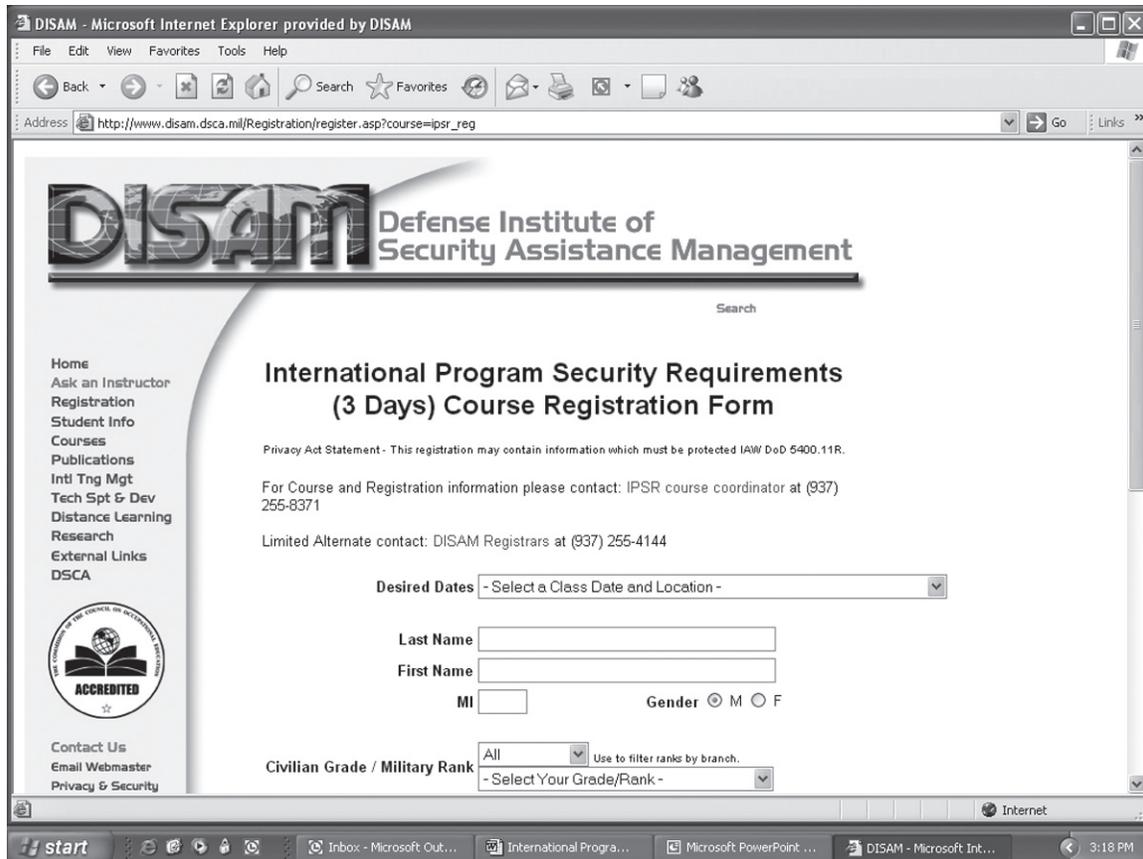
//Signed//
John J. Hamre

Eligibility is limited to U.S. government employees (military and civilian) and U.S. defense industry personnel. In all cases, students must be United States citizens and programmed for or assigned to positions with responsibility for an international program(s).

There is no admission fee for government or industry personnel. To register go to the DISAM web site at www.disam.dscamil. On the list of items on the left side of the page click on registration. U.S. government or industry find your respective list and click to enter the DISAM registration page. Scroll down to the “NON-RESIDENCE” course list and find the “International Programs Security Requirements (IPSR-3 Days)” course listing. If you click on the course description it will take you to a page describing the course including the objectives, course description, who can apply and other important information. Click on the course “Syllabus” and it will take you to a description of all the different lessons that make up the IPSR Course. Click on the word “Registration” on this page and it will take you to the page to actually register. When you come to the line that lists the courses, hit the drop down arrow and it will list the dates and locations of all the course offerings for the calendar year. Classes are normally held Tuesday thru Thursday from 0800-1630. Note again there is no fee for the training, but students are responsible for their own travel and billeting costs.



For those individuals in the DoD acquisition, technology and logistics work force the IPSR three-day Course counts for 20 Continuous Learning Points (CLPs). For those enrolled in the new “International Affairs Certification and Career Program” the IPSR Course is mandatory for Certification. To learn more about this Program go to page 118 of this *Journal* and read the article titled, “The Defense Security Cooperation Agency Announces the Activation of the Professional Development on-line Certification Application and Tracking System”.



The IPSR Course is set up to begin with an introduction and overview. It covers lifecycle management of DoD programs and the documents that integrate international partners to the programs follow on day two. The third day covers how the U.S. government works with industry when developing and selling military articles and how they are transported to other countries. The course concludes with a practical exercise. The title and length of the individual lessons are listed below.

Each student is presented with an IPSR notebook. The notebook contains an agenda and IPSR web sites of interest. Each of the twelve lessons has a student advance sheet (SAS) covering the purpose, objectives and references for the lesson followed by an outline of the main points covered. Some lessons are followed by lesson material (LM) that contains more in-depth information covered during a specific part of the lesson. The second part of the notebook contains the IPSR handbook. The handbook is an even more inclusive instruction on the lesson topics. It also has multiple attachments that contain examples of documents used in IPSR and references to organizations and programs. The last part of the IPSR notebook contains selected excerpts of the *International Traffic in Arms Regulations* (ITAR). The ITAR is a key U.S. State Department regulation used for guidance when making decisions on export of U.S. military articles and services.

The IPSR Course is offered approximately twenty-four times in calendar year 2006 and the hope is to have the same or more offerings in out years. Both U.S. government agencies and industry host the courses. Some government hosted courses are open to industry personnel and industry hosted courses must initially set aside 50 percent of the billets for government persons. If the slots are not filled, industry students on standby lists may enroll.

Student registration and management of the course schedule fall under the DISAM Directorate of Academic Support (DA). For those interested in hosting a course please contact Mr. Ernie

McCallister, e-mail: ernest.mccallister@disam.dsca.mil, phone: (937) 255-0199 or jean.whisler@disam.dsca.mil, (937) 255-8371 of DISAM/DA. During the summer of the preceding calendar year a list of proposed course hosts will be prepared. The list will be coordinated with the Office of the Under Secretary of Defense Technology Security Policy and National Disclosure Policy, ODUSD (TSP&NDP). The ODUSD (TSP&NDP) also coordinates on course curriculum.

Once the schedule of courses is set, the management of the course falls to DISAM. Student registration, scheduling, budgeting, documentation of courses presented and scheduling instructors to teach at the different courses are some of DISAM's responsibilities. Starting with the new 3-day course, a concept of "Team Teaching" was developed where instructors from DISAM and a support contractor, Avanco International, work together to form a team of instructors for a given course.

As stated earlier, the IPSR Course is mandatory per the Deputy Secretary of Defense Memo and DoD Directive 5230.30. The reason is to properly protect critical military information and technology while cooperating with our international friends and allies. Former Deputy Secretary of Defense Paul Wolfowitz made the point in a post September 11, 2001 letter dated 6 June 2003 when he wrote:

As we remain fully engaged in the war on global terrorism, protection of critical information and our intentions is essential to preserving the lives of the men and women involved in those operations, and to the success of the operations themselves.

Knowing how to protect critical military information and technology is essential to the national security of America. Completing the IPSR course is a way those given the responsibility for national security can learn more about how to fulfill this important task.

About the Author

John M. Smilek is the International Programs Security Requirements (IPSR) Functional Coordinator at DISAM and manages all aspects of the program including the contractor provided course offerings. He is a veteran of twenty-four years in the U.S. Air Force that included three assignments in international cooperative research and development. His civilian education includes an associate's degree in Industrial Technology and a Bachelor of Science in Technical Education from the University of Akron and a Master of Science in Management from Webster University.

Resources for English Language Training a Managerial Headache

By
Thomas Molloy
Defense Language Institute English Language Center, Retired

Purpose of Article

The purpose of this article is to give members of the security assistance training community (SATC), especially security assistance officers (SAOS), an insight into one of most thorny aspects of managing in-country English language training programs (ELTPs); to wit, allocation of resources for English language training (ELT).

Importance of English Language Training

In general, the SATC and international military students (IMs) view ELT from different perspectives. The SATC generally views IM English language proficiency (ELP) as an entrance requirement for follow-on training (FOT) in CONUS technical or PME schools. That is, they view ELP as a means to an end. In contrast, IMs generally view FOT as a means to an end, the enhancement of their ELP. While IMs certainly value attendance at FOT as professionally rewarding in its own right, the biggest prize is the opportunity to improve their ELP. For some IMs this opportunity is the salvation of their military careers. More and more, ELP is the ticket to interesting assignments and promotions. ELP is the difference between being a spectator or a participant. English is the lingua franca, the language of technology, commerce and military matters. It is the language of globalization.

Some countries lack a sufficient number of personnel with a high level of ELP. They have to repeatedly call on the same individuals when ELP is required. Since assignments requiring ELP are generally plumb assignments, the favored position of this “elite” cadre awakens envy and rancor in the heart of their colleagues. Ministries of Defense (MoDs) around the world are striving to close the ELP deficit by establishing indigenous capability to train military and civilian personnel to high levels of ESP.

Countries pay a high price to achieve this capability. Initially, the establishment of an ELTP requires a significant capital investment. Expenditures for the physical plant, training material publications, equipment, and personnel can be a significant drain on an MoD training budget. Frequently, an MoD must reduce its funding of other programs to obtain ELTP funding. Because of fiscal constraints, some MoDs try ELT on the cheap, usually with less than satisfactory results. Providing ELT to large numbers of personnel also takes a significant bite out of the MoD personnel resources. While officers are in ELT, they are not minding the store. One captain from a Central European country told me that, thanks to the large number of officers enrolled in ELT, he gained valuable experience. He told me that as an 01, for a period of several months, he was doing an 04’s job and as an 02 he served for a month in an 05’s job.

Background

Ministries of Defense, through SAOs, have besieged the Defense Language Institute English Language Center (DLIELC), with requests for assistance in establishing or improving ELTPs. Establishing and managing large scale ELTPs are challenging endeavors. In the Summer 2002 [Volume 24 No. 4 Summer 2002, pp 125-130.] issue of this *Journal*, I cited some of the most common deficiencies of indigenous ELTPs. Among the deficiencies cited was the inappropriate allocation of resources for ELT. This is an issue that deserves a great deal more attention than it received in that article because misallocating resources sabotages the achievement of ELTP goals. It stealthily

undermines the best efforts to produce a sufficient number of personnel with high ELP levels. To an uninformed observer an ELTP can have all the hallmarks of success: good training materials, excellent instructors, high standards, strong management etc. Yet, in terms of meeting the MoD ELP goals, it may be a failure because it doesn't produce a sufficient number of graduates with the required ELP proficiency levels.

In this article I hope to give the reader an insight into the dilemma faced by MoD planners confronted with two powerful forces, each pulling in the opposite direction. Pulling in one direction (egalitarian) is the demand by the entire officer corps for ELT and pulling in the other (elitist) is the urgent need to train and maintain a relatively small cadre of officers with a high level of ELP. This cadre is essential for the country to participate in international endeavors. If a country does not have adequate resources to cater to the egalitarian as well as elitist needs, the MoD has to make some hard choices. I call it ELT triage.

Stealthy Problem

During my DLI career, I conducted many evaluations of in-country ELTPs. It was not until the early 1990s that I came to the realization that the misallocation of resources was one of the major reasons for the failure of countries to produce a sufficient number of personnel with high levels of ELP. It suddenly dawned on me that I had on several occasions given high marks to ELTPs in countries that failed to meet their ELP output goals. My approach was to visit several intensive and non-intensive ELT sites and rate the quality of their instruction, curriculum, testing and training management. It was becoming increasingly evident to me that, at times, while captivated by the beauty of individual trees, I failed to notice the withering of the forest. I had proclaimed the excellence of ELTPs which were not producing the required number of officers with a high level of ELP. In a sense, the sum of the parts did not add up the whole. I had looked at process instead of product; input, instead of output. In an attempt to comprehend the nature of the problem, I remember writing this equation:

$$\text{EI} + \text{LOS} = \text{ELPS}$$

(Excellence of Instruction + Lots of Students = a Surplus of students with a high level of ELP)

The problem was that all too often the "S" in ELPS stood for "shortage", not "surplus". I resolved to find out what accounted for this incongruity. How could an excellent ELTP awash in students fail to meet MoD ELP goals? To find the equation buster, I went back and waded through a number of ELTP evaluation reports done by myself and others. The equation buster was so obvious that I blushed for not having recognized it previously. Simply put, countries were misallocating resources for ELT, reducing their ability to produce a sufficient number of officers with a high level of ELP. Excellence of instruction did not fully compensate for the misuse of resources. In effect, these countries were shooting themselves in the foot and were complaining that their foot hurt. Enter the DLI expert (me) who was unwittingly complicit by pronouncing the foot to be in great shape.

Questions for Allocating Resources

To effect a rational allocation of resources, a MoD must have a clear vision of its expectations. The answers to the following questions are essential to the establishment of MoD ELP expectations:

- *What are the MOD English language proficiency requirements?*
 - *Do all officers require a high level of ELP?*
 - *If not, how many do?*
 - *By what dates?*
- *How many weeks of ELT should they receive?*
- *What should be the fate of officers who fail in ELT?*

-
-
- *What should be done to ensure that officers retain their level of ELP after ELT?*
 - *What should the balance be between non-intensive and intensive ELT?*
 - *How is a balance to be achieved between ELT for officers who require high level of ELP and the rest of the officer corps that so ardently desires ELT?*

Resources Required to Meet Expectations

- Does the MoD have sufficient instructors, classrooms and training materials to meet expectations?
 - If not, can the MoD acquire the additional resources in time to meet expectations?
 - If resources are insufficient, how will the MoD lower expectations in accordance with available resources?

There are no textbook answers that fit every circumstance, but there are basic considerations that MoDs should take into account in the decision making process. While there is no single right answer, there are right and wrong answers for each country. Choosing the wrong answers can be very detrimental to MoD ELTP output.

Resource Misallocation Examples

Making the right choices about resource allocation is vital because countries have limited resources and can't afford to squander them. Virtually all military officers and government officials aspire to learn English. Yet, to meet immediate international commitments, most countries require a relatively small percentage of their personnel to have a high level of ELP. These personnel constitute a critical mass without which the country is incapable of functioning in the international arena. Typically, when a country lacks the capability to produce this critical mass, DLIELC is asked to conduct a survey. Based on my experience, I suggest that one of the primary goals of a survey should be to carefully scrutinize the allocation of ELTP resources. Misallocation of resources is often a major impediment to the efficiency and effectiveness of an ELTP. By misallocation, I do not mean to imply wrongdoing. I simply mean that the allocation of resources is not compatible with ELTP goals. Below are examples of the common types of resource mismanagement.

The country has not determined its actual requirements for personnel with a high level of ELP. The effectiveness and efficiency of an ELTP can be evaluated only in terms of its ability to meet ELP requirements. Yet, often you will find that host country officials, in their haste to fill the ELT void, establish an ELTP without identifying actual requirements. If you ask host-country officials what their requirements are, they often say that they need people who speak English. If you ask how many, by when, at what ELP level, for what purpose, you will often find out that your hosts have not really developed a coherent plan. Thus, your first task will be to sit down with your hosts, identify ELP requirements, and, by the time you depart from the country, complete a plan to meet these requirements. Without a clear statement of ELP requirements, neither host-country officials nor you can evaluate the allocation of resources.

The country has opted to provide too little ELT to too many personnel. Most military officers and government officials crave ELT because a high ELP level offers many career opportunities not otherwise available. English is the world's lingua franca and, for this reason, virtually all military officers and government officials aspire to achieve fluency. Fluency is a ticket to a bright future. The universal demand generated by the appetite for ELT can sometimes be incompatible with the need for producing a small cadre of personnel with a high ELP level. Inevitably, there is a lot of political pressure to accommodate the aspirations of everyone. There is nothing inherently wrong with this egalitarian approach provided that the country has the resources to offer ELT to all comers and still

meet its requirements for a critical mass of personnel with a high ELP level. The problem is that most countries do not have the resources to provide ELT to everyone and simultaneously produce the required critical mass of personnel with a high ELP level. Often, the result of the egalitarian approach is that too little ELT is provided to too many people. This produces a glut of people whose low ELP is of little utilitarian value to the country.

In the mathematics of ELP, ten people with OPI ratings of 1/1 do not equal one with a 2/2.

ELP math: 10(1) = 1

If a North Atlantic Treaty Organization (NATO) position requires an incumbent with an OPI rating of 3/3, the country can not assign three officers with a 1/1. One officer with a rating of 3/3 is useful; 3 with a rating of 1/1 are useless.

ELTP math: 3(1) = 1

The MoDs sometimes have to say “no” to officers clamoring for immediate entry into ELT so resources can be allocated to meet urgent ELP training requirements. You should empathize with the MoD dilemma. It finds itself between a rock and a hard place. Aside from meeting its ELP requirements, host country officials have to keep in mind that depriving personnel of the opportunity to study English will devastate morale. Yet, training five thousand officers to an ELP level sufficient to point at the word soup on a menu and say “Me want soup” is of little benefit to the country, especially if it soaked up the resources necessary to train 300 officers to a level of ELP sufficient to negotiate treaties or serve as staff officers on joint exercises with other nations. In some military establishments, depriving officers of the opportunity achieve a high level of ELP is equivalent to putting their careers on death row

The country has established a network of under-funded non-intensive ELTPs. The advantage of establishing many non-intensive ELTP sites is that they can accommodate a large number of personnel. The drawback is that they typically produce a large number of personnel who are not really functional in English. It is axiomatic that training an individual to a level of non-functionality is wasteful, unless the initial ELT is followed by additional ELT to raise the individual’s ELP to a level of functionality. The motto should be, “Do not give a little unless you are going to give a lot.” All the “littles” you give to the many may sap the resources necessary to give “a lot” to a few. Many countries habitually waste resources by using non-intensive ELTPs to train many individuals to a level of ELP that does nothing to benefit either the individual or his country. Each non-functional graduate of a non-intensive ELTP has absorbed precious resources that were, in effect, squandered. The key to the effective and efficient operation of non-intensive ELTPs is to use them as feeders to intensive ELTPs. You should be aware that one of the unintended consequences of prolonged study in a non-intensive ELTP is the erosion of student motivation. This erosion is due to the slow rate of ELP progress. Progress is the primary motivating factor in language study. Lack of progress can transmogrify the target language into a negative stimulus for the would-be learner. The learner can actually develop an aversion to the target language. One of the most powerful incentives that can be offered to students in non-intensive ELTPs is the opportunity for study in an intensive ELTP provided that they achieve a certain score in the allotted period of time. If students are to sustain their motivation in non-intensive ELTPs, they must know that there is a pot of gold at end of the rainbow. You should make it clear to host county officials that by sowing non-intensive ELTPs all over the landscape, they may reap a bumper crop of stunted output. This is a very poor allocation of resources. Hammer home that non-intensive ELTPs should be utilized to feed intensive ELTPs.

The country has established an intensive ELTP, but limits attendance by any individual to just a few months. This approach is generally implemented for two reasons. The primary reason is to accommodate the large number of people who are clamoring to enter ELT. Because resources do not permit providing a lengthy period of intensive ELT to many people, attendance is limited to a relatively short duration. While this approach may be politically savvy, it has the obvious drawback of

producing a lot of people with an ELP level that is of little or no utility to the country. The secondary reason for truncated intensive ELT is to cater to the wishes of unit commanders, who are reluctant to release personnel for ELT. With respect to the latter problem, it is easy to make the standard, pro forma recommendation that unit commanders renounce their parochial interests and joyfully release their personnel for ELT. This universal problem is rooted in the on-going competition for resources endemic to defense establishments around the world. Recommendations probably are not going to solve it. However, your recommendations can lead to a solution to the primary problem. You can help host-country officials understand that arbitrarily limiting the duration of intensive ELT is detrimental to their national interests. It behooves you to point out to these officials that the duration of ELT should be a function, not of arbitrary time limitations, but of actual ELP requirements. If there is a requirement for three personnel with an ECL of eighty, it is of no benefit to train five personnel to an ECL of sixty. If a country is engaging in this practice, you have to explain how inefficient it is and endeavor to elicit a big “Whoops” from host-country officials. If all you get is an “Ahem” try again until you get a “Whoops.”

The MoD sets high ELP standards for all officers. This is becoming a trendy phenomenon. Whether it is wise or not, depends on the country’s needs, but I suspect, in many instances, it is a misguided policy, which is detrimental to the country’s enlightened self-interest. Intelligence is necessary, but not sufficient, for an adult to achieve a high level of proficiency in a foreign language. That is, not all intelligent people have the aptitude to achieve a high level of ELP in a foreign language. Thus, if the country enforces high ELP standards for all, many talented, intelligent officers will be forced to leave the military. Such standards tend to be compromised in order to retain effective officers. It probably makes no sense to toss a brilliant armor officer out of the army because his ELP is not up to snuff. Commanders will find a way to circumvent such standards.

The MoD fails to make attendance in ELT classes mandatory, permitting either individual students or their commanders to decide if they will attend class on a given day. In this environment, it is a common practice for commanders, who often are short of qualified staff, to assign tasks to ELT students. Often the accomplishment of these tasks requires the students to miss classes. Typically, these students fall so far behind their peers that they can’t catch up. They tend to drop out of ELT. This practice wastes instructor resources. I have met many such drop outs and they are often bitter and resentful that they could not take full advantage of their ELT. They find themselves unable to compete for plumb jobs because of their lack of ELP.

The country underutilizes its English language instructors, who teach very few hours per week. The rationale is that professors need ample time to prepare their lectures and conduct research. In some countries, this tradition sometimes carries over to ELTP instructors. Indeed, in these countries, there are even laws that limit the number of hours professors or instructors can teach. When you tell ELTP instructors in many countries that DLIELC instructors teach 30 hours per week, they are astonished. Many overseas instructors are not required to teach even half that number of hours. Thus, in countries that have scant resources, this crippling constraint on the use of the most important ELTP resource is imposed. Host-country ELTP managers may complain to you about a severe shortage of instructors even though their instructors teach no more than 10 hours per week. The complaint is incongruous to us. Your first instinct is to recommend the host-country instructors be required to teach as many hours as their DLIELC counterparts. Depending on local circumstances, this recommendation may be detrimental to the ELTP and to the well being of the instructors. In many countries, ELTP instructor pay is miserable and the instructors are compelled to work other jobs at other locations. In order to make ends meet, some of them wind up teaching more than 30 hours per week. Adding ELTP hours to the instructors’ schedule could force the instructors to choose between their ELTP positions and other jobs they hold. If you are going to recommend that host-country instructors teach more hours, you should also recommend that the instructors be paid a living wage. Be very circumspect about

tinkering with people's livelihood. One of the immutable laws of making recommendations to foreign governments: Try not to come between a man and his next meal.

The country has not established an ELT maintenance program. After a country invests significant resources to train an individual to a high ELP level, it behooves the country to maximize its return on this investment. Either through the use of rewards or sanctions, the country should require those trained to a high ELP level to maintain this level. The country should periodically administer tests to ensure that personnel maintain their ELP levels. The trusty old American language course placement test is well suited for this purpose. Ideally, the host-country would motivate its personnel to maintain their ELP through positive incentives. Money, promotion eligibility, preferred assignments, and travel opportunities are incentives that make it worthwhile for personnel to invest the time and effort to maintain their ELP. In addition to incentives, when resources permit, the country should provide opportunity in the form of non-intensive ELP maintenance courses to facilitate ELP maintenance. The country might even provide additional incentives to personnel who significantly improve their ELP level. At any rate, the more personnel with a high ELP level, the more options the country has to meet ELP requirements. By establishing an ELP maintenance program, the country ensures that it has a relatively large pool of candidates from which to choose for assignments requiring ELP. When a country has only a small pool of candidates with ELP, it is often compelled to send an otherwise less than fully qualified or desirable individual to a course or assignment requiring ELP. It is not a rarity for a country to have to send a mediocre officer to a PME course because none of the more talented officers has the required ELP level. If soaring is a requirement for an assignment or a course quota, the country needs a pool of powerful eagles from which to choose candidates. Unfortunately, because of the ELP factor, some countries are at times compelled to send puny sparrows. The most successful maintenance program would combine sanctions, rewards and training.

Allocation of Resources for Instructor Training

In my opinion, one of the most important benefits you can bring to an ELTP is to convince host-country officials and the SAO that money should be allocated to send instructors to DLIELC. Through attendance at a DLIELC instructor course, instructors can have the opportunity to:

- Recharge their batteries. There is high rate of burnout among ESL/EFL instructors. A periodic break from their daily routine reenergizes them;
- Exchange ideas, not only with DLIELC instructors, but with instructors from all over the world; and
- Become familiar with the ALC. Many international instructors are not familiar with the ALC and they may not be favorably impressed by their initial exposure.

Those who have an initial aversion to the ALC generally fall into one of two categories. In the first, are those whose university training prepared them to work more in the arena of ELE than in that of ELT. Given their academic backgrounds, these instructors tend to have an initial antipathy toward the ALC because of its pedestrian contents. Nowhere in the ALC are there excerpts from Shakespeare, Milton or Keats. In the second category, are the bona fide EFL/ESL instructors who tend to sneer at the ALC because it does not represent the approach that is the flavor of the month. Exposure to the ALC often overcomes the objections of those in both groups. Whether or not a country adopts the ALC is not just a rarified academic debate; there are very practical consequences. Based on my experience, I will state quite unabashedly that the odds of an MoD establishing a highly productive without the ALC are not very good. There are no materials comparable in efficacy to the ALC and countries that adopt the ALC system take the first step towards ELT self-sufficiency. Those countries that remain in the clutches of the academic skeptics suffer from indecision, vacillation, and inertia—hardly attributes conducive to ELT self-sufficiency. I personally have never seen an overseas ELTP that, in my opinion, would not benefit from adopting the ALC.

- Develop fluency and gain confidence in their language skills, making them more apt to use English as the medium of instruction in their classrooms when they return. Their enhanced fluency also elevates their status in the eyes of their peers and superiors.

- Better interpret America and Americans to their students. Based on their DLIELC experiences, they can portray a version of Americans more accurate, and generally a lot more favorable, than the Hollywood and tabloid versions.

About the Author

Mr. Molloy is a retired Department of Air Force Civilian. He spent almost 38 years at the Defense Language Institute English Language Center. During his tenure, he served as Chief of the General English Branch, Chief of the Evaluation Division, chief of Institutional Relations and Chief of the Programs Division. He spent some twenty years overseas as an English Language Training instructor, advisor, or manager. In addition, he did ELT consulting work on twenty countries and for several major corporations.





