

## Calendar No. 696

106<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION**S. 2901****[Report No. 106-351]**

To authorize appropriations to carry out security assistance for fiscal year 2001, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JULY 20, 2000

Mr. HELMS from the Committee on Foreign Relations, reported the following original bill; which was read twice and placed on the calendar

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**A BILL**

To authorize appropriations to carry out security assistance for fiscal year 2001, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Security Assistance  
5 Act of 2000”.

1           **TITLE I—MILITARY AND**  
2           **RELATED ASSISTANCE**  
3           **Subtitle A—Foreign Military**  
4           **Financing Program**

5   **SEC. 101. AUTHORIZATION OF APPROPRIATIONS.**

6           There are authorized to be appropriated for grant as-  
7   sistance under section 23 of the Arms Export Control Act  
8   (22 U.S.C. 2763) and for the subsidy cost, as defined in  
9   section 502(5) of the Federal Credit Reform Act of 1990,  
10  of direct loans under such section for fiscal year 2001,  
11  the total amount of \$3,627,000,000.

12           **Subtitle B—Other Assistance**

13   **SEC. 111. DEFENSE DRAWDOWN SPECIAL AUTHORITIES.**

14           (a) EMERGENCY DRAWDOWN.—Section 506(a)(1) of  
15  the Foreign Assistance Act of 1961 (22 U.S.C.  
16  2318(a)(1)) is amended by striking “\$100,000,000” and  
17  inserting “\$150,000,000”.

18           (b)           ADDITIONAL           DRAWDOWN.—Section  
19  506(a)(2)(A)(i) of such Act (22 U.S.C. 2318(a)(2)(A)(i))  
20  is amended—

21                   (1) by striking “or” the first place it appears;

22                   and

23                   (2) by striking subclause (III) and inserting the  
24                   following:

1 “(III) chapter 8 of part II (relat-  
2 ing to antiterrorism assistance);

3 “(IV) chapter 9 of part II (relat-  
4 ing to nonproliferation assistance); or

5 “(V) the Migration and Refugee  
6 Assistance Act of 1962; or”.

7 **SEC. 112. INCREASED TRANSPORT AUTHORITY.**

8 Section 516(e)(2)(C) of the Foreign Assistance Act  
9 of 1961 (22 U.S.C. 23321j(e)(2)(C)) is amended by strik-  
10 ing “25,000” and inserting “50,000”.

11 **TITLE II—INTERNATIONAL MILI-  
12 TARY EDUCATION AND  
13 TRAINING**

14 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

15 There are authorized to be appropriated \$65,000,000  
16 for fiscal year 2001 to carry out chapter 5 of part II of  
17 the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et  
18 seq.).

19 **SEC. 202. ADDITIONAL REQUIREMENTS RELATING TO  
20 INTERNATIONAL MILITARY EDUCATION AND  
21 TRAINING.**

22 Chapter 5 of part II of the Foreign Assistance Act  
23 of 1961 (22 U.S.C. 2347 et seq.) is amended by adding  
24 at the end the following:

1 **“SEC. 547. CONSULTATION REQUIREMENT.**

2 “The selection of foreign personnel for training under  
3 this chapter shall be made in consultation with the United  
4 States defense attache to the relevant country.

5 **“SEC. 548. RECORDS REGARDING FOREIGN PARTICIPANTS.**

6 “In order to contribute most effectively to the devel-  
7 opment of military professionalism in foreign countries,  
8 the Secretary of Defense shall develop and maintain a  
9 database containing records on each foreign military or  
10 defense ministry civilian participant in education and  
11 training activities conducted under this chapter after De-  
12 cember 31, 2000. This record shall include the type of in-  
13 struction received, the dates of such instruction, whether  
14 such instruction was completed successfully, and, to the  
15 extent practicable, a record of the person’s subsequent  
16 military or defense ministry career and current position  
17 and location.”.

18 **TITLE III—NONPROLIFERATION**  
19 **AND EXPORT CONTROL AS-**  
20 **SISTANCE**

21 **SEC. 301. NONPROLIFERATION AND EXPORT CONTROL AS-**  
22 **SISTANCE.**

23 Part II of the Foreign Assistance Act of 1961 (22  
24 U.S.C. 2301 et seq.) is amended by adding at the end  
25 the following new chapter:

1    **“CHAPTER 9—NONPROLIFERATION AND**  
2            **EXPORT CONTROL ASSISTANCE**

3    **“SEC. 581. GENERAL AUTHORITY.**

4            “Notwithstanding any other provision of law that re-  
5    stricts assistance to foreign countries (other than sections  
6    502B and 620A of this Act), the President is authorized  
7    to furnish, on such terms and conditions as the President  
8    may determine, assistance to foreign countries in order to  
9    enhance the ability of such countries to halt the prolifera-  
10   tion of nuclear, chemical, and biological weapons, and ad-  
11   vanced conventional weaponry. Such assistance may in-  
12   clude training services and the provision of equipment and  
13   other commodities related to the detection, deterrence,  
14   monitoring, interdiction, and prevention or countering of  
15   proliferation, the establishment of effective nonprolifera-  
16   tion laws and regulations, and the apprehension of those  
17   individuals involved in acts of proliferation of such weap-  
18   ons.

19   **“SEC. 582. PURPOSES.**

20            “Activities conducted under this chapter shall be  
21   designed—

22                    “(1) to enhance the nonproliferation and export  
23            control capabilities of friendly countries by providing  
24            training and equipment to detect, deter, monitor,  
25            interdict, and counter proliferation;

1           “(2) to strengthen the bilateral ties of the  
2           United States with friendly governments by offering  
3           concrete assistance in this area of vital national se-  
4           curity interest; and

5           “(3) to accomplish the activities and objectives  
6           set forth in sections 503 and 504 of the FREEDOM  
7           Support Act (Public Law 102–511).

8   **“SEC. 583. TRANSIT INTERDICTION.**

9           “(a) ALLOCATION OF FUNDS.—In providing assist-  
10          ance under this chapter, the President should ensure that  
11          not less than one-quarter of the total of such assistance  
12          is expended for the purpose of enhancing the capabilities  
13          of friendly countries to detect and interdict proliferation-  
14          related shipments of cargo that originate from, and are  
15          destined for, other countries.

16          “(b) PRIORITY TO CERTAIN COUNTRIES.—Priority  
17          shall be given in the apportionment of the assistance de-  
18          scribed under subsection (a) to any friendly country that  
19          has been determined by the Secretary of State to be a  
20          country frequently transited by proliferation-related ship-  
21          ments of cargo.

22   **“SEC. 584. LIMITATIONS.**

23          “The limitations contained in section 573 (a) and (d)  
24          of this Act shall apply to this chapter.

1 **“SEC. 585. AUTHORIZATION OF APPROPRIATIONS.**

2 “(a) AUTHORIZATION OF APPROPRIATIONS.—There  
3 is authorized to be appropriated to the President to carry  
4 out this chapter \$129,000,000 for the fiscal year 2001.

5 “(b) AVAILABILITY OF FUNDS.—Funds made avail-  
6 able under subsection (a) may be used notwithstanding  
7 any other provision of law (other than section 502B or  
8 620A) and shall remain available until expended.”.

9 **SEC. 302. NONPROLIFERATION AND EXPORT CONTROL**  
10 **TRAINING IN THE UNITED STATES.**

11 Of the amount made available for fiscal year 2001  
12 under chapter 9 of part II of the Foreign Assistance Act  
13 of 1961, as added by section 301, \$2,000,000 is author-  
14 ized to be available for the purpose of training and edu-  
15 cation of personnel from friendly countries in the United  
16 States.

17 **SEC. 303. SCIENCE AND TECHNOLOGY CENTERS.**

18 (a) AUTHORIZATION OF FUNDS.—Of the amounts  
19 made available for fiscal year 2001 under chapter 9 of  
20 part II of the Foreign Assistance Act of 1961, as added  
21 by section 301, \$59,000,000 is authorized to be available  
22 for each such year for science and technology centers in  
23 the independent states of the former Soviet Union.

24 (b) SENSE OF THE SENATE.—It is the sense of the  
25 Senate, taking into account the obligation contained in  
26 section 1132 of Public Law 106–113, that the practice

1 of auditing entities receiving funds authorized under this  
2 section should be significantly expanded and that the bur-  
3 den of supplying auditors should be spread equitably with-  
4 in the United States Government.

5 **SEC. 304. TRIAL TRANSIT PROGRAM.**

6 (a) ALLOCATION OF FUNDS.—Of the amount made  
7 available for fiscal year 2001 under chapter 9 of the For-  
8 eign Assistance Act of 1961, as added by section 301,  
9 \$5,000,000 is authorized to be available to establish a  
10 static cargo x-ray facility in Malta, if the Secretary of  
11 State first certifies to the appropriate committees of Con-  
12 gress that the Government of Malta has provided adequate  
13 assurances that such a facility will be utilized in connec-  
14 tion with random cargo inspections by Maltese customs  
15 officials of container traffic transiting through the Malta  
16 Freeport.

17 (b) REQUIREMENT OF WRITTEN ASSESSMENT.—In  
18 the event that a facility is established in Malta pursuant  
19 to subsection (a), the Secretary of State shall submit a  
20 written assessment to the appropriate committees of Con-  
21 gress not later than 270 days after such a facility com-  
22 mences operation detailing—

23 (1) statistics on utilization of the facility by  
24 Malta;



1           (2) the contribution made by the facility to  
2           United States nonproliferation and export control  
3           objectives; and

4           (3) the feasibility of establishing comparable fa-  
5           cilities in other countries identified by the Secretary  
6           of State pursuant to section 583 of the Foreign As-  
7           sistance Act of 1961, as added by section 301.

8           (c) TREATMENT OF ASSISTANCE.—Assistance under  
9           this section shall be considered as assistance under section  
10          583(a) of the Foreign Assistance Act of 1961 (relating  
11          to transit interdiction), as added by section 301.

12       **SEC. 305. EXCEPTION TO AUTHORITY TO CONDUCT INSPEC-**  
13                               **TIONS UNDER THE CHEMICAL WEAPONS**  
14                               **CONVENTION IMPLEMENTATION ACT OF 1998.**

15          Section 303 of the Chemical Weapons Convention  
16          Implementation Act of 1998 (as contained in division I  
17          of Public Law 105–277) is amended by adding at the end  
18          the following new subsection:

19               “(c) EXCEPTION.—The requirement under subsection  
20          (b)(2)(A) shall not apply to inspections of United States  
21          chemical weapons destruction facilities (as used within the  
22          meaning of part IV(C)(13) of the Verification Annex to  
23          the Convention).”.

1           **TITLE IV—ANTITERRORISM**  
2                           **ASSISTANCE**

3 **SEC. 401. AUTHORIZATION OF APPROPRIATIONS.**

4           Section 574(a) of the Foreign Assistance Act of 1961  
5 (22 U.S.C. 2349aa-4(a)) is amended by striking  
6 “\$9,840,000” and all that follows through the period and  
7 inserting the following: “\$73,000,000 for the fiscal year  
8 2001.”.

9           **TITLE V—INTEGRATED SECURITY**  
10                   **ASSISTANCE PLANNING**

11           **Subtitle A—Establishment of a Na-**  
12                   **tional Security Assistance Strat-**  
13                   **egy**

14 **SEC. 501. NATIONAL SECURITY ASSISTANCE STRATEGY.**

15           (a) **REQUIREMENT.**—Not later than 180 days after  
16 the date of enactment of this Act, and annually thereafter  
17 in connection with congressional presentation materials of  
18 the foreign operations appropriations budget request, the  
19 Secretary of State shall submit to the appropriate commit-  
20 tees of Congress a report setting forth a National Security  
21 Assistance Strategy for the United States.

22           (b) **ELEMENTS OF THE STRATEGY.**—The strategy  
23 shall—

24                   (1) set forth a 5-year plan for security assist-  
25                   ance programs;

1           (2) be consistent with the National Security  
2 Strategy of the United States;

3           (3) be coordinated with the Secretary of De-  
4 fense and the Chairman of the Joint Chiefs of Staff;

5           (4) identify overarching security assistance ob-  
6 jectives, including identification of the role that spe-  
7 cific security assistance programs will play in achiev-  
8 ing such objectives;

9           (5) identify a primary security assistance objec-  
10 tive, as well as specific secondary objectives, for indi-  
11 vidual countries;

12           (6) identify, on a country-by-country basis, how  
13 specific resources will be allocated to accomplish  
14 both primary and secondary objectives;

15           (7) discuss how specific types of assistance,  
16 such as foreign military financing and international  
17 military education and training, will be combined at  
18 the country level to achieve United States objectives;  
19 and

20           (8) detail, with respect to each of the para-  
21 graphs (1) through (7), how specific types of assist-  
22 ance provided pursuant to the Arms Export Control  
23 Act and Foreign Assistance Act of 1961 are coordi-  
24 nated with United States assistance programs man-

1 aged by the Department of Defense and other agen-  
2 cies.

3 (c) COVERED ASSISTANCE.—The National Security  
4 Assistance Strategy shall cover assistance provided  
5 under—

6 (1) section 23 of the Arms Export Control Act  
7 (22 U.S.C. 2763);

8 (2) chapters 5, 8, and 9 of part II of the For-  
9 eign Assistance Act of 1961 (22 U.S.C. 2347 et  
10 seq.); and

11 (3) section 516 of the Foreign Assistance Act  
12 of 1961 (22 U.S.C. 2321i).

13 **SEC. 502. SECURITY ASSISTANCE SURVEYS.**

14 (a) UTILIZATION.—The Secretary of State shall uti-  
15 lize security assistance surveys in preparation of the Na-  
16 tional Security Assistance Strategy required pursuant to  
17 section 501 of this Act.

18 (b) FUNDING.—Of the amounts made available for  
19 fiscal year 2001 under section 23 of the Arms Export Con-  
20 trol Act (22 U.S.C. 2763), \$2,000,000 is authorized to  
21 be available to the Secretary of State to conduct security  
22 assistance surveys, or to request such a survey, on a reim-  
23 bursable basis, by the Department of Defense or other  
24 United States Government agencies. Such surveys shall be

1 conducted consistent with the requirements of section 26  
2 of the Arms Export Control Act.

3 **Subtitle B—Allocations for Certain**  
4 **Countries**

5 **SEC. 511. SECURITY ASSISTANCE FOR NEW NATO MEM-**  
6 **BERS.**

7 (a) FOREIGN MILITARY FINANCING.—Of the  
8 amounts made available for fiscal year 2001 under section  
9 23 of the Arms Export Control Act (22 U.S.C. 2763),  
10 \$35,000,000 is authorized to be available on a grant basis  
11 for the Czech Republic, Hungary, and Poland.

12 (b) MILITARY EDUCATION AND TRAINING.—Of the  
13 amounts made available for fiscal year 2001 to carry out  
14 chapter 5 of part II of the Foreign Assistance Act of 1961  
15 (22 U.S.C. 2347 et seq.), \$7,000,000 is authorized to be  
16 available only for the Czech Republic, Hungary, and Po-  
17 land.

18 (c) SELECT PRIORITIES.—In providing assistance  
19 under this section, the President shall give priority to sup-  
20 porting activities consistent with the objectives set forth  
21 in the following conditions of the Senate resolution of rati-  
22 fication for the Protocols to the North Atlantic Treaty of  
23 1949 on the Accession of Poland, Hungary, and the Czech  
24 Republic:

1           (1) Condition (1)(A)(v), (vi), and (vii), relating  
2           to common threats, the core mission of NATO, and  
3           the capacity to respond to common threats.

4           (2) Condition (1)(B), relating to the funda-  
5           mental importance of collective defense.

6           (3) Condition (1)(C), relating to defense plan-  
7           ning, command structures, and force goals.

8           (4) Conditions (4)(B)(i) and (4)(B)(ii), relating  
9           to intelligence matters.

10 **SEC. 512. INCREASED TRAINING ASSISTANCE FOR GREECE**  
11 **AND TURKEY.**

12           (a) IN GENERAL.—Of the amounts made available  
13 for fiscal year 2001 to carry out chapter 5 of part II of  
14 the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et  
15 seq.)—

16           (1) \$1,000,000 is authorized to be available for  
17 Greece; and

18           (2) \$2,500,000 is authorized to be available for  
19 Turkey.

20           (b) USE FOR PROFESSIONAL MILITARY EDU-  
21 CATION.—Of the amounts available under paragraphs (1)  
22 and (2) of subsection (a), \$500,000 of such amounts  
23 should be available only for purposes of professional mili-  
24 tary education.

1           (c) USE FOR JOINT TRAINING.—It is the sense of  
2 Congress that, to the maximum extent practicable,  
3 amounts available under subsection (a) that are used in  
4 accordance with subsection (b) should be used for joint  
5 training of Greek and Turkish officers.

6 **SEC. 513. MINIMUM ALLOCATION FOR EGYPT AND ISRAEL.**

7           (a) AVAILABILITY OF FUNDS.—Of the amounts made  
8 available for fiscal year 2001 for assistance under the  
9 “Foreign Military Financing Program” account under  
10 section 23 of the Arms Export Control Act (22 U.S.C.  
11 2763), \$1,980,000,000 is authorized to be available on a  
12 grant basis for Israel, and \$1,300,000,000 is authorized  
13 to be available on a grant basis for Egypt.

14           (b) DISBURSEMENT OF FUNDS.—Funds authorized  
15 to be available for Israel under subsection (a) shall be dis-  
16 bursed not later than 30 days after the date of enactment  
17 of an Act making appropriations for foreign operations,  
18 export financing, and related programs for fiscal year  
19 2001, or October 31, 2000, whichever date is later.

20           (c) AVAILABILITY OF FUNDS FOR ADVANCED WEAP-  
21 ONS SYSTEMS.—To the extent the Government of Israel  
22 requests that funds be used for such purposes, grants  
23 made available for Israel out of funds authorized to be  
24 available under subsection (a) for Israel shall, as agreed  
25 by Israel and the United States, be available for advanced

1 weapons systems, of which not less than 26.3 percent shall  
2 be available for the procurement in Israel of defense arti-  
3 cles and defense services, including research and develop-  
4 ment.

5 **SEC. 514. SECURITY ASSISTANCE FOR CERTAIN COUN-**  
6 **TRIES.**

7 (a) FOREIGN MILITARY FINANCING.—Of the  
8 amounts made available for fiscal year 2001 under section  
9 23 of the Arms Export Control Act (22 U.S.C. 2763)—

10 (1) \$20,500,000 is authorized to be available on  
11 a grant basis for Estonia, Latvia, and Lithuania;

12 (2) \$5,000,000 is authorized to be available on  
13 a grant basis for the Philippines;

14 (3) \$5,000,000 is authorized to be available on  
15 a grant basis for Georgia;

16 (4) \$1,000,000 is authorized to be available on  
17 a grant basis for Malta;

18 (5) \$4,000,000 is authorized to be available on  
19 a grant basis for Slovenia;

20 (6) \$8,400,000 is authorized to be available on  
21 a grant basis for Slovakia;

22 (7) \$11,000,000 is authorized to be available on  
23 a grant basis for Romania; and

24 (8) \$8,500,000 is authorized to be available on  
25 a grant basis for Bulgaria.



1 (b) IMET.—Of the amounts made available for fiscal  
2 year 2001 to carry out chapter 5 of part II of the Foreign  
3 Assistance Act of 1961 (22 U.S.C. 2347 et seq.)—

4 (1) \$4,000,000 is authorized to be available for  
5 Estonia, Latvia, and Lithuania;

6 (2) \$1,500,000 is authorized to be available for  
7 the Philippines;

8 (3) \$1,000,000 is authorized to be available for  
9 Georgia;

10 (4) \$1,000,000 is authorized to be available for  
11 Malta;

12 (5) \$1,000,000 is authorized to be available for  
13 Slovenia;

14 (6) \$1,000,000 is authorized to be available for  
15 Slovakia;

16 (7) \$1,500,000 is authorized to be available for  
17 Romania; and

18 (8) \$1,200,000 is authorized to be available for  
19 Bulgaria.

20 **SEC. 515. BORDER SECURITY AND TERRITORIAL INDE-**  
21 **PENDENCE.**

22 (a) GUUAM COUNTRIES AND ARMENIA.—For the  
23 purpose of carrying out section 499C of the Foreign As-  
24 sistance Act of 1961 and assisting GUUAM countries and  
25 Armenia to strengthen national control of their borders

1 and to promote the independence and territorial sov-  
2 ereignty of such countries, the following amounts are au-  
3 thorized to be made available for fiscal year 2001:

4           (1) \$20,000,000 of the amounts made available  
5           for fiscal year 2001 under section 23 of the Arms  
6           Export Control Act (22 U.S.C. 2763).

7           (2) \$10,000,000 of the amounts made available  
8           for fiscal year 2001 under chapter 9 of part II of  
9           the Foreign Assistance Act of 1961, as added by  
10          section 301.

11          (3) \$5,000,000 of the amounts made available  
12          for fiscal year 2001 to carry out chapter 5 of part  
13          II of the Foreign Assistance Act of 1961 (22 U.S.C.  
14          2347 et seq.).

15          (4) \$2,000,000 of the amounts made available  
16          for fiscal year 2001 to carry out chapter 8 of part  
17          II of the Foreign Assistance Act.

18          (b) GUUAM COUNTRIES DEFINED.—In this section,  
19          the term “GUUAM countries” means the group of coun-  
20          tries that signed a protocol on quadrilateral cooperation  
21          on November 25, 1997, together with Uzbekistan.

1     **TITLE VI—OTHER PROVISIONS**

2     **SEC. 601. UTILIZATION OF DEFENSE ARTICLES AND SERV-**  
3                     **ICES.**

4             Section 502 of the Foreign Assistance Act of 1961  
5 (22 U.S.C. 2302) is amended in the first sentence by in-  
6 serting “(including for antiterrorism and nonproliferation  
7 purposes)” after “internal security”.

8     **SEC. 602. SENSE OF THE SENATE REGARDING EXCESS DE-**  
9                     **FENSE ARTICLES.**

10            It is the sense of the Senate that the President should  
11 make expanded use of the authority provided under sec-  
12 tion 21(a) of the Arms Export Control Act to sell excess  
13 defense articles by utilizing the flexibility afforded by sec-  
14 tion 47 of such Act to ascertain the “market value” of  
15 excess defense articles.

16     **SEC. 603. SENSE OF THE SENATE.**

17            It is the sense of the Senate that, prior to amending  
18 the International Traffic in Arms Regulations, the Sec-  
19 retary of State should consult with the Committee on For-  
20 eign Relations of the Senate for the purpose of deter-  
21 mining whether certain agreements regarding defense  
22 trade with the United Kingdom and Australia should be  
23 submitted to the Senate as treaties.

1 **SEC. 604. ADDITIONS TO UNITED STATES WAR RESERVE**  
2 **STOCKPILES FOR ALLIES.**

3 Section 514(b)(2) of the Foreign Assistance Act of  
4 1961 (22 U.S.C. 2321h(b)(2)) is amended to read as fol-  
5 lows:

6 “(2)(A) The value of such additions to stockpiles of  
7 defense articles in foreign countries shall not exceed  
8 \$50,000,000 for fiscal year 2001.

9 “(B) Of the amount specified in subparagraph (A)  
10 for fiscal year 2001, not more than \$50,000,000 may be  
11 made available for stockpiles in the Republic of Korea.”.

12 **SEC. 605. TRANSFER OF CERTAIN OBSOLETE OR SURPLUS**  
13 **DEFENSE ARTICLES IN THE WAR RESERVE**  
14 **STOCKPILES FOR ALLIES TO ISRAEL.**

15 (a) TRANSFERS TO ISRAEL.—

16 (1) AUTHORITY.—Notwithstanding section 514  
17 of the Foreign Assistance Act of 1961 (22 U.S.C.  
18 2321h), the President may transfer to Israel, in re-  
19 turn for concessions to be negotiated by the Sec-  
20 retary of Defense, with the concurrence of the Sec-  
21 retary of State, any or all of the items described in  
22 paragraph (2).

23 (2) ITEMS COVERED.—The items referred to in  
24 paragraph (1) are munitions such as armor, artil-  
25 lery, automatic weapons ammunition, missiles, and  
26 other munitions that—

1 (A) are obsolete or surplus items;

2 (B) are in the inventory of the Department  
3 of Defense;

4 (C) are intended for use as reserve stocks  
5 for Israel; and

6 (D) as of the date of enactment of this  
7 Act, are located in a stockpile in Israel.

8 (b) CONCESSIONS.—The value of concessions nego-  
9 tiated pursuant to subsection (a) shall be at least equal  
10 to the fair market value of the items transferred. The con-  
11 cessions shall consist solely of cash compensation.

12 (c) ADVANCE NOTIFICATION OF TRANSFER.—Not  
13 less than 30 days before making a transfer under the au-  
14 thority of this section, the President shall transmit to the  
15 Committee on Foreign Relations of the Senate, and the  
16 Committee on International Relations of the House of  
17 Representatives a notification of the proposed transfer.  
18 The notification shall identify the items to be transferred  
19 and the concessions to be received.

20 (d) EXPIRATION OF AUTHORITY.—No transfer may  
21 be made under the authority of this section 5 years after  
22 the date of enactment of this Act.

1 **SEC. 606. STINGER MISSILES IN THE PERSIAN GULF RE-**  
2 **GION.**

3 (a) PROHIBITION.—Notwithstanding any other provi-  
4 sion of law and except as provided in subsection (b), the  
5 United States may not sell or otherwise make available  
6 under the Arms Export Control Act or chapter 2 of part  
7 II of the Foreign Assistance Act of 1961 any Stinger  
8 ground-to-air missiles to any country bordering the Per-  
9 sian Gulf.

10 (b) ADDITIONAL TRANSFERS AUTHORIZED.—In ad-  
11 dition to other defense articles authorized to be trans-  
12 ferred by section 581 of the Foreign Operations, Export  
13 Financing, and Related Programs Appropriation Act,  
14 1990, the United States may sell or make available, under  
15 the Arms Export Control Act or chapter 2 of part II of  
16 the Foreign Assistance Act of 1961, Stinger ground to air  
17 missiles to any country bordering the Persian Gulf in  
18 order to replace, on a one-for-one basis, Stinger missiles  
19 previously furnished to such country if the Stinger missiles  
20 to be replaced are nearing the scheduled expiration of their  
21 shelf-life.

22 **SEC. 607. EXCESS DEFENSE ARTICLES FOR MONGOLIA.**

23 (a) USES FOR WHICH FUNDS ARE AVAILABLE.—  
24 Notwithstanding section 516(e) of the Foreign Assistance  
25 Act of 1961 (22 U.S.C. 2321j(e)), during fiscal year 2001,  
26 funds available to the Department of Defense may be ex-

1 pended for crating, packing, handling, and transportation  
2 of excess defense articles transferred under the authority  
3 of section 516 of that Act to Mongolia.

4 (b) CONTENT OF CONGRESSIONAL NOTIFICATION.—  
5 Each notification required to be submitted under section  
6 516(f) of the Foreign Assistance Act of 1961 (22 U.S.C.  
7 2321j(f)) with respect to a proposed transfer of a defense  
8 article described in subsection (a) shall include an esti-  
9 mate of the amount of funds to be expended under sub-  
10 section (a) with respect to that transfer.

11 **SEC. 608. SPACE COOPERATION WITH RUSSIAN PERSONS.**

12 (a) ANNUAL CERTIFICATION.—

13 (1) REQUIREMENT.—The President shall sub-  
14 mit each year to the appropriate committees of Con-  
15 gress, with respect to each Russian person described  
16 in paragraph (2), a certification that the person is  
17 not suspected of contributing to the acquisition, de-  
18 sign, development, or production of MTCR-class bal-  
19 listic missiles in Iran at any time since January 1,  
20 2000.

21 (2) APPLICABILITY.—The certification require-  
22 ment under paragraph (1) applies with respect to  
23 each Russian person that, as of the date of the cer-  
24 tification, is a person engaged in commercial co-  
25 operation relating to MTCR equipment or tech-

1 nology with a United States person pursuant to an  
2 arms export license that was issued within the 36  
3 months preceding the month in which the certifi-  
4 cation is made.

5 (3) COMMENCEMENT AND TERMINATION OF RE-  
6 QUIREMENT.—

7 (A) TIMES FOR SUBMISSION.—The Presi-  
8 dent shall submit—

9 (i) the first certification under para-  
10 graph (1) not later than 60 days after the  
11 date of the enactment of this Act; and

12 (ii) each annual certification there-  
13 after on the anniversary of the first sub-  
14 mission.

15 (B) TERMINATION OF REQUIREMENT.—No  
16 certification is required under paragraph (1)  
17 after the submission of the annual certification  
18 that is required to be submitted 5 years after  
19 the date on which the first certification is sub-  
20 mitted.

21 (b) TERMINATION OF EXISTING LICENSES.—If, at  
22 any time after the issuance of a license under section 36(c)  
23 of the Arms Export Control Act relating to the use, devel-  
24 opment, or co-production of commercial rocket engine  
25 technology with a foreign person, the President determines



1 that the foreign person has engaged in any action de-  
2 scribed in section 73(a)(1) of the Arms Export Control  
3 Act (22 U.S.C. 2797b(a)(1)) since the date the license was  
4 issued, the President may terminate the license.

5 (c) REPORT ON EXPORT LICENSING OF MTCR  
6 ITEMS UNDER \$50,000,000.—Section 71(d) of the Arms  
7 Export Control Act (22 U.S.C. 2797(d)) is amended by  
8 striking “Within 15 days” and all that follows through  
9 “MTCR Annex,” and inserting “Within 15 days after the  
10 issuance of a license (including any brokering license) for  
11 the export of items valued at less than \$50,000,000 that  
12 are controlled under this Act pursuant to United States  
13 obligations under the Missile Technology Control Regime  
14 or are goods or services that are intended to support the  
15 design, utilization, development, or production of a space  
16 launch vehicle system listed in Category I or II of the  
17 MTCR Annex,”.

18 (d) DEFINITIONS.—In this section:

19 (1) APPROPRIATE COMMITTEES OF CON-  
20 GRESS.—The term “appropriate committees of Con-  
21 gress” means the Committee on Foreign Relations  
22 of the Senate and the Committee on International  
23 Relations of the House of Representatives.

24 (2) FOREIGN PERSON.—The term “foreign per-  
25 son” has the meaning given the term in section

1 74(7) of the Arms Export Control Act (22 U.S.C.  
2 2797c(7)).

3 (3) MTCR EQUIPMENT OR TECHNOLOGY.—The  
4 term “MTCR equipment or technology” has the  
5 meaning given the term in section 74(5) of the Arms  
6 Export Control Act (22 U.S.C. 2797c(5)).

7 (4) PERSON.—The term “person” has the  
8 meaning given the term in section 74(8) of the Arms  
9 Export Control Act (22 U.S.C. 2797c(8)).

10 (5) UNITED STATES PERSON.—The term  
11 “United States person” has the meaning given the  
12 term in section 74(6) of the Arms Export Control  
13 Act (22 U.S.C. 2797c(6)).

14 **SEC. 609. ASSISTANCE FOR ISRAEL.**

15 (a) DEFINITIONS.—In this section:

16 (1) ESF ASSISTANCE.—The term “ESF assist-  
17 ance” means assistance under chapter 4 of part II  
18 of the Foreign Assistance Act of 1961 (22 U.S.C.  
19 2346 et seq.), relating to the economic support fund.

20 (2) FOREIGN MILITARY FINANCING PRO-  
21 GRAM.—The term “Foreign Military Financing Pro-  
22 gram” means the program authorized by section 23  
23 of the Arms Export Control Act (22 U.S.C. 2763).

24 (b) ESF ASSISTANCE.—

1           (1) IN GENERAL.—Of the amounts made avail-  
2           able for each of the fiscal years 2001 through 2008  
3           for ESF assistance, not less than the amount speci-  
4           fied in paragraph (2) for each such fiscal year shall  
5           be available only for Israel.

6           (2) COMPUTATION OF AMOUNT.—Subject to  
7           subsection (d), the amount referred to in paragraph  
8           (1) is equal to—

9                   (A) the amount made available for ESF  
10                  assistance for Israel for the preceding fiscal  
11                  year, minus

12                   (B) \$120,000,000.

13           (c) FMF PROGRAM.—

14           (1) IN GENERAL.—Of the amount made avail-  
15           able for each of the fiscal years 2001 through 2008  
16           for assistance under the Foreign Military Financing  
17           Program, not less than the amount specified in  
18           paragraph (2) for each such fiscal year shall be  
19           available only for Israel.

20           (2) COMPUTATION OF AMOUNT.—Subject to  
21           subsection (d), the amount referred to in paragraph  
22           (1) is equal to—

23                   (A) the amount made available for assist-  
24                  ance under the Foreign Military Financing Pro-

1           gram for Israel for the preceding fiscal year,  
2           plus  
3           (B) \$60,000,000.

4           (d) EXCLUSION OF RESCISSIONS AND SUPPLE-  
5    MENTAL APPROPRIATIONS.—For purposes of this section,  
6    the computation of amounts made available for a fiscal  
7    year shall not take into account any amount rescinded by  
8    an Act or any amount appropriated by an Act making sup-  
9    plemental appropriations for a fiscal year.

10           **TITLE VII—TRANSFERS OF**  
11           **NAVAL VESSELS**

12    **SEC. 701. AUTHORITY TO TRANSFER NAVAL VESSELS TO**  
13           **CERTAIN FOREIGN COUNTRIES.**

14           (a) BRAZIL.—The President is authorized to transfer  
15    to the Government of Brazil two “THOMASTON” class  
16    dock landing ships ALAMO (LSD 33) and HERMITAGE  
17    (LSD 34), and four “GARCIA” class frigates BRADLEY  
18    (FF 1041), DAVIDSON (FF 1045), SAMPLE (FF  
19    1048) and ALBERT DAVID (FF 1050). Such transfers  
20    shall be on a grant basis under section 516 of the Foreign  
21    Assistance Act of 1961 (22 U.S.C. 2321j).

22           (b) CHILE.—The President is authorized to transfer  
23    to the Government of the Chile two “OLIVER HAZARD  
24    PERRY” class guided missile frigates WADSWORTH  
25    (FFG 9), and ESTOCIN (FFG 15). Such transfers shall

1 be on a combined lease-sale basis under sections 61 and  
 2 21 of the Arms Export Control Act (22 U.S.C. 2796,  
 3 2761).

4 (c) GREECE.—The President is authorized to trans-  
 5 fer to the Government of Greece two “KNOX” class frig-  
 6 ates VREELAND (FF 1068), and TRIPPE (FF 1075).  
 7 Such transfers shall be on a grant basis under section 516  
 8 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

9 (d) TURKEY.—The President is authorized to trans-  
 10 fer to the Government of Turkey two “OLIVER HAZ-  
 11 ARD PERRY” class guided missile frigates JOHN A.  
 12 MOORE (FFG 19), and FLATLEY (FFG 21). Such  
 13 transfers shall be on a combined lease-sale basis under  
 14 sections 61 and 21 of the Arms Export Control Act (22  
 15 U.S.C. 2796, 2761). The authority granted by this section  
 16 is in addition to that granted under section 1018(a)(9)  
 17 of Public Law 106–65.

18 **SEC. 702. INAPPLICABILITY OF AGGREGATE ANNUAL LIMI-**  
 19 **TATION ON VALUE OF TRANSFERRED EXCESS**  
 20 **DEFENSE ARTICLES.**

21 The value of naval vessels authorized under section  
 22 701 of this Act to be transferred on a grant basis under  
 23 section 516 of the Foreign Assistance Act of 1961 (22  
 24 U.S.C. 2321j) shall not be included in the aggregate an-  
 25 nual value of transferred excess defense articles which is

1 subject to the aggregate annual limitation set forth in sec-  
2 tion 516(g) of the Foreign Assistance Act of 1961 (22  
3 U.S.C. 2321j(g)).

4 **SEC. 703. COSTS OF TRANSFERS.**

5 Any expense of the United States in connection with  
6 a transfer authorized by this Act shall be charged to the  
7 recipient.

8 **SEC. 704. CONDITIONS RELATING TO COMBINED LEASE-**  
9 **SALE TRANSFERS.**

10 A transfer of a vessel on a combined lease-sale basis  
11 authorized by section 701 shall be made in accordance  
12 with the following requirements:

13 (1) The President may initially transfer the ves-  
14 sel by lease, with lease payments suspended for the  
15 term of the lease, if the country entering into the  
16 lease for the vessel simultaneously enters into a for-  
17 eign military sales agreement for the transfer of title  
18 to the vessel.

19 (2) The President may not deliver to the pur-  
20 chasing country title to the vessel until the purchase  
21 price of the vessel under such a foreign military  
22 sales agreement is paid in full.

23 (3) Upon payment of the purchase price in full  
24 under such a sales agreement and delivery of title to

1 the recipient country, the President shall terminate  
2 the lease.

3 (4) If the purchasing country fails to make full  
4 payment of the purchase price in accordance with  
5 the sales agreement by the date required under the  
6 sales agreement—

7 (A) the sales agreement shall be imme-  
8 diately terminated;

9 (B) the suspension of lease payments  
10 under the lease shall be vacated; and

11 (C) the United States shall be entitled to  
12 retain all funds received on or before the date  
13 of the termination under the sales agreement,  
14 up to the amount of lease payments due and  
15 payable under the lease and all other costs re-  
16 quired by the lease to be paid to that date.

17 (5) If a sales agreement is terminated pursuant  
18 to paragraph (4), the United States shall not be re-  
19 quired to pay any interest to the recipient country  
20 on any amount paid to the United States by the re-  
21 cipient country under the sales agreement and not  
22 retained by the United States under the lease.

23 **SEC. 705. FUNDING OF CERTAIN COSTS OF TRANSFERS.**

24 There are authorized to be appropriated to the De-  
25 fense Vessels Transfer Program Account such funds as

1 may be necessary to cover the costs (as defined in section  
2 502 of the Congressional Budget Act of 1974 (2 U.S.C.  
3 661a)) of the lease-sale transfers authorized by section  
4 701. Funds authorized to be appropriated under the pre-  
5 ceding sentence for the purpose described in that sentence  
6 may not be available for any other purpose.

7 **SEC. 706. EXPIRATION OF AUTHORITY.**

8 The authority granted by section 701 of this Act shall  
9 expire two years after the date of enactment of this Act.

10 **TITLE VIII—DEFINITION**

11 **SEC. 801. APPROPRIATE COMMITTEES OF CONGRESS DE-**

12 **FINED.**

13 In this Act, the term “appropriate committees of  
14 Congress” means the Committee on Foreign Relations and  
15 the Committee on Armed Services of the Senate and the  
16 Committee on International Relations and the Committee  
17 on Armed Services of the House of Representatives.





**Calendar No. 696**

106TH CONGRESS  
2D SESSION

**S. 2901**

**[Report No. 106-351]**

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**A BILL**

To authorize appropriations to carry out security assistance for fiscal year 2001, and for other purposes.

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JULY 20, 2000

Reported from the Committee on Foreign Relations, read twice, and placed on the calendar