

# Interim Report on FY 1991 Security Assistance Legislation

By

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As this issue of *The DISAM Journal* was being prepared for publication, the House of Representatives on 27 June 1990 passed a foreign operations appropriation bill (H.R. 5114) for Fiscal Year 1991. This bill, passed by a vote of 308-117, includes the appropriations proposed for FY 1991 security assistance programs. The Senate's version of the bill is not expected to be acted on until early September, and no authorization bill is expected to be enacted for FY 1991.

The following provides a summary of the FY 1991 program funding contained in H.R. 5114, with comparisons to FY 1990 appropriations and to the Bush Administration's budget request for FY 1991. Also included is an outline of new key features of the House bill. A more comprehensive analysis of the FY 1991 appropriations act will be included in a future issue of *The DISAM Journal* following final enactment of the bill.

<b>Proposed Security Assistance Program Funding for FY 1991 (Dollars in Thousands)</b>			
<u>Program</u>	<u>FY 1990 Appropriations<sup>1</sup></u>	<u>Administration Request</u>	<u>H.R. 5114 Appropriations</u>
Foreign Military Financing Program (FMFP)	\$4,703,179	\$5,016,900	\$4,634,920 <sup>2</sup>
International Military Education and Training (IMET)	47,196	50,500	47,196
Economic Support Fund (ESF)	3,946,218	3,544,000	3,460,000
Peacekeeping Operations (PKO)	<u>32,773</u>	<u>32,800</u>	<u>32,800</u>
<b>TOTALS</b>	<b>\$8,729,366</b>	<b>\$8,644,200</b>	<b>\$8,174,916</b>

**Notes:**

1. All FY 1990 appropriations shown here include a reduction of 0.43 percent which was designed to raise additional funds for the USG Counter-Narcotics Program.
2. \$405 million of the proposed FMFP funding is designated as loans; the remainder (\$4,229.92 million) is all to be provided as grants.

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## KEY PROVISIONS OF H.R. 5114

1. The FY 1991 appropriations levels in H.R. 5114 for the programs identified above must all be reduced by two percent as a result of the inclusion in H.R. 5114 of an amendment (Section 582) introduced by Rep. Bob Clement (D, TN).

2. *Earmarked* funding levels (i.e., funding which *must* be allocated) and funding *ceilings* (i.e., funding which *may* be allocated) for the FY 1991 Foreign Military Financing Program (FMFP) are identified below. All of these levels are subject to the two percent reduction identified above.

a. Earmarks

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|------------|-----------------|
| 1) Israel: | \$1,800,000,000 |
| 2) Egypt:  | \$1,300,000,000 |

b. Ceilings

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|--|----------------|
| 1) Greece:   | \$ 301,000,000 |
| 2) Turkey  | \$ 430,000,000 |
| 3) Portugal:   | \$ 95,000,000  |
| 4) Guatemala<br>(for non-lethal<br>assistance only)              | \$ 2,887,000   |
| 5) El Salvador   | \$ 85,000,000  |
| 6) Narcotics Control<br>Program (Bolivia,<br>Colombia, and Peru) | \$ 118,000,000 |
| 7) FMFP Administrative<br>Expenses                               | \$ 27,920,800  |

3. Half of the \$85,000,000 in military assistance authorized for El Salvador shall be withheld from obligation *unless and until* the President submits a detailed report to Congress outlining a continuing threat to the security of El Salvador posed by the FMLN (*Farabundo Marti* National Liberation Front).

4. No FMFP funds may be allocated to Zaire, Somalia, or The Sudan.

5. Up to \$2,000,000 of the IMET appropriation may be made available for Narcotics Control Program related training for Bolivia, Colombia, Peru, and Ecuador.

6. \$195,000,000 of the ESF appropriation may be made available for Narcotics Control Program related activities for Bolivia, Colombia, Peru, and Ecuador.

7. The obligation authority for the Special Defense Acquisition Fund (SDAF) for FY1991 is proposed in H.R. 5114 at \$278,796,000, a level identical to the FY 1990 authorization.

8. Section 547 of H.R. 5144, would amend the special authority of Section 506(a), AECA, by establishing a \$100 million ceiling on the aggregate value of defense articles, defense services, and military education and training which may be drawn down to meet unforeseen military emergencies [Sec. 506(a)(1)] and international narcotics control, international disaster assistance, and migration

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and refugee assistance [Sec. 506(a)(2)]. Currently, each of these two subsections contains a separate aggregate ceiling of \$75 million, for a total authority of \$150 million.

9. Section 573, H.R. 5114, authorizes the value of FY 1991 additions to U.S. stockpiles in foreign countries not to exceed \$178 million. The Administration had requested authority for only \$98 million in FY 1991 additions, to include: Korea, \$68 million; Thailand, \$10 million; and Israel, \$20 million. The additional \$80 million is presumably targeted for further additions for Israel, for which Congress provided a \$100 million FY 1990 authority to facilitate the establishment of a new U.S. stockpile.

10. Section 580 of H.R. 5114 would amend Section 23, AECA, to permit recipients of FMFP funds to use such funds to make payments on the principal and interest which are owed to the United States Government for prior military assistance credits and/or loans made under Section 23 and/or Section 24, AECA.

11. Section 581 of H.R. 5114 would limit to 75 percent the amount of a country's annual FMFP allocation which the country may use for the practice of "cash flow financing." This provision would go into effect as of 1 October 1993.