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# LEGISLATION AND POLICY

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## Fiscal Year 2006 Security Assistance Legislation

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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](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>
<b>Total</b>	<b>\$7,907.519</b>	<b>\$7,278.869</b>	<b>\$7,917.519</b>	<b>\$7,419.244</b>

**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 109<sup>th</sup> 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](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](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.

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- 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](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](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.

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•• Can be viewed at [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dname=109\\_cong\\_public\\_laws&docid=f:pub1108.109.pdf](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](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>
<b>Total</b>	<b>\$7,419,244,000</b>	<b>\$74,192,440</b>	<b>\$7,345,051,560</b>

**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.

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••• 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.

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- 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)

<b>Country/Program by Geographical Region</b>	<b>FY 2005 Actual FMFP Allocation</b>	<b>FY 2006 Budget Justification Request</b>	<b>FY2006 Initial FMFP Allocation Not Available</b>
<b>Near East</b>			
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
<b>Sub Total</b>	<b>\$3,870.324</b>	<b>\$3,863.000</b>	<b>0</b>
<b>Europe and Eurasia</b>			
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
<b>Sub Total</b>	<b>\$212.140</b>	<b>\$191.500</b>	<b>0</b>
<b>Western Hemisphere</b>			
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)

<b>Country/Program by Geographical Region</b>	<b>FY2005 Actual FMFP Allocation</b>	<b>FY2006 Budget Justification Request</b>	<b>FY2006 Initial FMFP Allocation</b>
<b>Western Hemisphere</b>			
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>
<b>Sub Total</b>	<b>\$109.155</b>	<b>\$122.950</b>	<b>\$0</b>
<b>Africa</b>			
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
<b>Sub Total</b>	<b>\$23.918</b>	<b>\$24.000</b>	<b>\$0</b>
<b>East Asia and Pacific</b>			
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>
<b>Sub Total</b>	<b>\$34.751</b>	<b>\$27.750</b>	<b>\$0</b>
<b>South Asia and Central Asia</b>			
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)

<b>Country/Program by Geographical Region</b>	<b>FY2005 Actual FMFP Allocation</b>	<b>FY2006 Budget Justification Request</b>	<b>FY2006 Initial FMFP Allocation</b>
<b>South Asia and Central Asia</b>			
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>
<b>Sub Total</b>	<b>\$41.466</b>	<b>\$42.500</b>	<b>\$0</b>
<b>Total Allocation</b>	<b>\$4,995.232</b>	<b>\$4,588.600</b>	<b>\$0</b>
<b>Recission</b>	<b>\$38.268</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Appropriation</b>	<b>\$5,033.500</b>	<b>\$4,588.600</b>	<b>\$0</b>

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)

<b>Country/Program by Geographical Region</b>	<b>FY 2005 Actual IMET Allocation</b>	<b>FY 2006 Budget Justification Request</b>	<b>FY 2006 Initial IMET Allocation Not Available</b>
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
<b>Sub Total</b>	<b>12,691</b>	<b>12,975</b>	<b>0</b>
<b>Europe and Eurasia</b>			
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
<b>Sub Total</b>	<b>\$30,511</b>	<b>\$26,975</b>	<b>0</b>
<b>Western Hemisphere</b>			
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)**

<b>Country/Program by Geographical Region</b>	<b>FY 2005 Actual IMET Allocation</b>	<b>FY 2006 Budget Justification Request</b>	<b>FY 2006 Initial IMET Allocation Not Available</b>
<b>Western Hemisphere (Continued)</b>			
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
<b>Sub Total</b>	<b>\$13,238</b>	<b>\$13,680</b>	<b>\$0</b>
<b>Africa</b>			
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)**

<b>Country/Program by Geographical Region</b>	<b>FY 2005 Actual IMET Allocation</b>	<b>FY 2006 Budget Justification Request</b>	<b>FY 2006 Initial IMET Allocation Not Available</b>
<b>Africa</b>			
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
<b>Sub Total</b>	<b>\$9,182</b>	<b>\$11,035</b>	<b>0</b>
<b>East Asia and Pacific</b>			
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
<b>Sub Total</b>	<b>\$9,663</b>	<b>\$9,310</b>	<b>0</b>
<b>South Asia</b>			
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)**

<b>Country/Program by Geographical Region</b>	<b>FY 2005 Actual IMET Allocation</b>	<b>FY 2006 Budget Justification Request</b>	<b>FY 2006 Initial IMET Allocation Not Available</b>
<b>Global</b>			
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
<b>Total Appropriation</b>	<b>\$89,730</b>	<b>\$86,744</b>	<b>\$0</b>

**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.

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- 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)**

<b>Country/Program by Geographical Region</b>	<b>FY 2005 Actual ESF Allocation</b>	<b>FY 2006 Budget Justification Request</b>	<b>FY 2006 Initial ESF Allocation Not Available</b>
<b>Near East</b>			
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
<b>Sub Total</b>	<b>\$1,669,992</b>	<b>\$1,722,000</b>	<b>0</b>
<b>Europe and Eurasia</b>			
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
<b>Sub Total</b>	<b>\$35,216</b>	<b>\$42,000</b>	<b>0</b>
<b>Western Hemisphere</b>			
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)

<b>Country/Program by Geographical Region</b>	<b>FY 2005 Actual ESF Allocation</b>	<b>FY 2006 Budget Justification Request</b>	<b>FY 2006 Initial ESF Allocation Not Available</b>
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>
<b>Sub Total</b>	<b>\$163,027</b>	<b>\$143,675</b>	<b>\$0</b>
<b>Africa</b>			
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>
<b>Sub Total</b>	<b>\$126,160</b>	<b>\$150,850</b>	<b>\$0</b>
<b>East Asia and Pacific</b>			
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>
<b>Sub Total</b>	<b>\$186,496</b>	<b>\$155,350</b>	<b>\$0</b>
<b>South Asia</b>			
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)**

<b>Country/Program by Geographical Region</b>	<b>FY 2005 Actual ESF Allocation</b>	<b>FY 2006 Budget Justification Request</b>	<b>FY 2006 Initial ESF Allocation Not Available</b>
<b>South Asia (Continued)</b>			
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>
<b>Sub Total</b>	<b>\$1,643,112</b>	<b>\$765,500</b>	<b>0</b>
<b>Global</b>			
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>
<b>Sub Total</b>	<b>\$86,792</b>	<b>\$56,000</b>	<b>\$0</b>
<b>Total Allocation</b>	<b>\$3,914,592</b>	<b>\$3,036,375</b>	<b>0</b>
<b>Rescission</b>	<b>\$20,008</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Appropriation</b>	<b>\$3,934,600</b>	<b>\$3,036,375</b>	<b>\$0</b>

**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)**

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

**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.

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## 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>
<b>Total Allocation</b>	<b>\$393,427</b>	<b>\$382,000</b>	<b>\$0</b>
Rescission	\$3,173	\$0	\$0
<b>Total Appropriations</b>	<b>\$396,600</b>	<b>\$382,000</b>	<b>\$0</b>

**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.

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## 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
<b>Total Allocation</b>	<b>\$625,520</b>	<b>\$482,000</b>	<b>\$0</b>
<b>Rescission</b>	<b>\$4,480</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Appropriations</b>	<b>\$630,000</b>	<b>\$482,000</b>	<b>\$0</b>

**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

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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>
<b>Near East</b>			
Iraq	\$0	\$26,474	\$0
Morocco	2,992	2,000	0
<b>Sub Total</b>	<b>\$2,992</b>	<b>\$28,474</b>	<b>\$0</b>
<b>Europe and Eurasia</b>			
Malta	\$2,976	\$0	\$0
<b>Sub Total</b>	<b>\$2,976</b>	<b>\$0</b>	<b>\$0</b>
<b>Western Hemisphere</b>			
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
<b>Sub Total</b>	<b>\$48,204</b>	<b>\$51,000</b>	<b>\$0</b>
<b>Africa</b>			
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
<b>Sub Total</b>	<b>\$11,700</b>	<b>\$4,200</b>	<b>\$0</b>
<b>East Asia and the Pacific</b>			
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
<b>Sub Total</b>	<b>\$7,560</b>	<b>\$9,000</b>	<b>\$0</b>
<b>South and Central Asia</b>			
Afghanistan	\$89,280	\$260,000	\$0
Afghanistan Supplemental	620,000	0	0
Pakistan	32,150	40,000	0
<b>Sub Total</b>	<b>\$741,430</b>	<b>\$300,000</b>	<b>\$0</b>
<b>Global</b>			
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
<b>Sub Total</b>	<b>\$132,527</b>	<b>\$131,200</b>	<b>\$0</b>
<b>Rescission</b>	<b>\$2,631</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Appropriations</b>	<b>\$950,020</b>	<b>\$523,874</b>	<b>\$0</b>

**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
<b>Total Allocation</b>	<b>\$725,152</b>	<b>\$734,500</b>	<b>\$0</b>
<b>Rescission</b>	<b>\$5,848</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Appropriations</b>	<b>\$731,000</b>	<b>\$734,500</b>	<b>\$0</b>

**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.

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## 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>
<b>Nonproliferation Programs</b>			
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 <sup>1</sup> Int'l Monitoring System	18,848	14,350	0
<b>Sub Total</b>	<b>\$197,260</b>	<b>\$198,850</b>	<b>\$0</b>
<b>Antiterrorism Programs</b>			
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
<b>Sub Total</b>	<b>\$149,036</b>	<b>\$150,500</b>	<b>\$0</b>
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
<b>Sub Total</b>	<b>\$75,888</b>	<b>\$90,750</b>	<b>\$0</b>
<b>Total Allocation</b>	<b>\$422,184</b>	<b>\$440,100</b>	<b>\$405,999</b>
<b>Rescission</b>	<b>\$3,216</b>	<b>\$0</b>	<b>\$4,101</b>
<b>Total Appropriations</b>	<b>\$425,400</b>	<b>\$440,100</b>	<b>\$410,100</b>

**Notes:**

<sup>1</sup>Comprehensive Nuclear Test Ban Treaty.

<sup>2</sup>Chapter 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

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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.

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- 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.

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- 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.

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- 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

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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.

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**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.

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- 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.

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••• 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.

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### **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,

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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,

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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.

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### **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.

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- 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.

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### 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.

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•• 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

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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.

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***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**.

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## **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.

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- 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

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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

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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.

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## **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

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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.

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### **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
<b>Total CTR Program Authorization</b>	<b>\$409.200</b>	<b>\$415.549</b>

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*.

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## 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.