
**FOREIGN OPERATIONS,
EXPORT FINANCING, AND
RELATED PROGRAMS
APPROPRIATIONS ACT, 1999**

PUBLIC LAW 105-277

FOREIGN OPERATIONS, EXPORT FINANCING APPROPRIATIONS, 1999

112 STAT.

PUBLIC LAW 105-277—OCT. 21, 1998

***Public Law 105-277
105th Congress****An Act**Oct. 21, 1998
[H.R. 4328]

Making omnibus consolidated and emergency appropriations for the fiscal year ending September 30, 1999, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*Omnibus
Consolidated and
Emergency
Supplemental
Appropriations
Act, 1999.**DIVISION A—OMNIBUS CONSOLIDATED APPROPRIATIONS**

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the several departments, agencies, corporations and other organizational units of the Government for the fiscal year 1999, and for other purposes, namely:

SECTION 101. (d) For programs, projects or activities in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999, provided as follows, to be effective as if it had been enacted into law as the regular appropriations Act:

Foreign
Operations,
Export
Financing, and
Related Agencies
Appropriations
Act, 1999.

AN ACT Making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1999, and for other purposes.

TITLE I—EXPORT AND INVESTMENT ASSISTANCE**EXPORT-IMPORT BANK OF THE UNITED STATES**

The Export-Import Bank of the United States is authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 104 of the

*NOTE.—This is a typeset print of the original hand enrollment as signed by the President on October 21, 1998. The text is printed without corrections.

Government Corporation Control Act, as may be necessary in carrying out the program for the current fiscal year for such corporation: *Provided*, That none of the funds available during the current fiscal year may be used to make expenditures, contracts, or commitments for the export of nuclear equipment, fuel, or technology to any country other than a nuclear-weapon state as defined in Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance under this Act that has detonated a nuclear explosive after the date of enactment of this Act.

SUBSIDY APPROPRIATION

For the cost of direct loans, loan guarantees, insurance, and tied-aid grants as authorized by section 10 of the Export-Import Bank Act of 1945, as amended, \$765,000,000 to remain available until September 30, 2002: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That such sums shall remain available until 2013 for the disbursement of direct loans, loan guarantees, insurance and tied-aid grants obligated in fiscal years 1999, 2000, 2001, and 2002: *Provided further*, That none of the funds appropriated by this Act or any prior Act appropriating funds for foreign operations, export financing, or related programs for tied-aid credits or grants may be used for any other purpose except through the regular notification procedures of the Committees on Appropriations: *Provided further*, That funds appropriated by this paragraph are made available notwithstanding section 2(b)(2) of the Export Import Bank Act of 1945, in connection with the purchase or lease of any product by any East European country, any Baltic State or any agency or national thereof.

\$765,000,000

¹ - 25,000,000

ADMINISTRATIVE EXPENSES

For administrative expenses to carry out the direct and guaranteed loan and insurance programs (to be computed on an accrual basis), including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, and not to exceed \$22,500 for official reception and representation expenses for members of the Board of Directors, \$50,000,000: *Provided*, That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the collection of moneys owed the Export-Import Bank, repossession or sale of pledged collateral or other assets acquired by the Export-Import Bank in satisfaction of moneys owed the Export-Import Bank, or the investigation or appraisal of any property, or the evaluation of the legal or technical aspects of any transaction for which an application for a loan, guarantee or insurance commitment has been made, shall be considered nonadministrative expenses for the purposes of this heading: *Provided further*, That, notwithstanding subsection (b) of section 117 of the Export Enhancement Act of 1992, subsection (a) thereof shall remain in effect until October 1, 1999.

50,000,000

12 USC 635a
note.

[*Total, Export-Import Bank of the United States, \$790,000,000.*]

¹ Negative Subsidy.

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OVERSEAS PRIVATE INVESTMENT CORPORATION

NONCREDIT ACCOUNT

The Overseas Private Investment Corporation is authorized to make, without regard to fiscal year limitations, as provided by 31 U.S.C. 9104, such expenditures and commitments within the limits of funds available to it and in accordance with law as may be necessary: *Provided*, That the amount available for administrative expenses to carry out the credit and insurance programs (including an amount for official reception and representation expenses which shall not exceed \$35,000) shall not exceed \$32,500,000 of which not more than \$27,500,000 may be made available until the Corporation reports to the Committees on Appropriations on measures taken to (1) establish sector specific investment funds; and (2) support regional investment initiatives in Georgia, Armenia and Azerbaijan through the Caucasus Fund: *Provided further*, That project-specific transaction costs, including direct and indirect costs incurred in claims settlements, and other direct costs associated with services provided to specific investors or potential investors pursuant to section 234 of the Foreign Assistance Act of 1961, shall not be considered administrative expenses for the purposes of this heading.

\$32,500,000

¹ - 260,000,000

PROGRAM ACCOUNT

For the cost of direct and guaranteed loans, \$50,000,000, as authorized by section 234 of the Foreign Assistance Act of 1961 to be derived by transfer from the Overseas Private Investment Corporation Noncredit Account: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That such sums shall be available for direct loan obligations and loan guaranty commitments incurred or made during fiscal years 1999 and 2000: *Provided further*, That such sums shall remain available through fiscal year 2007 for the disbursement of direct and guaranteed loans obligated in fiscal year 1999, and through fiscal year 2008 for the disbursement of direct and guaranteed loans obligated in fiscal year 2000: *Provided further*, That in addition, such sums as may be necessary for administrative expenses to carry out the credit program may be derived from amounts available for administrative expenses to carry out the credit and insurance programs in the Overseas Private Investment Corporation Noncredit Account and merged with said account.

50,000,000

[Total, Overseas Private Investment Corporation,
- \$177,500,000.]

FUNDS APPROPRIATED TO THE PRESIDENT

TRADE AND DEVELOPMENT AGENCY

For necessary expenses to carry out the provisions of section 661 of the Foreign Assistance Act of 1961, \$44,000,000, to remain available until September 30, 2000: *Provided*, That the Trade and Development Agency may receive reimbursements from corporations and other entities for the costs of grants for feasibility studies and other project planning services, to be deposited as an offsetting collection to this account and to be available for obligation until September 30, 2000, for necessary expenses under this paragraph: *Provided further*, That such reimbursements shall not cover, or

44,000,000

¹ Insurance fees and offsetting collections.

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be allocated against, direct or indirect administrative costs of the agency.

[*Total, title I, Export and investment assistance, \$656,500,000.*]

TITLE II—BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, and for other purposes, to remain available until September 30, 1999, unless otherwise specified herein, as follows:

AGENCY FOR INTERNATIONAL DEVELOPMENT

CHILD SURVIVAL AND DISEASE PROGRAMS FUND

For necessary expenses to carry out the provisions of chapters 1 and 10 of part I of the Foreign Assistance Act of 1961, for child survival, basic education, assistance to combat tropical and other diseases, and related activities, in addition to funds otherwise available for such purposes, \$650,000,000, to remain available until expended: *Provided*, That this amount shall be made available for such activities as: (1) immunization programs; (2) oral rehydration programs; (3) health and nutrition programs, and related education programs, which address the needs of mothers and children; (4) water and sanitation programs; (5) assistance for displaced and orphaned children; (6) programs for the prevention, treatment, and control of, and research on, tuberculosis, HIV/AIDS, polio, malaria and other diseases; and (7) up to \$98,000,000 for basic education programs for children: *Provided further*, That none of the funds appropriated under this heading may be made available for nonproject assistance for health and child survival programs, except that funds may be made available for such assistance for ongoing health programs.

DEVELOPMENT ASSISTANCE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out the provisions of sections 103 through 106, and chapter 10 of part I of the Foreign Assistance Act of 1961, title V of the International Security and Development Cooperation Act of 1980 (Public Law 96-533) and the provisions of section 401 of the Foreign Assistance Act of 1969, \$1,225,000,000, to remain available until September 30, 2000: *Provided*, That of the amount appropriated under this heading, up to \$20,000,000 may be made available for the Inter-American Foundation and shall be apportioned directly to that Agency: *Provided further*, That of the amount appropriated under this heading, up to \$11,000,000 may be made available for the African Development Foundation and shall be apportioned directly to that agency: *Provided further*, That none of the funds made available in this Act nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization: *Provided further*, That none of the funds made available under this heading may be used to pay for the performance of abortion as a method of family planning or to motivate or coerce any person

¹ Transfer of funds for the Inter-American Foundation.

² Transfer of funds for the African Development Foundation.

to practice abortions; and that in order to reduce reliance on abortion in developing nations, funds shall be available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services, and that any such voluntary family planning project shall meet the following requirements: (1) service providers or referral agents in the project shall not implement or be subject to quotas, or other numerical targets, of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning (this provision shall not be construed to include the use of quantitative estimates or indicators for budgeting and planning purposes), (2) the project shall not include payment of incentives, bribes, gratuities, or financial reward to (A) an individual in exchange for becoming a family planning acceptor, or (B) program personnel for achieving a numerical target or quota of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning, (3) the project shall not deny any right or benefit, including the right of access to participate in any program of general welfare or the right of access to health care, as a consequence of any individual's decision not to accept family planning services, (4) the project shall provide family planning acceptors comprehensible information on the health benefits and risks of the method chosen, including those conditions that might render the use of the method inadvisable and those adverse side effects known to be consequent to the use of the method, (5) the project shall ensure that experimental contraceptive drugs and devices and medical procedures are provided only in the context of a scientific study in which participants are advised of potential risks and benefits; and, not less than 60 days after the date on which the Administrator of the United States Agency for International Development determines that there has been a violation of the requirements contained in paragraph (1), (2), (3), or (5) of this proviso, or a pattern or practice of violations of the requirements contained in paragraph (4) of this proviso, the Administrator shall submit to the Committee on International Relations and the Committee on Appropriations of the House of Representatives and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate, a report containing a description of such violation and the corrective action taken by the Agency: *Provided further*, That in awarding grants for natural family planning under section 104 of the Foreign Assistance Act of 1961 no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning; and, additionally, all such applicants shall comply with the requirements of the previous proviso: *Provided further*, That for purposes of this or any other Act authorizing or appropriating funds for foreign operations, export financing, and related programs, the term "motivate", as it relates to family planning assistance, shall not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options: *Provided further*, That nothing in this paragraph shall be construed to alter any existing statutory prohibitions against abortion under section 104 of the Foreign Assistance Act of 1961: *Provided further*, That, notwithstanding section 109 of the Foreign Assistance Act of 1961, of the funds appropriated under this heading in this Act, and of the unobligated balances of funds previously appropriated under this heading,

\$2,500,000 may be transferred to “International Organizations and Programs” for a contribution to the International Fund for Agricultural Development (IFAD): *Provided further*, That none of the funds appropriated under this heading may be made available for any activity which is in contravention to the Convention on International Trade in Endangered Species of Flora and Fauna (CITES): *Provided further*, That none of the funds appropriated under this heading may be made available for assistance for the central Government of the Republic of South Africa, until the Secretary of State reports in writing to the appropriate committees of the Congress on the steps being taken by the United States Government to work with the Government of the Republic of South Africa to negotiate the repeal, suspension, or termination of section 15(c) of South Africa’s Medicines and Related Substances Control Amendment Act No. 90 of 1997: *Provided further*, That of the funds appropriated under this heading that are made available for assistance programs for displaced and orphaned children and victims of war, not to exceed \$25,000, in addition to funds otherwise available for such purposes, may be used to monitor and provide oversight of such programs: *Provided further*, That of the funds appropriated under this heading, not less than \$1,500,000 should be made available for agriculture programs in Laos: *Provided further*, That of the funds appropriated under this heading not less than \$500,000 should be made available for support of the United States Telecommunications Training Institute: *Provided further*, That, of the funds made available by this Act for the “Microenterprise Initiative” (including any local currencies made available for the purposes of the Initiative), not less than 50 percent of the funds used for microcredit should be made available for support of programs providing loans of less than \$300 to very poor people, particularly women, or for institutional support of organizations primarily engaged in making such loans.

CYPRUS

Of the funds appropriated under the headings “Development Assistance” and “Economic Support Fund”, not less than \$15,000,000 shall be made available for Cyprus to be used only for scholarships, administrative support of the scholarship program, bicommunal 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.

BURMA

Of the funds appropriated under the headings “Economic Support Fund” and “Development Assistance”, not less than \$6,500,000 shall be made available to support democracy activities in Burma, democracy and humanitarian activities along the Burma-Thailand border, and for Burmese student groups and other organizations located outside Burma: *Provided*, That funds made available for Burma-related activities under this heading may be made available notwithstanding any other provision of law: *Provided further*, That the provision of such funds shall be made available subject to the regular notification procedures of the Committees on Appropriations.

CAMBODIA

None of the funds appropriated by this Act may be made available for activities or programs for Cambodia until the Secretary of State determines and reports to the Committees on Appropriations that the Government of Cambodia has: (1) thoroughly and credibly resolved all election-related disputes and complaints filed by all political parties to the National Election Commission and the Constitutional Council; (2) discontinued all political violence and intimidation of journalists and members of opposition parties; and (3) been formed through credible, democratic elections: *Provided*, That the restrictions under this heading shall not apply to demining or activities administered by nongovernmental organizations: *Provided further*, That such funds shall be subject to the regular notification procedures of the Committees on Appropriations.

INDONESIA

Of the funds appropriated under the headings “Economic Support Fund” and “Development Assistance”, not less than \$75,000,000 shall be made available for assistance for Indonesia: *Provided*, That of this amount, not less than \$15,000,000 should be made available for activities administered by the Office of Transition Initiatives: *Provided further*, That of the amount made available under this heading up to \$25,000,000 may be derived from funds that are available for obligation pursuant to section 511 of this Act or any comparable provision of law.

PRIVATE AND VOLUNTARY ORGANIZATIONS

22 USC 2151u
note.

None of the funds appropriated or otherwise made available by this Act for development assistance may be made available to any United States private and voluntary organization, except any cooperative development organization, which obtains less than 20 percent of its total annual funding for international activities from sources other than the United States Government: *Provided*, That the Administrator of the Agency for International Development may, on a case-by-case basis, waive the restriction contained in this paragraph, after taking into account the effectiveness of the overseas development activities of the organization, its level of volunteer support, its financial viability and stability, and the degree of its dependence for its financial support on the agency: *Provided further*, That section 123(g) of the Foreign Assistance Act of 1961 and the paragraph entitled “Private and Voluntary Organizations” in title II of the Foreign Assistance and Related Programs Appropriations Act, 1985 (as enacted in Public Law 98-473) are hereby repealed.

22 USC 2151u
and note.

Funds appropriated or otherwise made available under title II of this Act should be made available to private and voluntary organizations at a level which is at least equivalent to the level provided in fiscal year 1995. Such private and voluntary organizations shall include those which operate on a not-for-profit basis, receive contributions from private sources, receive voluntary support from the public and are deemed to be among the most cost-effective and successful providers of development assistance.

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INTERNATIONAL DISASTER ASSISTANCE

For necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, \$200,000,000, to remain available until expended. \$200,000,000

MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM ACCOUNT

For the cost of direct loans and loan guarantees, \$1,500,000, as authorized by section 108 of the Foreign Assistance Act of 1961, as amended: *Provided*, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That guarantees of loans made under this heading in support of microenterprise activities may guarantee up to 70 percent of the principal amount of any such loans notwithstanding section 108 of the Foreign Assistance Act of 1961. In addition, for administrative expenses to carry out programs under this heading, \$500,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: *Provided further*, That funds made available under this heading shall remain available until September 30, 2000. 1,500,000
500,000

URBAN AND ENVIRONMENTAL CREDIT PROGRAM ACCOUNT

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of guaranteed loans authorized by sections 221 and 222 of the Foreign Assistance Act of 1961, including the cost of guaranteed loans designed to promote the urban and environmental policies and objectives of part I of such Act, \$1,500,000, to remain available until expended: *Provided*, That these funds are available to subsidize loan principal, 100 per centum of which shall be guaranteed, pursuant to the authority of such sections. In addition, for administrative expenses to carry out guaranteed loan programs, \$5,000,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: *Provided further*, That commitments to guarantee loans under this heading may be entered into notwithstanding the second and third sentences of section 222(a) of the Foreign Assistance Act of 1961, and the third and fourth sentences of section 223(j) of such Act are repealed. 1,500,000
5,000,000
22 USC 2183.

[*Subtotal, development assistance, \$2,083,500,000.*]

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the "Foreign Service Retirement and Disability Fund", as authorized by the Foreign Service Act of 1980, \$44,552,000. 44,552,000

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

For necessary expenses to carry out the provisions of section 667, \$479,950,000: *Provided*, That none of the funds appropriated by this Act for programs administered by the Agency for International Development may be used to finance printing costs of any report or study (except feasibility, design, or evaluation reports 479,950,000

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or studies) in excess of \$25,000 without the approval of the Administrator of the Agency or the Administrator's designee.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL
DEVELOPMENT OFFICE OF INSPECTOR GENERAL

\$30,750,000 For necessary expenses to carry out the provisions of section 667, \$30,750,000, to remain available until September 30, 2000, which sum shall be available for the Office of the Inspector General of the Agency for International Development.
[Total, Agency for International Development, \$2,638,752,000.]

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

2,367,000,000 For necessary expenses to carry out the provisions of chapter 4 of part II, \$2,367,000,000, to remain available until September 30, 2000: *Provided*, That of the funds appropriated under this heading, not less than \$1,080,000,000 shall be available only for Israel, which sum shall be available on a grant basis as a cash transfer and shall be disbursed within thirty days of enactment of this Act or by October 31, 1998, whichever is later: *Provided further*, That not less than \$775,000,000 shall be available only for Egypt, which sum shall be provided on a grant basis, and 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: *Provided further*, That in exercising the authority to provide cash transfer assistance for Israel, the President shall ensure that the level of such assistance does not cause an adverse impact on the total level of nonmilitary exports from the United States to such country: *Provided further*, That of the funds appropriated under this heading, not less than \$150,000,000 should be made available for assistance for Jordan: *Provided further*, That notwithstanding any other provision of law, not to exceed \$10,000,000 may be used to support victims of the Holocaust.

INTERNATIONAL FUND FOR IRELAND

19,600,000 For necessary expenses to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, \$19,600,000, which shall be available for the United States contribution to the International Fund for Ireland and shall be made available in accordance with the provisions of the Anglo-Irish Agreement Support Act of 1986 (Public Law 99-415): *Provided*, That such amount shall be expended at the minimum rate necessary to make timely payment for projects and activities: *Provided further*, That funds made available under this heading shall remain available until September 30, 2000.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

430,000,000 (a) For necessary expenses to carry out the provisions of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989, \$430,000,000, to remain available until September 30, 2000, which shall be available, notwithstanding any other provision of law, for economic assistance and for related programs for Eastern Europe and the Baltic States.

(b) Funds appropriated under this heading shall be considered to be economic assistance under the Foreign Assistance Act of 1961 for purposes of making available the administrative authorities contained in that Act for the use of economic assistance.

(c) None of the funds appropriated under this heading may be made available for new housing construction or repair or reconstruction of existing housing in Bosnia and Herzegovina unless directly related to the efforts of United States troops to promote peace in said country.

(d) With regard to funds appropriated under this heading for the economic revitalization program in Bosnia and Herzegovina, and local currencies generated by such funds (including the conversion of funds appropriated under this heading into currency used by Bosnia and Herzegovina as local currency and local currency returned or repaid under such program)—

(1) the Administrator of the Agency for International Development shall provide written approval for grants and loans prior to the obligation and expenditure of funds for such purposes, and prior to the use of funds that have been returned or repaid to any lending facility or grantee; and

(2) the provisions of section 533 of this Act shall apply.

(e) The President is authorized to withhold funds appropriated under this heading made available for economic revitalization programs in Bosnia and Herzegovina, if he determines and certifies to the Committees on Appropriations that the Federation of Bosnia and Herzegovina has not complied with article III of annex 1-A 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 Iranian officials and Bosnian officials has not been terminated.

(f) Not to exceed \$200,000,000 of the funds appropriated under this heading may be made available for Bosnia and Herzegovina.

(g) Funds appropriated under this heading or in prior appropriations Acts that are or have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the Fund's disbursement of such funds for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

ASSISTANCE FOR THE NEW INDEPENDENT STATES OF THE FORMER
SOVIET UNION

(a) For necessary expenses to carry out the provisions of chapter 11 of part I of the Foreign Assistance Act of 1961 and the FREEDOM Support Act, for assistance for the New Independent States of the former Soviet Union and for related programs, \$801,000,000, to remain available until September 30, 2000: *Provided*, That the provisions of such chapter shall apply to funds appropriated by this paragraph: *Provided further*, That such sums as may be necessary may be transferred to the Export-Import Bank of the United States for the cost of any financing under the Export-Import Bank Act of 1945 for activities for the New Independent States.

\$801,000,000

(b) Funds appropriated under title II of this Act, including funds appropriated under this heading, should be made available for assistance for Mongolia at a level which is at least equivalent to the level provided in fiscal year 1998: *Provided*, That funds made available for assistance for Mongolia may be made available in accordance with the purposes and utilizing the authorities provided in chapter 11 of part I of the Foreign Assistance Act of 1961.

(c)(1) Of the funds appropriated under this heading that are allocated for assistance for the Government of Russia, 50 percent shall be withheld from obligation until the President determines and certifies in writing to the Committees on Appropriations that the Government of Russia 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.

(2) Notwithstanding paragraph (1) assistance may be provided for the Government of Russia if the President determines and certifies to the Committees on Appropriations that making such funds available: (A) is vital to the national security interest of the United States; and (B) that the Government of Russia is taking meaningful steps to limit major supply contracts and to curtail the transfer of technology and technological expertise related to activities referred to in paragraph (1).

(d) Not more than 30 percent of the funds appropriated under this heading may be made available for assistance for any country in the region.

(e) Of the funds appropriated under this heading, not less than \$228,000,000 shall be made available for assistance for the Southern Caucasus region: *Provided*, That of the funds made available for the Southern Caucasus region, 17.5 percent should be used for reconstruction and other activities relating to the peaceful resolution of conflicts within the region, especially those in the vicinity of Abkhazia and Nagorno-Karabakh: *Provided further*, That if the Secretary of State after May 30, 1999, determines and reports to the relevant committees of Congress that the full amount of funds that may be made available under the first proviso cannot be effectively utilized, the amount provided may be used for other purposes under this heading: *Provided further*, That of the funds provided under this subsection, 37 percent shall be made available for assistance for Georgia and 35 percent shall be made available for assistance for Armenia: *Provided further*, That of funds made available for Armenia, not less than 12 percent shall be made available for an endowment for the American University in Armenia.

(f) Section 907 of the FREEDOM Support Act shall not apply to—

(1) activities to support democracy or assistance under title V of the FREEDOM Support Act and section 1424 of Public Law 104-201;

(2) any assistance provided by the Trade and Development Agency under section 661 of the Foreign Assistance Act of 1961 (22 U.S.C. 2421);

(3) any activity carried out by a member of the United States and Foreign Commercial Service while acting within his or her official capacity;

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(4) any insurance, reinsurance, guarantee, or other assistance provided by the Overseas Private Investment Corporation under title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2191 et seq.);

(5) any financing provided under the Export-Import Bank Act of 1945; or

(6) humanitarian assistance.

(g) Of the funds appropriated under this heading, not less than \$195,000,000 shall be made available for assistance for Ukraine: *Provided*, That not less than \$25,000,000 of such funds should be made available for nuclear reactor safety programs, of which not less than \$1,000,000 shall be made available for personnel security initiatives at all nuclear reactor installations: *Provided further*, That 50 percent of the amount made available in this subsection, exclusive of funds made available for nuclear safety and law enforcement reforms, shall be withheld from obligation and expenditure until the Secretary of State reports to the Committees on Appropriations that Ukraine has undertaken significant economic reforms additional to those achieved in fiscal year 1998, and include: (1) reform and effective enforcement of commercial and tax codes; and (2) continued progress on resolution of complaints by United States investors: *Provided further*, That the report in the previous proviso shall be provided 120 days after the date of enactment of this Act: *Provided further*, That for the purposes of the agreement with Ukraine submitted to the Congress under section 123 of the Atomic Energy Act of 1954, as amended, the requirement to submit the agreement and related documents to the Congress and the appropriate congressional committees for the periods described in that Act shall be deemed satisfied upon the enactment of this Act.

(h) The Coordinator for Assistance to the New Independent States of the Former Soviet Union shall inform the Committees on Appropriations prior to the obligation of funds made available under this heading for a United States national lab to administer nuclear safety activities if the management costs exceed 9 percent of the costs associated with the program or activity.

[*Total, Other Bilateral Economic Assistance, \$3,617,600,000.*]

INDEPENDENT AGENCY

PEACE CORPS

For expenses necessary to carry out the provisions of the Peace Corps Act (75 Stat. 612), \$240,000,000, including the purchase of not to exceed five passenger motor vehicles for administrative purposes for use outside of the United States: *Provided*, That none of the funds appropriated under this heading shall be used to pay for abortions: *Provided further*, That funds appropriated under this heading shall remain available until September 30, 2000.

\$240,000,000

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

For necessary expenses to carry out section 481 of the Foreign Assistance Act of 1961, \$261,000,000: *Provided*, That none of the funds under this heading may be made available to establish or operate an International Law Enforcement Academy for the Western Hemisphere outside the United States: *Provided further*, That

261,000,000

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in addition to any funds previously made available for an International Law Enforcement Academy for the Western Hemisphere, not less than \$5,000,000 should be made available to establish and operate the International Law Enforcement Academy for the Western Hemisphere at the deBremond Training Center in Roswell, New Mexico: *Provided further*, That during fiscal year 1999, the Department of State may also use the authority of section 608 of the Foreign Assistance Act of 1961, without regard to its restrictions, to receive excess property from an agency of the United States Government for the purpose of providing it to a foreign country under chapter 8 of part I of that Act subject to the regular notification procedures of the Committees on Appropriations.

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the United Nations High Commissioner for Refugees, and other activities to meet refugee and migration needs; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by sections 5921 through 5925 of title 5, United States Code; purchase and hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, \$640,000,000: *Provided*, That not more than \$13,000,000 shall be available for administrative expenses: *Provided further*, That not less than \$70,000,000 shall be made available for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in Israel.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE
FUND

For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 260(c)), \$30,000,000, to remain available until expended: *Provided*, That the funds made available under this heading are appropriated notwithstanding the provisions contained in section 2(c)(2) of the Migration and Refugee Assistance Act of 1962 which would limit the amount of funds which could be appropriated for this purpose.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED
PROGRAMS

For necessary expenses for nonproliferation, anti-terrorism and related programs and activities, \$198,000,000, to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 for anti-terrorism assistance, section 504 of the FREEDOM Support Act for the Nonproliferation and Disarmament Fund, section 23 of the Arms Export Control Act or the Foreign Assistance Act of 1961 for demining activities, the clearance of unexploded ordnance, and related activities, notwithstanding any other provision of law, including activities implemented through nongovernmental and international organizations, section 301 of the Foreign Assistance Act of 1961 for a voluntary contribution to the

International Atomic Energy Agency (IAEA) and a voluntary contribution to the Korean Peninsula Energy Development Organization (KEDO), and for a United States contribution to the Comprehensive Nuclear Test Ban Treaty Preparatory Commission: *Provided*, That the Secretary of State shall inform the Committees on Appropriations at least twenty days prior to the obligation of funds for the Comprehensive Nuclear Test Ban Treaty Preparatory Commission: *Provided further*, That of this amount not to exceed \$15,000,000, to remain available until expended, may be made available for the Nonproliferation and Disarmament Fund, notwithstanding any other provision of law, to promote bilateral and multilateral activities relating to nonproliferation and disarmament: *Provided further*, That such funds may also be used for such countries other than the New Independent States of the former Soviet Union and international organizations when it is in the national security interest of the United States to do so: *Provided further*, That such funds shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That of the funds appropriated under this heading not less than \$35,000,000 should be made available for demining, clearance of unexploded ordnance, and related activities: *Provided further*, That of the funds made available for demining and related activities, not to exceed \$500,000, in addition to funds otherwise available for such purposes, may be used for expenses related to the operation and management of the demining program: *Provided further*, That funds appropriated under this heading may be made available for the International Atomic Energy Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency.

[*Total, Department of State, \$1,129,000,000.*]

DEPARTMENT OF THE TREASURY

DEBT RESTRUCTURING

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying direct loans and loan guarantees, as the President may determine, for which funds have been appropriated or otherwise made available for programs within the International Affairs Budget Function 150, including the cost of selling, reducing, or canceling amounts, through debt buybacks and swaps, owed to the United States as a result of concessional loans made to eligible Latin American and Caribbean countries, pursuant to part IV of the Foreign Assistance Act of 1961; of modifying concessional credit agreements with least developed countries, as authorized under section 411 of the Agricultural Trade Development and Assistance Act of 1954, as amended; and concessional loans, guarantees and credit agreements with any country in sub-Saharan Africa, as authorized under section 572 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100-461); and of modifying any obligation, or portion of such obligation for Latin American countries to pay for purchases of United States agricultural commodities guaranteed by the Commodity Credit Corporation under export credit guarantee programs authorized pursuant to section 5(f) of the Commodity Credit Corporation Charter Act of June 29, 1948, as amended, section 4(b) of the Food for Peace Act of 1966, as amended (Public Law 89-808), or section 202 of the Agricultural Trade Act of 1978, as amended (Public Law 95-501), \$33,000,000, to remain available

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until expended: *Provided*, That not to exceed \$2,900,000 of such funds may be used for implementation of improvements in the foreign credit reporting system of the United States Government: *Provided further*, That the authority provided by section 572 of Public Law 100-461 may be exercised only with respect to countries that are eligible to borrow from the International Development Association, but not from the International Bank for Reconstruction and Development, commonly referred to as “IDA-only” countries: *Provided further*, That the authorities and appropriation under this heading shall also satisfy the requirement of section 808(a)(3) of part V of the Foreign Assistance Act, as amended, for the purpose of debt buybacks and swaps which incur no costs (as defined under section 502(5) of the Federal Credit Reform Act of 1990) in fiscal year 1999.

INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

\$1,500,000 For necessary expenses to carry out Department of the Treasury international affairs technical assistance activities, \$1,500,000, to remain available until expended, which shall be available, pursuant to section 589 of this Act, for economic technical assistance and for related programs.

UNITED STATES COMMUNITY ADJUSTMENT AND INVESTMENT PROGRAM

10,000,000 For the United States Community Adjustment and Investment Program authorized by section 543 of the North American Free Trade Agreement Implementation Act, \$10,000,000 to remain available until September 30, 2000: *Provided*, That the Secretary may transfer such funds to the North American Development Bank and/or to one or more Federal agencies for the purpose of enabling the Bank or such Federal agencies to assist in carrying out the program by providing technical assistance, grants, loans, loan guarantees, and other financial subsidies endorsed by the inter-agency finance committee established by section 7 of Executive Order 12916: *Provided further*, That no portion of such funds may be transferred to the Bank unless the Secretary shall have first entered into an agreement with the Bank that provides that any such funds may not be used for the Bank’s administrative expenses: *Provided further*, That any funds transferred to the Bank under this head will be in addition to the 10 percent of the paid-in capital paid to the Bank by the United States referred to in section 543 of the Act: *Provided further*, That any funds transferred to any Federal agency under this head will be in addition to amounts otherwise provided to such agency: *Provided further*, That any funds transferred to an agency under this head shall be subject to the same terms and conditions as the account to which transferred.

[Total, Department of the Treasury, \$44,500,000.]

[Total, title II, Bilateral economic assistance, \$7,669,852,000.]

TITLE III—MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MILITARY EDUCATION AND TRAINING

50,000,000 For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, \$50,000,000 of which up to \$1,000,000 may remain available until expended: *Provided*, That the civilian personnel for whom military education and

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training may be provided under this heading may include civilians who are not members of a government whose participation would contribute to improved civil-military relations, civilian control of the military, or respect for human rights: *Provided further*, That funds appropriated under this heading for grant financed military education and training for Indonesia and Guatemala may only be available for expanded international military education and training and funds made available for Guatemala may only be provided through the regular notification procedures of the Committees on Appropriations: *Provided further*, That none of the funds appropriated under this heading may be made available to support grant financed military education and training at the School of the Americas unless the Secretary of Defense certifies that the instruction and training provided by the School of the Americas is fully consistent with training and doctrine, particularly with respect to the observance of human rights, provided by the Department of Defense to United States military students at Department of Defense institutions whose primary purpose is to train United States military personnel.

FOREIGN MILITARY FINANCING PROGRAM

For expenses necessary for grants to enable the President to carry out the provisions of section 23 of the Arms Export Control Act, \$3,330,000,000: *Provided*, That of the funds appropriated under this heading, not less than \$1,860,000,000 shall be available for grants only for Israel, and not less than \$1,300,000,000 shall be made available for grants only for Egypt: *Provided further*, That the funds appropriated by this paragraph for Israel shall be disbursed within thirty days of enactment of this Act or by October 31, 1998, whichever is later: *Provided further*, That to the extent that the Government of Israel requests that funds be used for such purposes, grants made available for Israel by this paragraph shall, as agreed by Israel and the United States, be available for advanced weapons systems, of which not less than \$490,000,000 shall be available for the procurement in Israel of defense articles and defense services, including research and development: *Provided further*, That of the funds appropriated by this paragraph, not less than \$45,000,000 should be available for assistance for Jordan: *Provided further*, That during fiscal year 1999 the President is authorized to, and shall, direct drawdowns of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training of an aggregate value of not less than \$25,000,000 under the authority of this proviso for Jordan for the purposes of part II of the Foreign Assistance Act of 1961: *Provided further*, That section 506(c) of the Foreign Assistance Act of 1961 shall apply, and section 632(d) of the Foreign Assistance Act of 1961 shall not apply, to any such drawdown: *Provided further*, That none of the funds made available under this heading shall be available for any non-NATO country participating in the Partnership for Peace Program except through the regular notification procedures of the Committees on Appropriations: *Provided further*, That of the funds appropriated by this paragraph, not less than \$7,000,000 shall be made available for assistance for Tunisia: *Provided further*, That during fiscal year 1999, the President is authorized to, and shall, direct the drawdowns of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and

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military education and training of an aggregate value of not less than \$5,000,000 under the authority of this proviso for Tunisia for the purposes of part II of the Foreign Assistance Act of 1961 and any amount so directed shall count toward meeting the earmark in the previous proviso: *Provided further*, That section 506(c) of the Foreign Assistance Act of 1961 shall apply and section 632(d) of the Foreign Assistance Act of 1961 shall not apply to any such drawdown: *Provided further*, That funds appropriated by this paragraph shall be nonrepayable notwithstanding any requirement in section 23 of the Arms Export Control Act: *Provided further*, That funds made available under this heading shall be obligated upon apportionment in accordance with paragraph (5)(C) of title 31, United States Code, section 1501(a).

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct loans authorized by section 23 of the Arms Export Control Act as follows: cost of direct loans, \$20,000,000: *Provided*, That these funds are available to subsidize gross obligations for the principal amount of direct loans of not to exceed \$167,000,000.

None of the funds made available under this heading shall be available to finance the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act unless the foreign country proposing to make such procurements has first signed an agreement with the United States Government specifying the conditions under which such procurements may be financed with such funds: *Provided*, That all country and funding level increases in allocations shall be submitted through the regular notification procedures of section 515 of this Act: *Provided further*, That none of the funds appropriated under this heading shall be available for assistance for Sudan and Liberia: *Provided further*, That funds made available under this heading may be used, notwithstanding any other provision of law, for demining, the clearance of unexploded ordnance, and related activities, and may include activities implemented through nongovernmental and international organizations: *Provided further*, That none of the funds under this heading shall be available for assistance for Guatemala: *Provided further*, That only those countries for which assistance was justified for the "Foreign Military Sales Financing Program" in the fiscal year 1989 congressional presentation for security assistance programs may utilize funds made available under this heading for procurement of defense articles, defense services or design and construction services that are not sold by the United States Government under the Arms Export Control Act: *Provided further*, That, subject to the regular notification procedures of the Committees on Appropriations, funds made available under this heading for the cost of direct loans may also be used to supplement the funds available under this heading for grants, and funds made available under this heading for grants may also be used to supplement the funds available under this heading for the cost of direct loans: *Provided further*, That funds appropriated under this heading shall be expended at the minimum rate necessary to make timely payment for defense articles and services: *Provided further*, That not more than \$29,910,000 of the funds appropriated under this heading may be obligated for necessary expenses, including the purchase of passenger motor vehicles for replacement only for use outside of the United States, for the general costs of administering military

¹ Loan authorization.

² Program level consisting of grants and loan authorization.

³ Limitation.

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assistance and sales: *Provided further*, That not more than \$340,000,000 of funds realized pursuant to section 21(e)(1)(A) of the Arms Export Control Act may be obligated for expenses incurred by the Department of Defense during fiscal year 1999 pursuant to section 43(b) of the Arms Export Control Act, except that this limitation may be exceeded only through the regular notification procedures of the Committees on Appropriations.

¹ —\$19,000,000

PEACEKEEPING OPERATIONS

For necessary expenses to carry out the provisions of section 551 of the Foreign Assistance Act of 1961, \$76,500,000: *Provided*, That none of the funds appropriated under this heading shall be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

76,500,000

[*Total, title III, Military assistance, \$3,457,500,000.*]

TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

GLOBAL ENVIRONMENT FACILITY

For payment to the International Bank for Reconstruction and Development by the Secretary of the Treasury, for the United States contribution to the Global Environment Facility (GEF), \$192,500,000 to remain available until expended for contributions previously due: *Provided*, That such funds shall be subject to the regular notification procedures of the Committees on Appropriations.

192,500,000

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the International Development Association (IDA) by the Secretary of the Treasury, \$800,000,000, to remain available until expended: *Provided*, That none of these funds may be obligated or expended until the Secretary of the Treasury certifies that a procedure has been established for the Comptroller General of the United States to be provided full access to: (1) the financial and related records of the International Bank for Reconstruction and Development and IDA for the purposes of conducting audits of current loans and financial assistance provided by these institutions; and (2) management personnel manuals, procedures, and policy guidelines: *Provided further*, That following the review conducted in the previous proviso, the Comptroller General shall report to the Committees on Appropriations on the results of the audit and recommendations to improve institutional financial and personnel procedures, especially regarding the protection of individuals alleging mismanagement, fraud, or abuses: *Provided further*, That at least ten days prior to the obligation of funds appropriated under this heading the Secretary of Treasury shall report to the Committees on Appropriations of his intent to obligate such funds.
[*Total, World Bank Group, \$992,500,000.*]

800,000,000

¹ Special Defense Acquisition Fund offsetting collections.

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CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

\$25,610,667,000 For payment to the Inter-American Development Bank by the Secretary of the Treasury, for the United States share of the paid-in share portion of the increase in capital stock, \$25,610,667.

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

FUND FOR SPECIAL OPERATIONS

21,152,000 For payment to the Inter-American Bank by the Secretary of the Treasury, for the United States share of the increase in resources for the Fund for Special Operations, \$21,152,000, to remain available until expended for contributions previously due.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

1,503,718,910 The United States Governor of the Inter-American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed \$1,503,718,910.

CONTRIBUTION TO THE ENTERPRISE FOR AMERICAS MULTILATERAL INVESTMENT FUND

50,000,000 For payment to the Enterprise for the Americas Multilateral Investment Fund by the Secretary of the Treasury, for the United States contribution to the Fund, \$50,000,000 to remain available until expended for contributions previously due.

[Total, contribution to the Inter-American Development Bank, \$96,762,667.]

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

13,221,596 For payment to the Asian Development Bank by the Secretary of the Treasury for the United States share of the paid-in portion of the increase in capital stock, \$13,221,596, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

647,858,204 The United States Governor of the Asian Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed \$647,858,204.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

210,000,000 For the United States contribution by the Secretary of the Treasury to the increases in resources of the Asian Development Fund, as authorized by the Asian Development Bank Act, as amended (Public Law 89-369), \$210,000,000, to remain available until expended, of which \$187,000,000 shall be available for contributions previously due.

[Total, contribution to the Asian Development Bank, \$223,221,596.]

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

128,000,000 For the United States contribution by the Secretary of the Treasury to the increase in resources of the African Development Fund, \$128,000,000, to remain available until expended, of which \$88,300,000 shall be available for contributions previously due.

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CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the European Bank for Reconstruction and Development by the Secretary of the Treasury, \$35,778,717, for the United States share of the paid-in portion of the increase in capital stock, to remain available until expended. \$35,778,717

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the European Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed \$123,237,803. 123,237,803
 [Total, *International Financial Institutions*, \$1,476,262,980.]

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

For necessary expenses to carry out the provisions of section 301 of the Foreign Assistance Act of 1961, and of section 2 of the United Nations Environment Program Participation Act of 1973, \$187,000,000: *Provided*, That none of the funds appropriated under this heading shall be made available for the United Nations Fund for Science and Technology: *Provided further*, That none of the funds appropriated under this heading may be made available for the United Nations Population Fund (UNFPA): *Provided further*, That not less than \$5,000,000 should be made available to the World Food Program: *Provided further*, That none of the funds made available under this heading, may be provided to the Climate Stabilization Fund until fifteen days after the Department of State provides a report to the Committees on Foreign Relations and Appropriations in the Senate and the Committees on International Relations and Appropriations in the House of Representatives detailing the number of Fund employees and associated salaries and the fiscal year 1998 and 1999 Fund activities, programs or projects and associated costs: *Provided further*, That none of the funds appropriated under this heading may be made available to the Korean Peninsula Energy Development Organization (KEDO) or the International Atomic Energy Agency (IAEA). 187,000,000
 [Total, *title IV, Multilateral economic*, \$1,663,262,980.]¹ 2,500,000

TITLE V—GENERAL PROVISIONS

OBLIGATIONS DURING LAST MONTH OF AVAILABILITY

SEC. 501. Except for the appropriations entitled “International Disaster Assistance”, and “United States Emergency Refugee and Migration Assistance Fund”, not more than 15 percent of any appropriation item made available by this Act shall be obligated during the last month of availability.

PROHIBITION OF BILATERAL FUNDING FOR INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 502. Notwithstanding section 614 of the Foreign Assistance Act of 1961, none of the funds contained in title II of this Act may be used to carry out the provisions of section 209(d) of the Foreign Assistance Act of 1961.

¹ Transfer provided in Development Assistance.

LIMITATION ON RESIDENCE EXPENSES

SEC. 503. Of the funds appropriated or made available pursuant to this Act, not to exceed \$126,500 shall be for official residence expenses of the Agency for International Development during the current fiscal year: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

LIMITATION ON EXPENSES

SEC. 504. Of the funds appropriated or made available pursuant to this Act, not to exceed \$5,000 shall be for entertainment expenses of the Agency for International Development during the current fiscal year.

LIMITATION ON REPRESENTATIONAL ALLOWANCES

SEC. 505. Of the funds appropriated or made available pursuant to this Act, not to exceed \$95,000 shall be available for representation allowances for the Agency for International Development during the current fiscal year: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars: *Provided further*, That of the funds made available by this Act for general costs of administering military assistance and sales under the heading "Foreign Military Financing Program", not to exceed \$2,000 shall be available for entertainment expenses and not to exceed \$50,000 shall be available for representation allowances: *Provided further*, That of the funds made available by this Act under the heading "International Military Education and Training", not to exceed \$50,000 shall be available for entertainment allowances: *Provided further*, That of the funds made available by this Act for the Inter-American Foundation, not to exceed \$2,000 shall be available for entertainment and representation allowances: *Provided further*, That of the funds made available by this Act for the Peace Corps, not to exceed a total of \$4,000 shall be available for entertainment expenses: *Provided further*, That of the funds made available by this Act under the heading "Trade and Development Agency", not to exceed \$2,000 shall be available for representation and entertainment allowances.

PROHIBITION ON FINANCING NUCLEAR GOODS

SEC. 506. None of the funds appropriated or made available (other than funds for "Nonproliferation, Anti-terrorism, Demining and Related Programs") pursuant to this Act, for carrying out the Foreign Assistance Act of 1961, may be used, except for purposes of nuclear safety, to finance the export of nuclear equipment, fuel, or technology.

PROHIBITION AGAINST DIRECT FUNDING FOR CERTAIN COUNTRIES

SEC. 507. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Cuba, Iraq, Libya, North Korea, Iran, Sudan, or Syria: *Provided*, That for purposes of this section, the prohibition on obligations or expenditures shall

include direct loans, credits, insurance and guarantees of the Export-Import Bank or its agents.

MILITARY COUPS

SEC. 508. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance to any country whose duly elected head of government is deposed by military coup or decree: *Provided*, That assistance may be resumed to such country if the President determines and reports to the Committees on Appropriations that subsequent to the termination of assistance a democratically elected government has taken office.

TRANSFERS BETWEEN ACCOUNTS

SEC. 509. None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated, except for transfers specifically provided for in this Act, unless the President, prior to the exercise of any authority contained in the Foreign Assistance Act of 1961 to transfer funds, consults with and provides a written policy justification to the Committees on Appropriations of the House of Representatives and the Senate: *Provided*, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.

DEOBLIGATION/REOBLIGATION AUTHORITY

SEC. 510. (a) Amounts certified pursuant to section 1311 of the Supplemental Appropriations Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Foreign Assistance Act of 1961 for the same general purpose as any of the headings under title II of this Act are, if deobligated, hereby continued available for the same period as the respective appropriations under such headings or until September 30, 1999, whichever is later, and for the same general purpose, and for countries within the same region as originally obligated: *Provided*, That the Appropriations Committees of both Houses of the Congress are notified 15 days in advance of the reobligation of such funds in accordance with regular notification procedures of the Committees on Appropriations.

(b) Obligated balances of funds appropriated to carry out section 23 of the Arms Export Control Act as of the end of the fiscal year immediately preceding the current fiscal year are, if deobligated, hereby continued available during the current fiscal year for the same purpose under any authority applicable to such appropriations under this Act: *Provided*, That the authority of this subsection may not be used in fiscal year 1999.

AVAILABILITY OF FUNDS

SEC. 511. No part of any appropriation contained in this Act shall remain available for obligation after the expiration of the current fiscal year unless expressly so provided in this Act: *Provided*, That funds appropriated for the purposes of chapters 1, 8, and 11 of part I, section 667, and chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, and funds provided under the heading "Assistance for Eastern Europe and the Baltic

States”, shall remain available until expended if such funds are initially obligated before the expiration of their respective periods of availability contained in this Act: *Provided further*, That, notwithstanding any other provision of this Act, any funds made available for the purposes of chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961 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: *Provided further*, That the report required by section 653(a) of the Foreign Assistance Act of 1961 shall designate for each country, to the extent known at the time of submission of such report, those funds allocated for cash disbursement for balance of payment and economic policy reform purposes.

LIMITATION ON ASSISTANCE TO COUNTRIES IN DEFAULT

SEC. 512. No part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act: *Provided*, That this section and section 620(q) of the Foreign Assistance Act of 1961 shall not apply to funds made available in this Act or during the current fiscal year for Nicaragua, Brazil, Liberia, and for any narcotics-related assistance for Colombia, Bolivia, and Peru authorized by the Foreign Assistance Act of 1961 or the Arms Export Control Act.

COMMERCE AND TRADE

SEC. 513. (a) None of the funds appropriated or made available pursuant to this Act for direct assistance and none of the funds otherwise made available pursuant to this Act to the Export-Import Bank and the Overseas Private Investment Corporation shall be obligated or expended to finance any loan, any assistance or any other financial commitments for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity: *Provided*, That such prohibition shall not apply to the Export-Import Bank if in the judgment of its Board of Directors the benefits to industry and employment in the United States are likely to outweigh the injury to United States producers of the same, similar, or competing commodity, and the Chairman of the Board so notifies the Committees on Appropriations.

(b) None of the funds appropriated by this or any other Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be available for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States: *Provided*, That this subsection shall not prohibit—

(1) activities designed to increase food security in developing countries where such activities will not have a significant impact in the export of agricultural commodities of the United States; or

(2) research activities intended primarily to benefit American producers.

SURPLUS COMMODITIES

SEC. 514. (a) The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the International Monetary Fund, the Asian Development Bank, the Inter-American Investment Corporation, the North American Development Bank, the European Bank for Reconstruction and Development, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or made available pursuant to this Act, for the production or extraction of any commodity or mineral for export, if it is in surplus on world markets and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity. 22 USC 262h.

(b) The Secretary of the Treasury should instruct the United States executive directors of international financial institutions listed in subsection (a) of this section to use the voice and vote of the United States to support the purchase of American produced agricultural commodities with funds appropriated or made available pursuant to this Act.

NOTIFICATION REQUIREMENTS

SEC. 515. (a) For the purposes of providing the executive branch with the necessary administrative flexibility, none of the funds made available under this Act for “Child Survival and Disease Programs Fund”, “Development assistance”, “International Organizations and Programs”, “Trade and Development Agency”, “International narcotics control and law enforcement”, “Assistance for Eastern Europe and the Baltic States”, “Assistance for the New Independent States of the Former Soviet Union”, “Economic Support Fund”, “Peacekeeping operations”, “Operating expenses of the Agency for International Development”, “Operating expenses of the Agency for International Development Office of Inspector General”, “Nonproliferation, anti-terrorism, demining and related programs”, “Foreign Military Financing Program”, “International military education and training”, “Peace Corps”, “Migration and refugee assistance”, shall be available for obligation for activities, programs, projects, type of materiel assistance, countries, or other operations not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings unless the Appropriations Committees of both Houses of Congress are previously notified 15 days in advance: *Provided*, That the President shall not enter into any commitment of funds appropriated for the purposes of section 23 of the Arms Export Control Act for the provision of major defense equipment, other than conventional ammunition, or other major defense items defined to be aircraft, ships, missiles, or combat vehicles, not

previously justified to Congress or 20 percent in excess of the quantities justified to Congress unless the Committees on Appropriations are notified 15 days in advance of such commitment: *Provided further*, That this section shall not apply to any reprogramming for an activity, program, or project under chapter 1 of part I of the Foreign Assistance Act of 1961 of less than 10 percent of the amount previously justified to the Congress for obligation for such activity, program, or project for the current fiscal year: *Provided further*, That the requirements of this section or any similar provision of this Act or any other Act, including any prior Act requiring notification in accordance with the regular notification procedures of the Committees on Appropriations, may be waived if failure to do so would pose a substantial risk to human health or welfare: *Provided further*, That in case of any such waiver, notification to the Congress, or the appropriate congressional committees, shall be provided as early as practicable, but in no event later than three days after taking the action to which such notification requirement was applicable, in the context of the circumstances necessitating such waiver: *Provided further*, That any notification provided pursuant to such a waiver shall contain an explanation of the emergency circumstances.

(b) Drawdowns made pursuant to section 506(a)(2) of the Foreign Assistance Act of 1961 shall be subject to the regular notification procedures of the Committees on Appropriations.

LIMITATION ON AVAILABILITY OF FUNDS FOR INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 516. Subject to the regular notification procedures of the Committees on Appropriations, funds appropriated under this Act or any previously enacted Act making appropriations for foreign operations, export financing, and related programs, which are returned or not made available for organizations and programs because of the implementation of section 307(a) of the Foreign Assistance Act of 1961, shall remain available for obligation until September 30, 2000: *Provided*, That section 307(a) of the Foreign Assistance Act of 1961, is amended by inserting before the period at the end thereof “, or at the discretion of the President, Communist countries listed in section 620(f) of this Act”.

22 USC 2227.

NEW INDEPENDENT STATES OF THE FORMER SOVIET UNION

SEC. 517. (a) None of the funds appropriated under the heading “Assistance for the New Independent States of the Former Soviet Union” shall be made available for assistance for a Government of the New Independent States of the former Soviet Union—

(1) unless that Government is making progress in implementing comprehensive economic reforms based on market principles, private ownership, respect for commercial contracts, and equitable treatment of foreign private investment; and

(2) if that Government applies or transfers United States assistance to any entity for the purpose of expropriating or seizing ownership or control of assets, investments, or ventures. Assistance may be furnished without regard to this subsection if the President determines that to do so is in the national interest.

(b) None of the funds appropriated under the heading “Assistance for the New Independent States of the Former Soviet Union”

22 USC 5814
note.

shall be made available for assistance for a Government of the New Independent States of the former Soviet Union if that government directs any action in violation of the territorial integrity or national sovereignty of any other new independent state, such as those violations included in the Helsinki Final Act: *Provided*, That such funds may be made available without regard to the restriction in this subsection if the President determines that to do so is in the national security interest of the United States.

(c) None of the funds appropriated under the heading “Assistance for the New Independent States of the Former Soviet Union” shall be made available for any state to enhance its military capability: *Provided*, That this restriction does not apply to demilitarization, demining or nonproliferation programs.

(d) Funds appropriated under the heading “Assistance for the New Independent States of the Former Soviet Union” shall be subject to the regular notification procedures of the Committees on Appropriations.

(e) Funds made available in this Act for assistance to the New Independent States of the former Soviet Union shall be subject to the provisions of section 117 (relating to environment and natural resources) of the Foreign Assistance Act of 1961.

(f) Funds appropriated in this or prior appropriations Acts that are or have been made available for an Enterprise Fund in the New Independent States of the Former Soviet Union may be deposited by such Fund in interest-bearing accounts prior to the disbursement of such funds by the Fund for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(g) In issuing new task orders, entering into contracts, or making grants, with funds appropriated in this Act or prior appropriations Acts under the heading “Assistance for the New Independent States of the Former Soviet Union” for projects or activities that have as one of their primary purposes the fostering of private sector development, the Coordinator for United States Assistance to the New Independent States and the implementing agency shall encourage the participation of and give significant weight to contractors and grantees who propose investing a significant amount of their own resources (including volunteer services and in-kind contributions) in such projects and activities.

(h)(1) WITHHOLDING OF ASSISTANCE.—None of the funds appropriated by this Act may be made available for assistance for the Government of the Russian Federation, after 180 days from the date of enactment of this Act, until agreement has been reached that assistance provided with funds appropriated by this Act will not be subject to customs duties or that legislation has been enacted and is in force that exempts such assistance from being subject to customs duties.

(2) WAIVER.—Notwithstanding paragraph (1), assistance may be provided for the Government of the Russian Federation if the President determines that significant progress has been made on reaching an agreement, or enacting and enforcing legislation, that meets the objectives of this section to provide exemption from customs duties for assistance furnished under this Act.

PROHIBITION ON FUNDING FOR ABORTIONS AND INVOLUNTARY
STERILIZATION

SEC. 518. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for any biomedical research which relates in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be obligated or expended for any country or organization if the President certifies that the use of these funds by any such country or organization would violate any of the above provisions related to abortions and involuntary sterilizations: *Provided*, That none of the funds made available under this Act may be used to lobby for or against abortion.

EXCESS DEFENSE ARTICLES FOR CENTRAL EUROPEAN COUNTRIES

SEC. 519. Section 105 of Public Law 104-164 (110 Stat. 1427) is amended by striking “1996 and 1997” and inserting “1999 and 2000”.

SPECIAL NOTIFICATION REQUIREMENTS

SEC. 520. None of the funds appropriated by this Act shall be obligated or expended for Colombia, Honduras, Haiti, Liberia, Pakistan, Serbia, Sudan, or the Democratic Republic of Congo except as provided through the regular notification procedures of the Committees on Appropriations.

DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

SEC. 521. For the purpose of this Act, “program, project, and activity” shall be defined at the appropriations Act account level and shall include all appropriations and authorizations Acts earmarks, ceilings, and limitations with the exception that for the following accounts: Economic Support Fund and Foreign Military Financing Program, “program, project, and activity” shall also be considered to include country, regional, and central program level funding within each such account; for the development assistance accounts of the Agency for International Development “program, project, and activity” shall also be considered to include central program level funding, either as: (1) justified to the Congress; or (2) allocated by the executive branch in accordance with a report, to be provided to the Committees on Appropriations within 30 days of enactment of this Act, as required by section 653(a) of the Foreign Assistance Act of 1961.

CHILD SURVIVAL, AIDS, AND OTHER ACTIVITIES

SEC. 522. Up to \$10,000,000 of the funds made available by this Act for assistance for family planning, health, child survival, basic education, AIDS and other infectious diseases, may be used to reimburse United States Government agencies, agencies of State governments, institutions of higher learning, and private and voluntary organizations for the full cost of individuals (including for the personal services of such individuals) detailed or assigned to, or contracted by, as the case may be, the Agency for International Development for the purpose of carrying out family planning activities, child survival, and basic education activities, and activities relating to research on, and the prevention, treatment and control of acquired immune deficiency syndrome or other diseases in developing countries: *Provided*, That funds appropriated by this Act that are made available for child survival activities or disease programs including activities relating to research on, and the prevention, treatment and control of, acquired immune deficiency syndrome may be made available notwithstanding any provision of law that restricts assistance to foreign countries: *Provided further*, That funds appropriated under title II of this Act may be made available pursuant to section 301 of the Foreign Assistance Act of 1961 if a primary purpose of the assistance is for child survival and related programs: *Provided further*, That funds appropriated by this Act that are made available for family planning activities may be made available notwithstanding section 512 of this Act and section 620(q) of the Foreign Assistance Act of 1961.

PROHIBITION AGAINST INDIRECT FUNDING TO CERTAIN COUNTRIES

SEC. 523. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated to finance indirectly any assistance or reparations to Cuba, Iraq, Libya, Iran, Syria, North Korea, or the People's Republic of China, unless the President of the United States certifies that the withholding of these funds is contrary to the national interest of the United States.

RECIPROCAL LEASING

SEC. 524. Section 61(a) of the Arms Export Control Act is amended by striking out "1998" and inserting in lieu thereof "the current fiscal year". 22 USC 2796.

NOTIFICATION ON EXCESS DEFENSE EQUIPMENT

SEC. 525. Prior to providing excess Department of Defense articles in accordance with section 516(a) of the Foreign Assistance Act of 1961, the Department of Defense shall notify the Committees on Appropriations to the same extent and under the same conditions as are other committees pursuant to subsection (c) of that section: *Provided*, That before issuing a letter of offer to sell excess defense articles under the Arms Export Control Act, the Department of Defense shall notify the Committees on Appropriations in accordance with the regular notification procedures of such Committees: *Provided further*, That such Committees shall also be informed of the original acquisition cost of such defense articles.

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AUTHORIZATION REQUIREMENT

SEC. 526. Funds appropriated by this Act may be obligated and expended notwithstanding section 10 of Public Law 91-672 and section 15 of the State Department Basic Authorities Act of 1956.

DEMOCRACY IN CHINA

SEC. 527. Notwithstanding any other provision of law that restricts assistance to foreign countries, funds appropriated by this Act for "Economic Support Fund" may be made available to provide general support for nongovernmental organizations located outside the People's Republic of China that have as their primary purpose fostering democracy in that country, and for activities of nongovernmental organizations located outside the People's Republic of China to foster democracy in that country: *Provided*, That none of the funds made available for activities to foster democracy in the People's Republic of China may be made available for assistance to the government of that country.

PROHIBITION ON BILATERAL ASSISTANCE TO TERRORIST COUNTRIES

SEC. 528. (a) Notwithstanding any other provision of law, funds appropriated for bilateral assistance under any heading of this Act and funds appropriated under any such heading in a provision of law enacted prior to enactment of this Act, shall not be made available to any country which the President determines—

(1) grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or

(2) otherwise supports international terrorism.

(b) The President may waive the application of subsection (a) to a country if the President determines that national security or humanitarian reasons justify such waiver. The President shall publish each waiver in the Federal Register and, at least fifteen days before the waiver takes effect, shall notify the Committees on Appropriations of the waiver (including the justification for the waiver) in accordance with the regular notification procedures of the Committees on Appropriations.

Federal Register,
publication.

COMMERCIAL LEASING OF DEFENSE ARTICLES

SEC. 529. Notwithstanding any other provision of law, and subject to the regular notification procedures of the Committees on Appropriations, the authority of section 23(a) of the Arms Export Control Act may be used to provide financing to Israel, Egypt and NATO and major non-NATO allies for the procurement by leasing (including leasing with an option to purchase) of defense articles from United States commercial suppliers, not including Major Defense Equipment (other than helicopters and other types of aircraft having possible civilian application), if the President determines that there are compelling foreign policy or national security reasons for those defense articles being provided by commercial lease rather than by government-to-government sale under such Act.

22 USC 2763
note.

COMPETITIVE INSURANCE

SEC. 530. All Agency for International Development contracts and solicitations, and subcontracts entered into under such contracts, shall include a clause requiring that United States insurance companies have a fair opportunity to bid for insurance when such insurance is necessary or appropriate.

STINGERS IN THE PERSIAN GULF REGION

SEC. 531. Except as provided in section 581 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, the United States may not sell or otherwise make available any Stingers to any country bordering the Persian Gulf under the Arms Export Control Act or chapter 2 of part II of the Foreign Assistance Act of 1961.

DEBT-FOR-DEVELOPMENT

SEC. 532. In order to enhance the continued participation of nongovernmental organizations in economic assistance activities under the Foreign Assistance Act of 1961, including endowments, debt-for-development and debt-for-nature exchanges, a nongovernmental organization which is a grantee or contractor of the Agency for International Development may place in interest bearing accounts funds made available under this Act or prior Acts or local currencies which accrue to that organization as a result of economic assistance provided under title II of this Act and any interest earned on such investment shall be used for the purpose for which the assistance was provided to that organization.

SEPARATE ACCOUNTS

SEC. 533. (a) SEPARATE ACCOUNTS FOR LOCAL CURRENCIES.— 22 USC 2362
note.
(1) If assistance is furnished to the government of a foreign country under chapters 1 and 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961 under agreements which result in the generation of local currencies of that country, the Administrator of the Agency for International Development shall—

(A) require that local currencies be deposited in a separate account established by that government;

(B) enter into an agreement with that government which sets forth—

(i) the amount of the local currencies to be generated, and

(ii) the terms and conditions under which the currencies so deposited may be utilized, consistent with this section; and

(C) establish by agreement with that government the responsibilities of the Agency for International Development and that government to monitor and account for deposits into and disbursements from the separate account.

(2) USES OF LOCAL CURRENCIES.—As may be agreed upon with the foreign government, local currencies deposited in a separate account pursuant to subsection (a), or an equivalent amount of local currencies, shall be used only—

(A) to carry out chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), for such purposes as—

(i) project and sector assistance activities, or

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(ii) debt and deficit financing, or
 (B) for the administrative requirements of the United States Government.

(3) PROGRAMMING ACCOUNTABILITY.—The Agency for International Development shall take all necessary steps to ensure that the equivalent of the local currencies disbursed pursuant to subsection (a)(2)(A) from the separate account established pursuant to subsection (a)(1) are used for the purposes agreed upon pursuant to subsection (a)(2).

(4) TERMINATION OF ASSISTANCE PROGRAMS.—Upon termination of assistance to a country under chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), any unencumbered balances of funds which remain in a separate account established pursuant to subsection (a) shall be disposed of for such purposes as may be agreed to by the government of that country and the United States Government.

(5) CONFORMING AMENDMENTS.—The tenth and eleventh provisos contained under the heading “Sub-Saharan Africa, Development Assistance” as included in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 and sections 531(d) and 609 of the Foreign Assistance Act of 1961 are repealed.

22 USC 2346,
2359.

(6) REPORTING REQUIREMENT.—The Administrator of the Agency for International Development shall report on an annual basis as part of the justification documents submitted to the Committees on Appropriations on the use of local currencies for the administrative requirements of the United States Government as authorized in subsection (a)(2)(B), and such report shall include the amount of local currency (and United States dollar equivalent) used and/or to be used for such purpose in each applicable country.

(b) SEPARATE ACCOUNTS FOR CASH TRANSFERS.—(1) If assistance is made available to the government of a foreign country, under chapters 1 or 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961, as cash transfer assistance or as nonproject sector assistance, that country shall be required to maintain such funds in a separate account and not commingle them with any other funds.

(2) APPLICABILITY OF OTHER PROVISIONS OF LAW.—Such funds may be obligated and expended notwithstanding provisions of law which are inconsistent with the nature of this assistance including provisions which are referenced in the Joint Explanatory Statement of the Committee of Conference accompanying House Joint Resolution 648 (H. Report No. 98-1159).

(3) NOTIFICATION.—At least fifteen days prior to obligating any such cash transfer or nonproject sector assistance, the President shall submit a notification through the regular notification procedures of the Committees on Appropriations, which shall include a detailed description of how the funds proposed to be made available will be used, with a discussion of the United States interests that will be served by the assistance (including, as appropriate, a description of the economic policy reforms that will be promoted by such assistance).

(4) EXEMPTION.—Nonproject sector assistance funds may be exempt from the requirements of subsection (b)(1) only through the notification procedures of the Committees on Appropriations.

COMPENSATION FOR UNITED STATES EXECUTIVE DIRECTORS TO
INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 534. (a) No funds appropriated by this Act may be made as payment to any international financial institution while the United States Executive Director to such institution is compensated by the institution at a rate which, together with whatever compensation such Director receives from the United States, is in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while any alternate United States Director to such institution is compensated by the institution at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) For purposes of this section, “international financial institutions” are: the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the Asian Development Fund, the African Development Bank, the African Development Fund, the International Monetary Fund, the North American Development Bank, and the European Bank for Reconstruction and Development.

COMPLIANCE WITH UNITED NATIONS SANCTIONS AGAINST IRAQ

SEC. 535. None of the funds appropriated or otherwise made available pursuant to this Act to carry out the Foreign Assistance Act of 1961 (including title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation) or the Arms Export Control Act may be used to provide assistance to any country that is not in compliance with the United Nations Security Council sanctions against Iraq unless the President determines and so certifies to the Congress that—

50 USC 1701
note.

(1) such assistance is in the national interest of the United States;

(2) such assistance will directly benefit the needy people in that country; or

(3) the assistance to be provided will be humanitarian assistance for foreign nationals who have fled Iraq and Kuwait.

COMPETITIVE PRICING FOR SALES OF DEFENSE ARTICLES

SEC. 536. Direct costs associated with meeting a foreign customer’s additional or unique requirements will continue to be allowable under contracts under section 22(d) of the Arms Export Control Act. Loadings applicable to such direct costs shall be permitted at the same rates applicable to procurement of like items purchased by the Department of Defense for its own use.

22 USC 2762
note.

AUTHORITIES FOR THE PEACE CORPS, THE INTER-AMERICAN FOUNDATION, THE AFRICAN DEVELOPMENT FOUNDATION AND THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

SEC. 537. (a) Unless expressly provided to the contrary, provisions of this or any other Act, including provisions contained in prior Acts authorizing or making appropriations for foreign operations, export financing, and related programs, shall not be construed to prohibit activities authorized by or conducted under the Peace Corps Act, the Inter-American Foundation Act, or the African

Development Foundation Act. The appropriate agency shall promptly report to the Committees on Appropriations whenever it is conducting activities or is proposing to conduct activities in a country for which assistance is prohibited.

(b) Unless expressly provided to the contrary, limitations on the availability of funds for “International Organizations and Programs” in this or any other Act, including prior appropriations Acts, shall not be construed to be applicable to the International Fund for Agricultural Development.

IMPACT ON JOBS IN THE UNITED STATES

SEC. 538. None of the funds appropriated by this Act may be obligated or expended to provide—

(a) any financial incentive to a business enterprise currently located in the United States for the purpose of inducing such an enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of employees of such business enterprise in the United States because United States production is being replaced by such enterprise outside the United States;

(b) assistance for the purpose of establishing or developing in a foreign country any export processing zone or designated area in which the tax, tariff, labor, environment, and safety laws of that country do not apply, in part or in whole, to activities carried out within that zone or area, unless the President determines and certifies that such assistance is not likely to cause a loss of jobs within the United States; or

(c) assistance for any project or activity that contributes to the violation of internationally recognized workers rights, as defined in section 502(a)(4) of the Trade Act of 1974, of workers in the recipient country, including any designated zone or area in that country: *Provided*, That in recognition that the application of this subsection should be commensurate with the level of development of the recipient country and sector, the provisions of this subsection shall not preclude assistance for the informal sector in such country, micro and small-scale enterprise, and smallholder agriculture.

SERBIA-MONTENEGRO AND KOSOVA

50 USC 1701
note.

SEC. 539.(a) RESTRICTIONS.—None of the funds in this or any other Act may be made available to modify or remove any sanction, prohibition or requirement with respect to Serbia-Montenegro unless the President first submits to the Congress a certification described in subsection (c).

(b) INTERNATIONAL FINANCIAL INSTITUTIONS.—The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of any financial or technical assistance or grants of any kind to the government of Serbia-Montenegro, unless the President first submits to the Congress a certification described in subsection (c).

(c) CERTIFICATION.—A certification described in this subsection is a certification that—

(1) there is substantial improvement in the human rights situation in Kosova;

(2) international human rights observers are allowed to return to Kosova;

(3) Serbian, Serbian-Montenegrin federal government officials, and representatives of the ethnic Albanian community in Kosova have agreed on and begun implementation of a negotiated settlement on the future status of Kosova; and

(4) the government of Serbia-Montenegro is fully complying with its obligations as a signatory to the General Framework Agreement for Peace in Bosnia-Herzegovina including fully cooperating with the International Criminal Tribunal for the Former Yugoslavia.

(d) WAIVER AUTHORITY.—The President may waive the application, in whole or in part, of subsections (a) and (b) if he certifies in writing to the Congress that the waiver is necessary to meet emergency humanitarian needs or to advance negotiations toward a peaceful settlement of the conflict in Kosova that is acceptable to the parties.

(e) EXEMPTION FOR MONTENEGRO.—This section shall not apply to Montenegro.

SPECIAL AUTHORITIES

SEC. 540. (a) Funds appropriated in titles I and II of this Act that are made available for Afghanistan, Lebanon, Montenegro, and for victims of war, displaced children, displaced Burmese, humanitarian assistance for Romania, and humanitarian assistance for the peoples of Kosova, may be made available notwithstanding any other provision of law.

(b) Funds appropriated by this Act to carry out the provisions of sections 103 through 106 of the Foreign Assistance Act of 1961 may be used, notwithstanding any other provision of law, for the purpose of supporting tropical forestry and biodiversity conservation activities and, subject to the regular notification procedures of the Committees on Appropriations, energy programs aimed at reducing greenhouse gas emissions: *Provided*, That such assistance shall be subject to sections 116, 502B, and 620A of the Foreign Assistance Act of 1961.

(c) The Agency for International Development may employ personal services contractors, notwithstanding any other provision of law, for the purpose of administering programs for the West Bank and Gaza.

(d)(1) WAIVER.—The President may waive the provisions of section 1003 of Public Law 100-204 if the President determines and certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that it is important to the national security interests of the United States.

(2) PERIOD OF APPLICATION OF WAIVER.—Any waiver pursuant to paragraph (1) shall be effective for no more than a period of six months at a time and shall not apply beyond twelve months after enactment of this Act.

POLICY ON TERMINATING THE ARAB LEAGUE BOYCOTT OF ISRAEL

SEC. 541. It is the sense of the Congress that—

(1) the Arab League countries should immediately and publicly renounce the primary boycott of Israel and the secondary and tertiary boycott of American firms that have commercial ties with Israel;

(2) the decision by the Arab League in 1997 to reinstate the boycott against Israel was deeply troubling and disappointing;

(3) the Arab League should immediately rescind its decision on the boycott and its members should develop normal relations with their neighbor Israel; and

(4) the President should—

(A) take more concrete steps to encourage vigorously Arab League countries to renounce publicly the primary boycotts of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel as a confidence-building measure;

(B) take into consideration the participation of any recipient country in the primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel when determining whether to sell weapons to said country;

(C) report to Congress on the specific steps being taken by the President to bring about a public renunciation of the Arab primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel and to expand the process of normalizing ties between Arab League countries and Israel; and

(D) encourage the allies and trading partners of the United States to enact laws prohibiting businesses from complying with the boycott and penalizing businesses that do comply.

ANTI-NARCOTICS ACTIVITIES

SEC. 542. (a) Of the funds appropriated by this Act for “Economic Support Fund”, assistance may be provided to strengthen the administration of justice in countries in Latin America and the Caribbean and in other regions consistent with the provisions of section 534(b) of the Foreign Assistance Act of 1961, except that programs to enhance protection of participants in judicial cases may be conducted notwithstanding section 660 of that Act.

(b) Funds made available pursuant to this section may be made available notwithstanding section 534(c) and the second and third sentences of section 534(e) of the Foreign Assistance Act of 1961.

ELIGIBILITY FOR ASSISTANCE

SEC. 543. (a) ASSISTANCE THROUGH NONGOVERNMENTAL ORGANIZATIONS.—Restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance in support of programs of nongovernmental organizations from funds appropriated by this Act to carry out the provisions of chapters 1, 10, and 11 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961, and from funds appropriated under the heading “Assistance for Eastern Europe and the Baltic States”: *Provided*, That the President shall take into consideration, in any case in which a restriction on assistance would be applicable but for this subsection, whether assistance in support of programs of nongovernmental organizations is in the national interest of the United States: *Provided further*, That before using the authority of this subsection to furnish assistance

in support of programs of nongovernmental organizations, the President shall notify the Committees on Appropriations under the regular notification procedures of those committees, including a description of the program to be assisted, the assistance to be provided, and the reasons for furnishing such assistance: *Provided further*, That nothing in this subsection shall be construed to alter any existing statutory prohibitions against abortion or involuntary sterilizations contained in this or any other Act.

(b) PUBLIC LAW 480.—During fiscal year 1999, restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance under the Agricultural Trade Development and Assistance Act of 1954: *Provided*, That none of the funds appropriated to carry out title I of such Act and made available pursuant to this subsection may be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

(c) EXCEPTION.—This section shall not apply—

(1) with respect to section 620A of the Foreign Assistance Act or any comparable provision of law prohibiting assistance to countries that support international terrorism; or

(2) with respect to section 116 of the Foreign Assistance Act of 1961 or any comparable provision of law prohibiting assistance to countries that violate internationally recognized human rights.

EARMARKS

SEC. 544. (a) Funds appropriated by this Act which are earmarked may be reprogrammed for other programs within the same account notwithstanding the earmark if compliance with the earmark is made impossible by operation of any provision of this or any other Act or, with respect to a country with which the United States has an agreement providing the United States with base rights or base access in that country, if the President determines that the recipient for which funds are earmarked has significantly reduced its military or economic cooperation with the United States since enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991; however, before exercising the authority of this subsection with regard to a base rights or base access country which has significantly reduced its military or economic cooperation with the United States, the President shall consult with, and shall provide a written policy justification to the Committees on Appropriations: *Provided*, That any such reprogramming shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That assistance that is reprogrammed pursuant to this subsection shall be made available under the same terms and conditions as originally provided.

(b) In addition to the authority contained in subsection (a), the original period of availability of funds appropriated by this Act and administered by the Agency for International Development that are earmarked for particular programs or activities by this or any other Act shall be extended for an additional fiscal year if the Administrator of such agency determines and reports promptly to the Committees on Appropriations that the termination of assistance to a country or a significant change in circumstances makes it unlikely that such earmarked funds can be obligated during the original period of availability: *Provided*, That such

earmarked funds that are continued available for an additional fiscal year shall be obligated only for the purpose of such earmark.

CEILINGS AND EARMARKS

SEC. 545. 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 ON PUBLICITY OR PROPAGANDA

SEC. 546. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not authorized before the date of enactment of this Act by the Congress: *Provided*, That not to exceed \$750,000 may be made available to carry out the provisions of section 316 of Public Law 96-533.

PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS

SEC. 547. (a) To the maximum extent possible, assistance provided under this Act should make full use of American resources, including commodities, products, and services.

(b) It is the sense of the Congress that, to the greatest extent practicable, all agriculture commodities, equipment and products purchased with funds made available in this Act should be American-made.

(c) In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (b) by the Congress.

PROHIBITION OF PAYMENTS TO UNITED NATIONS MEMBERS

SEC. 548. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations.

CONSULTING SERVICES

SEC. 549. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order pursuant to existing law.

PRIVATE VOLUNTARY ORGANIZATIONS—DOCUMENTATION

SEC. 550. None of the funds appropriated or made available pursuant to this Act shall be available to a private voluntary organization which fails to provide upon timely request any document, file, or record necessary to the auditing requirements of the Agency for International Development.

PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS THAT EXPORT LETHAL MILITARY EQUIPMENT TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM

SEC. 551. (a) 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 purposes of section 40(d) of the Arms Export Control Act or any other comparable provision of law. The prohibition under this section with respect to a foreign government shall terminate 12 months after that government ceases to provide such military equipment. This section applies with respect to lethal military equipment provided under a contract entered into after October 1, 1997.

(b) Assistance restricted by subsection (a) or any other similar provision of law, may be furnished if the President determines that furnishing such assistance is important to the national interests of the United States.

(c) Whenever the waiver of subsection (b) is exercised, the President shall submit to the appropriate congressional committees a report with respect to the furnishing of such assistance. Any such report shall include a detailed explanation of the assistance estimated to be provided, including the estimated dollar amount of such assistance, and an explanation of how the assistance furthers United States national interests.

WITHHOLDING OF ASSISTANCE FOR PARKING FINES OWED BY FOREIGN COUNTRIES

SEC. 552. (a) IN GENERAL.—Of the funds made available for a foreign country under part I of the Foreign Assistance Act of 1961, an amount equivalent to 110 percent of the total unpaid fully adjudicated parking fines and penalties owed to the District of Columbia by such country as of the date of enactment of this Act shall be withheld from obligation for such country until the Secretary of State certifies and reports in writing to the appropriate congressional committees that such fines and penalties are fully paid to the government of the District of Columbia.

(b) DEFINITION.—For purposes of this section, the term “appropriate congressional committees” means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.

LIMITATION ON ASSISTANCE FOR THE PLO FOR THE WEST BANK AND GAZA

SEC. 553. None of the funds appropriated by this Act may be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza unless the President has exercised the authority under section 604(a) of the Middle East Peace Facilitation Act of 1995 (title VI of Public Law 104-107) or any other legislation to suspend or make inapplicable section 307 of the Foreign Assistance Act of 1961 and that suspension is still in effect: *Provided*, That if the President fails to make the certification under section 604(b)(2) of the Middle East Peace Facilitation Act of 1995 or to suspend the prohibition under other legislation, funds

appropriated by this Act may not be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza.

WAR CRIMES TRIBUNALS DRAWDOWN

SEC. 554. If the President determines that doing so will contribute to a just resolution of charges regarding genocide or other violations of international humanitarian law, the President may direct a drawdown pursuant to section 552(c) of the Foreign Assistance Act of 1961, as amended, of up to \$30,000,000 of commodities and services for the United Nations War Crimes Tribunal established with regard to the former Yugoslavia by the United Nations Security Council or such other tribunals or commissions as the Council may establish to deal with such violations, without regard to the ceiling limitation contained in paragraph (2) thereof: *Provided*, That the determination required under this section shall be in lieu of any determinations otherwise required under section 552(c): *Provided further*, That sixty days after the date of enactment of this Act, and every one hundred eighty days thereafter, the Secretary of State shall submit a report to the Committees on Appropriations describing the steps the United States Government is taking to collect information regarding allegations of genocide or other violations of international law in the former Yugoslavia and to furnish that information to the United Nations War Crimes Tribunal for the former Yugoslavia: *Provided further*, That the drawdown made under this section for any tribunal shall not be construed as an endorsement or precedent for the establishment of any standing or permanent international criminal tribunal or court: *Provided further*, That funds made available for tribunals or commissions other than for Yugoslavia or Rwanda shall be made available subject to the regular notification procedures of the Committees on Appropriations.

22 USC 2656
note.

LANDMINES

SEC. 555. Notwithstanding any other provision of law, demining equipment available to the Agency for International Development and the Department of State and used in support of the clearance of landmines and unexploded ordnance for humanitarian purposes may be disposed of on a grant basis in foreign countries, subject to such terms and conditions as the President may prescribe.

RESTRICTIONS CONCERNING THE PALESTINIAN AUTHORITY

SEC. 556. None of the funds appropriated by this Act may be obligated or expended to create in any part of Jerusalem a new office of any department or agency of the United States Government for the purpose of conducting official United States Government business with the Palestinian Authority over Gaza and Jericho or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles: *Provided*, That this restriction shall not apply to the acquisition of additional space for the existing Consulate General in Jerusalem: *Provided further*, That meetings between officers and employees of the United States and officials of the Palestinian Authority, or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles, for the purpose of conducting official United States Government business with such authority should continue to take place in

locations other than Jerusalem. As has been true in the past, officers and employees of the United States Government may continue to meet in Jerusalem on other subjects with Palestinians (including those who now occupy positions in the Palestinian Authority), have social contacts, and have incidental discussions.

PROHIBITION OF PAYMENT OF CERTAIN EXPENSES

SEC. 557. None of the funds appropriated or otherwise made available by this Act under the heading “International Military Education and Training” or “Foreign Military Financing Program” for Informational Program activities may be obligated or expended to pay for—

- (1) alcoholic beverages;
- (2) food (other than food provided at a military installation) not provided in conjunction with Informational Program trips where students do not stay at a military installation; or
- (3) entertainment expenses for activities that are substantially of a recreational character, including entrance fees at sporting events and amusement parks.

EQUITABLE ALLOCATION OF FUNDS

SEC. 558. Not more than 17 percent of the funds appropriated by this Act to carry out the provisions of sections 103 through 106 and chapter 4 of part II of the Foreign Assistance Act of 1961, that are made available for Latin America and the Caribbean region may be made available, through bilateral and Latin America and the Caribbean regional programs, to provide assistance for any country in such region.

SPECIAL DEBT RELIEF FOR THE POOREST

SEC. 559. (a) **AUTHORITY TO REDUCE DEBT.**—The President may reduce amounts owed to the United States (or any agency of the United States) by an eligible country as a result of—

- (1) guarantees issued under sections 221 and 222 of the Foreign Assistance Act of 1961;
- (2) credits extended or guarantees issued under the Arms Export Control Act; or
- (3) any obligation or portion of such obligation for a Latin American country, to pay for purchases of United States agricultural commodities guaranteed by the Commodity Credit Corporation under export credit guarantee programs authorized pursuant to section 5(f) of the Commodity Credit Corporation Charter Act of June 29, 1948, as amended, section 4(b) of the Food for Peace Act of 1966, as amended (Public Law 89-808), or section 202 of the Agricultural Trade Act of 1978, as amended (Public Law 95-501).

(b) **LIMITATIONS.**—

(1) The authority provided by subsection (a) may be exercised only to implement multilateral official debt relief ad referendum agreements, commonly referred to as “Paris Club Agreed Minutes”.

(2) The authority provided by subsection (a) may be exercised only in such amounts or to such extent as is provided in advance by appropriations Acts.

(3) The authority provided by subsection (a) may be exercised only with respect to countries with heavy debt burdens that are eligible to borrow from the International Development Association, but not from the International Bank for Reconstruction and Development, commonly referred to as “IDA-only” countries.

(c) CONDITIONS.—The authority provided by subsection (a) may be exercised only with respect to a country whose government—

(1) does not have an excessive level of military expenditures;

(2) has not repeatedly provided support for acts of international terrorism;

(3) is not failing to cooperate on international narcotics control matters;

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

(5) is not ineligible for assistance because of the application of section 527 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995.

(d) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading “Debt restructuring”.

(e) CERTAIN PROHIBITIONS INAPPLICABLE.—A reduction of debt pursuant to subsection (a) shall not be considered assistance for purposes of any provision of law limiting assistance to a country. The authority provided by subsection (a) may be exercised notwithstanding section 620(r) of the Foreign Assistance Act of 1961.

AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES

SEC. 560. (a) LOANS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

(1) AUTHORITY TO SELL, REDUCE, OR CANCEL CERTAIN LOANS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser any concessional loan or portion thereof made before January 1, 1995, pursuant to the Foreign Assistance Act of 1961, to the government of any eligible country as defined in section 702(6) of that Act or on receipt of payment from an eligible purchaser, reduce or cancel such loan or portion thereof, only for the purpose of facilitating—

(A) debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps; or

(B) a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than 40 percent of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support activities that link conservation and sustainable use of natural resources with local community development, and child survival and other child development, in a manner consistent with sections 707 through 710 of the Foreign Assistance Act of 1961, if the sale, reduction, or cancellation would not contravene any term or condition of any prior agreement relating to such loan.

(2) **TERMS AND CONDITIONS.**—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans may be sold, reduced, or canceled pursuant to this section.

(3) **ADMINISTRATION.**—The Facility, as defined in section 702(8) of the Foreign Assistance Act of 1961, shall notify the administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 of purchasers that the President has determined to be eligible, and shall direct such agency to carry out the sale, reduction, or cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

(4) **LIMITATION.**—The authorities of this subsection shall be available only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

(b) **DEPOSIT OF PROCEEDS.**—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in the United States Government account or accounts established for the repayment of such loan.

(c) **ELIGIBLE PURCHASERS.**—A loan may be sold pursuant to subsection (a)(1)(A) only to a purchaser who presents plans satisfactory to the President for using the loan for the purpose of engaging in debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(d) **DEBTOR CONSULTATIONS.**—Before the sale to any eligible purchaser, or any reduction or cancellation pursuant to this section, of any loan made to an eligible country, the President should consult with the country concerning the amount of loans to be sold, reduced, or canceled and their uses for debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(e) **AVAILABILITY OF FUNDS.**—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading “Debt restructuring”.

LIMITATION ON ASSISTANCE FOR HAITI

SEC. 561. (a) **LIMITATION.**—Funds appropriated by this Act may be made available for assistance for the central Government of Haiti only if the President reports to the Committee on Appropriations and the Committee on International Relations of the House of Representatives and the Committee on Appropriations and the Committee on Foreign Relations of the Senate that the Government of Haiti—

(1) has completed privatization of (or placed under long-term private management or concession) three major public entities including the completion of all required incorporating documents, the transfer of assets, and the eviction of unauthorized occupants of the land or facility;

(2) has re-signed or is implementing the bilateral Repatriation Agreement with the United States and in the preceding six months that the central Government of Haiti is cooperating with the United States in halting illegal emigration from Haiti;

(3) is conducting thorough investigations of extrajudicial and political killings and has made substantial progress in bringing to justice a person or persons responsible for one or more extrajudicial or political killings in Haiti, and is

cooperating with United States authorities and with United States-funded technical advisors to the Haitian National Police in such investigations;

(4) has taken action to remove from the Haitian National Police, national palace and residential guard, ministerial guard, and any other public security entity or unit of Haiti those individuals who are credibly alleged to have engaged in or conspired to conceal gross violations of internationally recognized human rights or credibly alleged to have engaged in or conspired to engage in narcotics trafficking; and

(5) has ratified or is implementing the maritime counter-narcotics agreements signed in October 1997.

(b) AVAILABILITY OF ELECTORAL ASSISTANCE.—The limitation in subsection (a) shall not apply to funds appropriated by this Act that are made available to support elections in Haiti if the President reports to the Congress that the central Government of Haiti:

(1) has achieved a transparent settlement of the contested April 1997 elections; and

(2) has made concrete progress on the constitution of a credible and competent provisional electoral council that is acceptable to a broad spectrum of political parties and civic groups.

(c) EXCEPTIONS.—The limitations in subsections (a) and (b) shall not apply to the provision of—

(1) counter-narcotics assistance, support for the Haitian National Police's Special Investigations Unit and anti-corruption programs, the International Criminal Investigative Assistance Program, and assistance in support of Haitian customs and maritime officials;

(2) food assistance management and support;

(3) assistance for urgent humanitarian needs, such as medical and other supplies and services in support of community health services, schools, and orphanages; and

(4) not more than \$3,000,000 for the development and support of political parties and civic groups.

(d) WAIVER.—At any time after 150 days from the date of enactment of this Act, the Secretary of State may waive the requirements contained in subsection (a)(1) if she reports to the Committees specified in subsection (a) that the Government of Haiti has satisfied the requirements of subsection (a)(1) with regard to one major public entity and has satisfied the remaining requirements of subsection (a).

(e) REPORTS.—The Secretary of State shall provide to the Committees specified in subsection (a) on a quarterly basis—

(1) in consultation with the Secretary of Defense and the Administrator of the Drug Enforcement Administration, a report on the status and number of United States personnel deployed in and around Haiti on Department of Defense, Drug Enforcement Administration, and United Nations missions, including displays by functional or operational assignment for such personnel and the cost to the United States of these operations; and

(2) the monthly reports, prepared during the previous quarter, of the Organization of American States/United Nations International Civilian Mission to Haiti (MICIVIH).

(f) ADMINISTRATION OF JUSTICE ASSISTANCE.—(1) The limitation in subsection (a) shall not apply to funds appropriated under this Act that are made available for the Ministry of Justice for the training of judges if the President determines and reports to the Committee on Appropriations and the Committee on Foreign Relations of the Senate, and the Committee on Appropriations and the Committee on International Relations of the House of Representatives, that Haiti's Minister of Justice—

(A) has demonstrated a commitment to the professionalism of judicial personnel by consistently placing students graduated by the Judicial School in appropriate judicial positions and has made a commitment to share program costs associated with the Judicial School; and

(B) is making progress in making the judicial branch in Haiti independent from the executive branch.

(2) The limitation in subsection (a) shall not apply to funds to support the training of prosecutors, judicial mentoring, legal assistance, and case management.

REQUIREMENT FOR DISCLOSURE OF FOREIGN AID IN REPORT OF
SECRETARY OF STATE

SEC. 562. (a) FOREIGN AID REPORTING REQUIREMENT.—In addition to the voting practices of a foreign country, the report required to be submitted to Congress under section 406(a) of the Foreign Relations Authorization Act, fiscal years 1990 and 1991 (22 U.S.C. 2414a), shall include a side-by-side comparison of individual countries' overall support for the United States at the United Nations and the amount of United States assistance provided to such country in fiscal year 1998.

22 USC 2414a
note.

(b) UNITED STATES ASSISTANCE.—For purposes of this section, the term "United States assistance" has the meaning given the term in section 481(e)(4) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(e)(4)).

RESTRICTIONS ON VOLUNTARY CONTRIBUTIONS TO UNITED NATIONS
AGENCIES

SEC. 563. (a) PROHIBITION ON VOLUNTARY CONTRIBUTIONS FOR THE UNITED NATIONS.—None of the funds appropriated by this Act may be made available to pay any voluntary contribution of the United States to the United Nations (including the United Nations Development Program) if the United Nations implements or imposes any taxation on any United States persons.

(b) CERTIFICATION REQUIRED FOR DISBURSEMENT OF FUNDS.—None of the funds appropriated by this Act may be made available to pay any voluntary contribution of the United States to the United Nations (including the United Nations Development Program) unless the President certifies to the Congress 15 days in advance of such payment that the United Nations is not engaged in any effort to implement or impose any taxation on United States persons in order to raise revenue for the United Nations or any of its specialized agencies.

(c) DEFINITIONS.—As used in this section the term "United States person" refers to—

(1) a natural person who is a citizen or national of the United States; or

(2) a corporation, partnership, or other legal entity organized under the United States or any State, territory, possession, or district of the United States.

BURMA LABOR REPORT

SEC. 564. Not later than ninety days after enactment of this Act, the Secretary of Labor shall provide to the Committees on Appropriations a report addressing labor practices in Burma: *Provided*, That the report shall provide comprehensive details on child labor practices, worker's rights, forced relocation of laborers, forced labor performed to support the tourism industry, and forced labor performed in conjunction with, and in support of, the Yadonna gas pipeline: *Provided further*, That the report should address whether the government is in compliance with international labor standards: *Provided further*, That the report should provide details regarding the United States government's efforts to address and correct practices of forced labor in Burma.

HAITI

SEC. 565. The Government of Haiti shall be eligible to purchase defense articles and services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), for the civilian-led Haitian National Police and Coast Guard: *Provided*, That the authority provided by this section shall be subject to the regular notification procedures of the Committees on Appropriations.

LIMITATION ON ASSISTANCE TO THE PALESTINIAN AUTHORITY

SEC. 566. (a) PROHIBITION OF FUNDS.—None of the funds appropriated by this Act to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961 may be obligated or expended with respect to providing funds to the Palestinian Authority.

(b) WAIVER.—The prohibition included in subsection (a) shall not apply if the President certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that waiving such prohibition is important to the national security interests of the United States.

(c) PERIOD OF APPLICATION OF WAIVER.—Any waiver pursuant to subsection (b) shall be effective for no more than a period of six months at a time and shall not apply beyond twelve months after enactment of this Act.

LIMITATION ON ASSISTANCE TO THE GOVERNMENT OF CROATIA

SEC. 567. None of the funds appropriated by title II of this Act may be made available to the Government of Croatia to relocate the remains of Croatian Ustashe soldiers, at the site of the World War II concentration camp at Jasenovac, Croatia.

LIMITATION ON ASSISTANCE TO SECURITY FORCES

SEC. 568. None of the funds made available by this Act may be provided to any unit of the security forces 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 Committees on Appropriations that

the government of such country is taking effective measures to bring the responsible members of the security forces unit to justice: *Provided*, That nothing in this section shall be construed to withhold funds made available by this Act from any unit of the security forces of a foreign country not credibly alleged to be involved in gross violations of human rights: *Provided further*, That in the event that funds are withheld from any unit pursuant to this section, the Secretary of State shall promptly inform the foreign government of the basis for such action and shall, to the maximum extent practicable, assist the foreign government in taking effective measures to bring the responsible members of the security forces to justice.

LIMITATIONS ON TRANSFER OF MILITARY EQUIPMENT TO EAST TIMOR

SEC. 569. In any agreement for the sale, transfer, or licensing of any lethal equipment or helicopter for Indonesia entered into by the United States pursuant to the authority of this Act or any other Act, the agreement shall state that the United States expects that the items will not be used in East Timor: *Provided*, That nothing in this section shall be construed to limit Indonesia's inherent right to legitimate national self-defense as recognized under the United Nations Charter and international law.

RESTRICTIONS ON ASSISTANCE TO COUNTRIES PROVIDING SANCTUARY TO INDICTED WAR CRIMINALS

SEC. 570. (a) BILATERAL ASSISTANCE.—None of the funds made available by this or any prior Act making appropriations for foreign operations, export financing and related programs, may be provided for any country, entity or canton described in subsection (e).

(b) MULTILATERAL ASSISTANCE.—

(1) PROHIBITION.—The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of any financial or technical assistance or grants of any kind to any country or entity described in subsection (e).

(2) NOTIFICATION.—Not less than 15 days before any vote in an international financial institution regarding the extension of financial or technical assistance or grants to any country or entity described in subsection (e), the Secretary of the Treasury, in consultation with the Secretary of State, shall provide to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on Banking and Financial Services of the House of Representatives a written justification for the proposed assistance, including an explanation of the United States position regarding any such vote, as well as a description of the location of the proposed assistance by municipality, its purpose, and its intended beneficiaries.

(3) DEFINITION.—The term “international financial institution” includes the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guaranty Agency, and the European Bank for Reconstruction and Development.

(c) EXCEPTIONS.—

(1) IN GENERAL.—Subject to paragraph (2), subsections (a) and (b) shall not apply to the provision of—

(A) humanitarian assistance;

(B) democratization assistance;

(C) assistance for cross border physical infrastructure projects involving activities in both a sanctioned country, entity, or canton and a nonsanctioned contiguous country, entity, or canton, if the project is primarily located in and primarily benefits the nonsanctioned country, entity, or canton and if the portion of the project located in the sanctioned country, entity, or canton is necessary only to complete the project;

(D) small-scale assistance projects or activities requested by United States Armed Forces that promote good relations between such forces and the officials and citizens of the areas in the United States SFOR sector of Bosnia;

(E) implementation of the Brcko Arbitral Decision;

(F) lending by the international financial institutions to a country or entity to support common monetary and fiscal policies at the national level as contemplated by the Dayton Agreement; or

(G) direct lending to a non-sanctioned entity, or lending passed on by the national government to a non-sanctioned entity.

(H) assistance to the International Police Task Force for the training of a civilian police force.

(2) NOTIFICATION.—Every 30 days the Secretary of State, in consultation with the Administrator of the Agency for International Development, shall publish in the Federal Register and/or in a comparable publicly accessible document or internet site, a listing and justification of any assistance that is obligated within that period of time for any country, entity, or canton described in subsection (e), including a description of the purpose of the assistance, project and its location, by municipality.

(d) FURTHER LIMITATIONS.—Notwithstanding subsection (c)—

(1) no assistance may be made available by this Act, or any prior Act making appropriations for foreign operations, export financing and related programs, in any country, entity, or canton described in subsection (e), for a program, project, or activity in which a publicly indicted war criminal is known to have any financial or material interest; and

(2) no assistance (other than emergency foods or medical assistance or demining assistance) may be made available by this Act, or any prior Act making appropriations for foreign operations, export financing and related programs for any program, project, or activity in a community within any country, entity or canton described in subsection (e) if competent authorities within that community are not complying with the provisions of Article IX and Annex 4, Article II, paragraph 8 of the Dayton Agreement relating to war crimes and the Tribunal.

(e) SANCTIONED COUNTRY, ENTITY, OR CANTON.—A sanctioned country, entity, or canton described in this section is one whose competent authorities have failed, as determined by the Secretary of State, to take necessary and significant steps to apprehend and transfer to the Tribunal all persons who have been publicly indicted by the Tribunal.

(f) WAIVER.—

(1) IN GENERAL.—The Secretary of State may waive the application of subsection (a) or subsection (b) with respect to specified bilateral programs or international financial institution projects or programs in a sanctioned country, entity, or canton upon providing a written determination to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives that such assistance directly supports the implementation of the Dayton Agreement and its Annexes, which include the obligation to apprehend and transfer indicted war criminals to the Tribunal.

(2) REPORT.—Not later than 15 days after the date of any written determination under paragraph (1) the Secretary of State shall submit a report to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives regarding the status of efforts to secure the voluntary surrender or apprehension and transfer of persons indicted by the Tribunal, in accordance with the Dayton Agreement, and outlining obstacles to achieving this goal; and

(3) ASSISTANCE PROGRAMS AND PROJECTS AFFECTED.—Any waiver made pursuant to this subsection shall be effective only with respect to a specified bilateral program or multilateral assistance project or program identified in the determination of the Secretary of State to Congress.

(g) TERMINATION OF SANCTIONS.—The sanctions imposed pursuant to subsections (a) and (b) with respect to a country or entity shall cease to apply only if the Secretary of State determines and certifies to Congress that the authorities of that country, entity, or canton have apprehended and transferred to the Tribunal all persons who have been publicly indicted by the Tribunal.

(h) DEFINITIONS.—As used in this section—

(1) COUNTRY.—The term “country” means Bosnia-Herzegovina, Croatia, Serbia, and Montenegro.

(2) ENTITY.—The term “entity” refers to the Federation of Bosnia and Herzegovina and the Republika Srpska.

(3) CANTON.—The term “canton” means the administrative units in Bosnia and Herzegovina.

(4) DAYTON AGREEMENT.—The term “Dayton Agreement” means the General Framework Agreement for Peace in Bosnia and Herzegovina, together with annexes relating thereto, done at Dayton, November 10 through 16, 1995.

(5) TRIBUNAL.—The term “Tribunal” means the International Criminal Tribunal for the Former Yugoslavia.

(i) ROLE OF HUMAN RIGHTS ORGANIZATIONS AND GOVERNMENT AGENCIES.—In carrying out this section, the Secretary of State, the Administrator of the Agency for International Development, and the executive directors of the international financial institutions shall consult with representatives of human rights organizations and all government agencies with relevant information to help prevent publicly indicted war criminals from benefitting from any financial or technical assistance or grants provided to any country or entity described in subsection (e).

ADDITIONAL REQUIREMENTS RELATING TO STOCKPILING OF DEFENSE
ARTICLES FOR FOREIGN COUNTRIES

SEC. 571. (a) VALUE OF ADDITIONS TO STOCKPILES.—Section 514(b)(2)(A) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h(b)(2)(A)) is amended by striking the word “and” after “1997”, and inserting in lieu thereof a comma and inserting before the period at the end the following: “and \$340,000,000 for fiscal year 1999”.

(b) REQUIREMENTS RELATING TO THE REPUBLIC OF KOREA AND THAILAND.—Section 514(b)(2)(B) of such Act (22 U.S.C. 2321h(b)(2)(B)) is amended by adding at the end the following: “Of the amount specified in subparagraph (A) for fiscal year 1999, not more than \$320,000,000 may be made available for stockpiles in the Republic of Korea and not more than \$20,000,000 may be made available for stockpiles in Thailand.”.

TO PROHIBIT FOREIGN ASSISTANCE TO THE GOVERNMENT OF RUSSIA
SHOULD IT ENACT LAWS WHICH WOULD DISCRIMINATE AGAINST MI-
NORITY RELIGIOUS FAITHS IN THE RUSSIAN FEDERATION

SEC. 572. None of the funds appropriated under this Act may be made available for the Government of Russian Federation, after 180 days from the date of enactment of this Act, unless the President determines and certifies in writing to the Committee on Appropriations and the Committee on Foreign Relations of the Senate that the Government of the Russian Federation has implemented no statute, executive order, regulation or similar government action that would discriminate, or would have as its principal effect discrimination, against religious groups or religious 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.

GREENHOUSE GAS EMISSIONS

SEC. 573. (a) Funds made available in this Act to support programs or activities promoting country participation in the Kyoto Protocol to the Framework Convention on Climate Change (FCCC) shall only be made available subject to the regular notification procedures of the Committees on Appropriations.

(b) The President shall provide a detailed account of all Federal agency obligations and expenditures for climate change programs and activities, domestic and international, for fiscal year 1998, planned obligations for such activities in fiscal year 1999, and any plan for programs thereafter related to the implementation or the furtherance of protocols pursuant to, or related to negotiations to amend the FCCC in conjunction with the President's submission of the Budget of the United States Government for Fiscal Year 2000: *Provided*, That such report shall include an accounting of expenditures by agency with each agency identifying climate change activities and associated costs by line item as presented in the President's Budget Appendix.

WITHHOLDING ASSISTANCE TO COUNTRIES VIOLATING UNITED
NATIONS SANCTIONS AGAINST LIBYA

SEC. 574. (a) WITHHOLDING OF ASSISTANCE.—Except as provided in subsection (b), whenever the President determines and

certifies to Congress that the government of any country is violating any sanction against Libya imposed pursuant to United Nations Security Council Resolution 731, 748, or 883, then not less than 5 percent of the funds allocated for the country under section 653(a) of the Foreign Assistance Act of 1961 out of appropriations in this Act shall be withheld from obligation or expenditure for that country.

(b) EXCEPTION.—The requirement to withhold funds under subsection (a) shall not apply to funds appropriated in this Act for allocation under section 653(a) of the Foreign Assistance Act of 1961 for development assistance or for humanitarian assistance.

(c) WAIVER.—Funds may be provided for a country without regard to subsection (a) if the President determines that to do so is in the national security interest of the United States.

AID TO THE GOVERNMENT OF THE DEMOCRATIC REPUBLIC OF CONGO

SEC. 575. (a) None of the funds appropriated by this Act may be provided for assistance for the central Government of the Democratic Government of Congo until such time as the President reports in writing to the Congress that the central Government is—

(1) investigating and prosecuting those responsible for human rights violations committed in the Democratic Republic of Congo; and

(2) implementing a credible democratic transition program.

(b) This section shall not apply to assistance to promote democracy and the rule of law as part of a plan to implement a credible democratic transition program.

ASSISTANCE FOR THE MIDDLE EAST

SEC. 576. Of the funds appropriated by this Act under the headings “Economic Support Fund”, “Foreign Military Financing”, “International Military Education and Training”, “Peacekeeping Operations”, for refugees resettling in Israel under the heading “Migration and Refugee Assistance”, and for assistance for Israel to carry out provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 under the heading “Nonproliferation, Anti-Terrorism, Demining, and Related Programs”, not more than a total of \$5,402,850,000 may be made available for Israel, Egypt, Jordan, Lebanon, the West Bank and Gaza, the Israel-Lebanon Monitoring Group, the Multinational Force and Observers, the Middle East Regional Democracy Fund, Middle East Regional Cooperation, and Middle East Multilateral Working Groups: *Provided*, That any funds that were appropriated under such headings in prior fiscal years and that were at the time of enactment of this Act obligated or allocated for other recipients may not during fiscal year 1999 be made available for activities that, if funded under this Act, would be required to count against this ceiling: *Provided further*, That funds may be made available notwithstanding the requirements of this section if the President determines and certifies to the Committees on Appropriations that it is important to the national security interest of the United States to do so and any such additional funds shall only be provided through the regular notification procedures of the Committees on Appropriations.

ENTERPRISE FUND RESTRICTIONS

SEC. 577. Prior to the distribution of any assets resulting from any liquidation, dissolution, or winding up of an Enterprise Fund, in whole or in part, the President shall submit to the Committees on Appropriations, in accordance with the regular notification procedures of the Committees on Appropriations, a plan for the distribution of the assets of the Enterprise Fund.

CAMBODIA

SEC. 578. The Secretary of the Treasury should instruct the United States executive directors of the international financial institutions to use the voice and vote of the United States to oppose loans to the Government of Cambodia, except loans to support basic human needs.

EXPORT FINANCING TRANSFER AUTHORITIES

SEC. 579. Not to exceed 5 percent of any appropriation other than for administrative expenses made available for fiscal year 1999 for programs under title I of this Act may be transferred between such appropriations for use for any of the purposes, programs and activities for which the funds in such receiving account may be used, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 25 percent by any such transfer: *Provided*, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.

AUTHORIZATION FOR POPULATION PLANNING

SEC. 580. (a) Not to exceed \$385,000,000 of the funds appropriated in title II of this Act may be available for population planning activities or other population assistance.

(b) Such funds may be apportioned only on a monthly basis, and such monthly apportionments may not exceed 8.34 percent of the total available for such activities.

REPORT ON ALL UNITED STATES MILITARY TRAINING PROVIDED TO FOREIGN MILITARY PERSONNEL

SEC. 581. (a) The Secretary of Defense and the Secretary of State shall jointly provide to the Congress by January 31, 1999, a report on all military training provided to foreign military personnel under programs administered by the Department of Defense and the Department of State during fiscal years 1998 and 1999, including those proposed for fiscal year 1999. This report shall include, for each such military training activity, the foreign policy justification and purpose for the training activity, the cost of the training activity, the number of foreign students trained and their units of operation, and the location of the training. In addition, this report shall also include, with respect to United States personnel, the operational benefits to United States forces derived from each such training activity and the United States military units involved in each such training activity. This report may include a classified annex if deemed necessary and appropriate.

(b) For purposes of this section a report to Congress shall be deemed to mean a report to the Appropriations and Foreign

Relations Committees of the Senate and the Appropriations and International Relations Committees of the House of Representatives.

KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION

SEC. 582. (a) of the funds made available under the heading “Nonproliferation, Anti-terrorism, Demining and Related Programs”, not to exceed \$35,000,000 may be made available for the Korean Peninsula Energy Development Organization (hereafter referred to in this section as “KEDO”), notwithstanding any other provision of law, only for the administrative expenses and heavy fuel oil costs associated with the Agreed Framework: *Provided*, that none of these funds may be made available until March 1, 1999.

(b) Of the funds made available for KEDO, up to \$15,000,000 may be made available prior to June 1, 1999, if, thirty days prior to such obligation of funds, the President certifies and so reports to Congress that—

(1)(A) the parties to the Agreed Framework have taken and continue to take demonstrable steps to assure that progress is made on the implementation of the January 1, 1992, Joint Declaration on the Denuclearization of the Korean Peninsula in which the government of North Korea has committed not to test, manufacture, produce, receive, possess, store, deploy or use nuclear weapons;

(B) the parties to the Agreed Framework have taken and continue to take demonstrable steps to assure that progress is made on the implementation of the North-South dialogue; and

(C) North Korea is complying with all provisions of the Agreed Framework and with the Confidential Minute between North Korea and the United States;

(2) North Korea is cooperating fully in the canning and safe storage of all spent fuel from its graphite-moderated nuclear reactors;

(3) North Korea has not significantly diverted assistance provided by the United States for purposes for which it was not intended; and

(4) the United States is fully engaged in efforts to impede North Korea’s development and export of ballistic missiles; and

(c) Of the funds made available for KEDO, up to \$20,000,000 may be made available on or after June 1, 1999, if, thirty days prior to such obligation of funds, the President certifies and so reports to Congress that:

(1) the United States has initiated meaningful discussions with North Korea on implementation of the Joint Declaration on the Denuclearization of the Korean Peninsula;

(2) the United States has reached agreement with North Korea on the means for satisfying U.S. concerns regarding suspect underground construction; and

(3) the United States is making significant progress on reducing and eliminating the North Korean ballistic missile threat, including its ballistic missile exports.

(d) The President may waive the certification requirements of subsections (b) and (c) if the President determines that it is vital to the national security interests of the United States and

provides written policy justifications to the appropriate congressional committees prior to his exercise of such waiver. No funds may be obligated for KEDO until 30 days after submission to Congress of such waiver.

(e) Not later than January 1, 1999, the President shall name a “North Korea Policy Coordinator”, who shall conduct a full and complete interagency review of United States policy toward North Korea, shall provide policy direction for negotiations with North Korea related to nuclear weapons, ballistic missiles, and other security related issues, and shall also provide leadership for United States participation in KEDO.

(f) The Secretary of State shall submit to the appropriate congressional committees an annual report (to be submitted with the annual presentation for appropriations) providing a full and detailed accounting of the fiscal year request for the United States contribution to KEDO, the expected operating budget of the KEDO, to include unpaid debt, proposed annual costs associated with heavy fuel oil purchases, and the amount of funds pledged by other donor nations and organizations to support KEDO activities on a per country basis, and other related activities.

(g) The Secretary of Defense shall submit to the appropriate congressional committees an annual report on the degree to which KEDO’s mission and the Agreed Framework continue to promote important United States national security interests, contribute to delaying North Korean indigenous development of nuclear weapons-related technology, and positively impact the level of tension on the Korean Peninsula.

NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND
FINANCIAL POLICIES

22 USC 262r
note.

SEC. 583. (a) Notwithstanding any other provision of law, each annual report required by subsection 1701(a) of the International Financial Institutions Act, as amended (Public Law 95-118, 22 U.S.C. 262r), shall comprise—

(1) an assessment of the effectiveness of the major policies and operations of the international financial institutions;

(2) the major issues affecting United States participation;

(3) the major developments in the past year;

(4) the prospects for the coming year;

(5) the progress made and steps taken to achieve United States policy goals (including major policy goals embodied in current law) with respect to the international financial institutions; and

(6) such data and explanations concerning the effectiveness, operations, and policies of the international financial institutions, such recommendations concerning the international financial institutions, and such other data and material as the Chairman may deem appropriate.

(b) The requirements of Sections 1602(e), 1603(c), 1604(c), and 1701(b) of the International Financial Institutions Act, as amended (Public Law 95-118, 22 U.S.C. 262p-1, 262p-2, 262p-3 and 262(r)), Section 2018(c) of the International Narcotics Control Act of 1986, as amended (Public Law 99-570, 22 U.S.C. 2291 note), Section 407(c) of the Foreign Debt Reserving Act of 1989 (Public Law 101-240, 22 U.S.C. 2291 note), Section 14(c) of the Inter-American Development Bank Act, as amended (Public Law 86-147, 22 U.S.C. 283j-1(c)), and Section 1002 of the Freedom for Russia and

Emerging Eurasian Democracies and Open Markets Support Act of 1992 (Public Law 102-511) (22 U.S.C. 286ll(b)) shall no longer apply to the contents of such annual reports.

PROHIBITION ON ASSISTANCE TO THE PALESTINIAN BROADCASTING CORPORATION

SEC. 584. None of the funds appropriated or otherwise made available by this Act may be used to provide equipment, technical support, consulting services, or any other form of assistance to the Palestinian Broadcasting Corporation.

REPORT ON IRAQI DEVELOPMENT OF WEAPONS OF MASS DESTRUCTION

SEC. 585. (a) FINDINGS.—Congress finds that—

- (1) Iraq is continuing efforts to mask the extent of its weapons of mass destruction and missile programs;
- (2) proposals to relax the current international inspection regime would have potentially dangerous consequences for international security; and

(3) Iraq has demonstrated time and again that it cannot be trusted to abide by international norms or by its own agreements, and that the only way the international community can be assured of Iraqi compliance is by ongoing inspection.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the international agencies charged with inspections in Iraq—the International Atomic Energy Agency (IAEA) and the United Nations Special Commission (UNSCOM) should maintain vigorous inspections, including surprise inspections, within Iraq; and

(2) the United States should oppose any efforts to ease the inspections regimes on Iraq until there is clear, credible evidence that the Government of Iraq is in full compliance with all relevant United Nations' resolutions.

(c) REPORT.—Not later than 30 days after the date of enactment of this Act, the President shall submit a report to Congress on the United States Government's assessment of Iraq's nuclear and other weapons of mass destruction programs and its efforts to move toward procurement of nuclear weapons and the means to deliver weapons of mass destruction. The report shall also—

(1) assess the United States view of the International Atomic Energy Agency's action team reports and other IAEA efforts to monitor the extent and nature of Iraq's nuclear program; and

(2) include the United States Government's opinion on the value of maintaining the ongoing inspection regime rather than replacing it with a passive monitoring system.

SENSE OF CONGRESS REGARDING IRAN

SEC. 586. (a) The Congress finds that—

(1) according to the Department of State, Iran continues to support international terrorism, providing training, financing, and weapons to such terrorist groups as Hizballah, Islamic Jihad and Hamas;

(2) Iran continues to oppose the Arab-Israeli peace process and refuses to recognize Israel's right to exist;

(3) Iran continues aggressively to seek weapons of mass destruction and the missiles to deliver them;

(4) it is long-standing United States policy to offer official government-to-government dialogue with the Iranian regime, such offers having been repeatedly rebuffed by Tehran;

(5) more than a year after the election of President Khatemi, Iranian foreign policy continues to threaten American security and that of our allies in the Middle East; and

(6) despite repeated offers and tentative steps toward rapprochement with Iran by the Clinton Administration, including a decision to waive sanctions under the Iran-Libya Sanctions Act and the President's veto of the Iran Missile Proliferation Sanctions Act, Iran has failed to reciprocate in a meaningful manner.

(b) Therefore it is the sense of the Congress that—

(1) the Administration should make no concessions to the Government of Iran unless and until that government moderates its objectionable policies, including taking steps to end its support of international terrorism, opposition to the Middle East peace process, and the development and proliferation of weapons of mass destruction and their means of delivery; and

(2) there should be no change in United States policy toward Iran until there is credible and sustained evidence of a change in Iranian policies.

AID OFFICE OF SECURITY

22 USC 2381
note.

SEC. 587. (a) ESTABLISHMENT OF OFFICE.—There shall be established within the Office of the Administrator of the Agency for International Development, an Office of Security. Such Office of Security shall, notwithstanding any other provision of law except section 207 of the Foreign Service Act of 1980 and section 103 of Public Law 199-339, have the responsibility for the supervision, direction, and control of all security activities relating to the programs and operations of that Agency.

(b) TRANSFER AND ALLOCATION OF APPROPRIATIONS AND PERSONNEL.—There are transferred to the Office of Security all security functions exercised by the Office of Inspector General of the Agency for International Development exercised before the date of enactment of this Act. The Administrator shall transfer from the Office of the Inspector General of such Agency to the Office of Security established by subsection (a), the personnel (including the Senior Executive Service position designated for the Assistant Inspector General for Security), assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, and other funds held, used, available to, or to be made available in connection with such functions. Unexpended balances of appropriations, and other funds made available or to be made available in connection with such functions, shall be transferred to and merged with funds appropriated by this Act under the heading "Operating Expenses of the Agency for International Development".

(c) TRANSFER OF EMPLOYEES.—Any employee in the career service who is transferred pursuant to this section shall be placed in a position in the Office of Security established by subsection (a) which is comparable to the position the employee held in the Office of the Inspector General of the Agency for International Development.

SENSE OF CONGRESS REGARDING BALLISTIC MISSILE DEVELOPMENT BY
NORTH KOREA

SEC. 588. (a) Congress makes the following findings:

(1) North Korea has been active in developing new generations of medium-range and intermediate-range ballistic missiles, including both the Nodong and Taepo Dong class missiles.

(2) North Korea is not an adherent to the Missile Technology Control Regime, actively cooperates with Iran and Pakistan in ballistic missile programs, and has declared its intention to continue to export ballistic missile technology.

(3) North Korea has shared technology involved in the Taepo Dong I missile program with Iran, which is concurrently developing the Shahab-3 intermediate-range ballistic missile.

(4) North Korea is developing the Taepo Dong II intermediate-range ballistic missile, which is expected to have sufficient range to put at risk United States territories, forces, and allies throughout the Asia-Pacific area.

(5) Multistage missiles like the Taepo Dong class missile can ultimately be extended to intercontinental range.

(6) The bipartisan Commission to Assess the Ballistic Missile Threat to the United States emphasized the need for the United States intelligence community and United States policy makers to review the methodology by which they assess foreign missile programs in order to guard against surprise developments with respect to such programs.

(b) It is the sense of Congress that—

(1) North Korea should be forcefully condemned for its August 31, 1998, firing of a Taepo Dong I intermediate-range ballistic missile over the sovereign territory of another country, specifically Japan, an event that demonstrated an advanced capability for employing multistage missiles, which are by nature capable of extended range, including intercontinental range;

(2) the United States should reassess its cooperative space launch programs with countries that continue to assist North Korea and Iran in their ballistic missile and cruise missile programs;

(3) any financial or technical assistance provided to North Korea should take into account the continuing conduct by that country of activities which destabilize the region, including the missile firing referred to in paragraph (1), continued submarine incursions into South Korean territorial waters, and violations of the demilitarized zone separating North Korea and South Korea;

(4) the recommendations of the Commission to Assess the Ballistic Missile Threat to the United States should be incorporated into the analytical processes of the United States intelligence community as soon as possible; and

(5) the United States should accelerate cooperative theater missile defense programs with Japan.

TECHNICAL ASSISTANCE TO FOREIGN GOVERNMENTS

SEC. 589. (a) ESTABLISHMENT OF PROGRAM.—Chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by adding at the end the following:

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22 USC 2151aa. **“SEC. 129. PROGRAM TO PROVIDE TECHNICAL ASSISTANCE TO FOREIGN GOVERNMENTS AND FOREIGN CENTRAL BANKS OF DEVELOPING OR TRANSITIONAL COUNTRIES.**

“(a) ESTABLISHMENT OF PROGRAM.—

“(1) IN GENERAL.—Not later than 150 days after the date of the enactment of this section, the Secretary of the Treasury, after consultation with the Secretary of State and the Administrator of the United States Agency for International Development, is authorized to establish a program to provide technical assistance to foreign governments and foreign central banks of developing or transitional countries.

“(2) ROLE OF SECRETARY OF STATE.—The Secretary of State shall provide foreign policy guidance to the Secretary to ensure that the program established under this subsection is effectively integrated into the foreign policy of the United States.

“(b) CONDUCT OF PROGRAM.—

“(1) IN GENERAL.—In carrying out the program established under subsection (a), the Secretary shall provide economic and financial technical assistance to foreign governments and foreign central banks of developing and transitional countries by providing advisers with appropriate expertise to advance the enactment of laws and establishment of administrative procedures and institutions in such countries to promote macroeconomic and fiscal stability, efficient resource allocation, transparent and market-oriented processes and sustainable private sector growth.

“(2) ADDITIONAL REQUIREMENTS.—To the extent practicable, such technical assistance shall be designed to establish—

“(A) tax systems that are fair, objective, and efficiently gather sufficient revenues for governmental operations;

“(B) debt issuance and management programs that rely on market forces;

“(C) budget planning and implementation that permits responsible fiscal policy management;

“(D) commercial banking sector development that efficiently intermediates between savers and investors; and

“(E) financial law enforcement to protect the integrity of financial systems, financial institutions, and government programs.

“(c) ADMINISTRATIVE REQUIREMENTS.—In carrying out the program established under subsection (a), the Secretary—

“(1) shall establish a methodology for identifying and selecting foreign governments and foreign central banks to receive assistance under the program;

“(2) prior to selecting a foreign government or foreign central bank to receive assistance under the program, shall receive the concurrence of the Secretary of State with respect to the selection of such government or central bank and with respect to the cost of the assistance to such government or central bank;

“(3) shall consult with the heads of appropriate Executive agencies of the United States, including the Secretary of State and the Administrator of the United States Agency for International Development, and appropriate international financial institutions to avoid duplicative efforts with respect to those foreign countries for which such agencies or organizations provide similar assistance;

“(4) shall ensure that the program is consistent with the International Affairs Strategic Plan and Mission Performance Plan of the United States Agency for International Development;

“(5) shall establish and carry out a plan to evaluate the program.

“(d) ADMINISTRATIVE AUTHORITIES.—In carrying out the program established under subsection (a), the Secretary shall have the following administrative authorities:

“(1) The Secretary may provide allowances and benefits under chapter 9 of title I of the Foreign Service Act of 1980 (22 U.S.C. 4081 et seq.) to any officer or employee of any agency of the United States Government performing functions under this section outside the United States.

“(2)(A) The Secretary may allocate or transfer to any agency of the United States Government any part of any funds available for carrying out this section, including any advance to the United States Government by any country or international organization for the procurement of commodities, supplies, or services.

“(B) Such funds shall be available for obligation and expenditure for the purposes for which such funds were authorized, in accordance with authority granted in this section or under authority governing the activities of the agency of the United States Government to which such funds are allocated or transferred.

“(3) Appropriations for the purposes of or pursuant to this section, and allocations to any agency of the United States Government from other appropriations for functions directly related to the purposes of this section, shall be available for—

“(A) contracting with individuals for personal services abroad, except that such individuals shall not be regarded as employees of the United States Government for the purpose of any law administered by the Office of Personnel Management;

“(B) the purchase and hire of passenger motor vehicles, except that passenger motor vehicles may be purchased only—

“(i) for use in foreign countries; and

“(ii) if the Secretary or the Secretary’s designee has determined that the vehicle is necessary to accomplish the mission;

“(C) the purchase of insurance for official motor vehicles acquired for use in foreign countries;

“(D)(i) the rent or lease outside the United States, not to exceed 5 years, of offices, buildings, grounds, and quarters, including living quarters to house personnel, consistent with the relevant interagency housing board policy, and payments therefor in advance;

“(ii) maintenance, furnishings, necessary repairs, improvements, and alterations to properties owned or rented by the United States Government or made available for use to the United States Government outside the United States; and

“(iii) costs of insurance, fuel, water, and utilities for such properties;

“(E) expenses of preparing and transporting to their former homes or places of burial the remains of foreign participants or members of the family of foreign participants, who may die while such participants are away from their homes participating in activities carried out with funds covered by this section;

“(F) notwithstanding any other provision of law, transportation and payment of per diem in lieu of subsistence to foreign participants engaged in activities of the program under this section while such participants are away from their homes in countries other than the United States, at rates not in excess of those prescribed by the standardized Government travel regulations;

“(G) expenses in connection with travel of personnel outside the United States, including travel expenses of dependents (including expenses during necessary stop-overs while engaged in such travel), and transportation of personal effects, household goods, and automobiles of such personnel when any part of such travel or transportation begins in one fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during the same fiscal year, and cost of transporting automobiles to and from a place of storage, and the cost of storing automobiles of such personnel when it is in the public interest or more economical to authorize storage; and

“(H) grants to, and cooperative agreements and contracts with, any individual, corporation, or other body of persons, nonprofit organization, friendly government or government agency, whether within or without the United States, and international organizations, as the Secretary determines is appropriate to carry out the purposes of this section.

“(4) Whenever the Secretary determines it to be consistent with the purposes of this section, the Secretary is authorized to furnish services and commodities on an advance-of-funds basis to any friendly country or international organization that is not otherwise prohibited from receiving assistance under this Act. Such advances may be credited to the currently applicable appropriation, account, or fund of the Department of the Treasury and shall be available for the purposes for which such appropriation, account, or fund is authorized to be used.

“(e) ISSUANCE OF REGULATIONS.—The Secretary is authorized to issue such regulations with respect to personal service contractors as the Secretary deems necessary to carry out this section.

“(f) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to infringe upon the powers or functions of the Secretary of State (including the powers or functions described in section 103 of the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (22 U.S.C. 4802)) or of any chief of mission (including the powers or functions described in section 207 of the Foreign Service Act of 1980 (22 U.S.C. 3927)).

“(g) TERMINATION OF ASSISTANCE.—The Secretary shall conclude assistance activities for a recipient foreign government or foreign central bank under the program established under subsection (a) if the Secretary, after consultation with the appropriate

officers of the United States, determines that such assistance has resulted in the enactment of laws or the establishment of institutions in that country that promote fiscal stability and administrative procedures, efficient resource allocation, transparent and market-oriented processes and private sector growth in a sustainable manner.

“(h) REPORT.—

“(1) IN GENERAL.—Not later than 3 months after the date of the enactment of this section, and every 6 months thereafter, the Secretary shall prepare and submit to the appropriate congressional committees a report on the conduct of the program established under this section during the preceding 6-month period.

“(2) DEFINITION.—In this subsection, the term ‘appropriate congressional committees’ means—

“(A) the Committee on International Relations and the Committee on Appropriations of the House of Representatives; and

“(B) the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

“(i) DEFINITIONS.—In this section:

“(1) DEVELOPING OR TRANSITIONAL COUNTRY.—The term ‘developing or transitional country’ means a country eligible to receive development assistance under this chapter.

“(2) INTERNATIONAL FINANCIAL INSTITUTION.—The term ‘international financial institution’ means the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guarantee Agency, the Asian Development Bank, the African Development Bank, the African Development Fund, the Inter-American Development Bank, the Inter-American Investment Corporation, the European Bank for Reconstruction and Development, and the Bank for Economic Cooperation and Development in the Middle East and North Africa.

“(3) SECRETARY.—The term ‘Secretary’ means the Secretary of the Treasury.

“(4) TECHNICAL ASSISTANCE.—The term ‘technical assistance’ includes—

“(A) the use of short-term and long-term expert advisers to assist foreign governments and foreign central banks for the purposes described in subsection (b)(1);

“(B) training in the recipient country, the United States, or elsewhere for the purposes described in subsection (b)(1);

“(C) grants of goods, services, or funds to foreign governments and foreign central banks;

“(D) grants to United States nonprofit organizations to provide services or products which contribute to the provision of advice to foreign governments and foreign central banks; and

“(E) study tours for foreign officials in the United States or elsewhere for the purpose of providing technical information to such officials.

“(5) FOREIGN PARTICIPANT.—The term ‘foreign participant’ means the national of a developing or transitional country that is receiving assistance under the program established

under subsection (a) who has been designated to participate in activities under such program.

“(j) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—There are authorized to be appropriated to carry out this section \$5,000,000 for fiscal year 1999.

“(2) AVAILABILITY OF AMOUNTS.—Amounts authorized to be appropriated under paragraph (1) are authorized to remain available until expended.”.

(b) TRANSPORTATION OF REMAINS, DEPENDENTS, AND EFFECTS OF UNITED STATES GOVERNMENT EMPLOYEES; DEATH OCCURRING AWAY FROM OFFICIAL STATION ABROAD.—Section 5742(b) of title 5, United States Code, is amended—

(1) in paragraph (1), by striking the “and” at the end;

(2) in paragraph (2), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following new paragraph:

“(3) the travel expenses of not more than 2 persons to escort the remains of a deceased employee, if death occurred while the employee was in travel status away from his official station in the United States or while performing official duties outside the United States or in transit thereto or therefrom, from the place of death to the home or official station of such person, or such other place appropriate for interment as is determined by the head of the agency concerned.”.

IRAQ OPPOSITION

SEC. 590. Notwithstanding any other provision of law, of the funds made available in this Act and prior Acts making appropriations for foreign operations, export financing and related programs, not less than \$8,000,000 shall be made available only for assistance to the Iraqi democratic opposition for such activities as organization, training, communication and dissemination of information, and developing and implementing agreements among opposition groups: *Provided further*, That any agreement reached regarding the obligation of funds under the previous proviso shall include provisions to ensure appropriate monitoring on the use of such funds: *Provided further*, That of this amount not less than \$3,000,000 should be made available as a grant to Iraqi National Congress, to be administered by its Executive Committee for the benefit of all constituent groups of the Iraqi National Congress: *Provided further*, That within 30 days of enactment of this Act the Secretary of State shall submit a detailed report to the Appropriations Committees of Congress on implementation of this section.

NATIONAL COMMISSION ON TERRORISM

SEC. 591. (a) ESTABLISHMENT OF NATIONAL COMMISSION ON TERRORISM.—

(1) ESTABLISHMENT.—There is established a national commission on terrorism to review counter-terrorism policies regarding the prevention and punishment of international acts of terrorism directed at the United States. The commission shall be known as “The National Commission on Terrorism”.

(2) COMPOSITION.—The commission shall be composed of 10 members appointed as follows:

(A) Three members shall be appointed by the Majority Leader of the Senate.

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(B) Three members shall be appointed by the Speaker of the House of Representatives.

(C) Two members shall be appointed by the Minority Leader of the Senate.

(D) Two members shall be appointed by the Minority Leader of the House of Representatives.

(E) The appointments of the members of the commission should be made no later than 3 months after the date of the enactment of this Act.

(3) QUALIFICATIONS.—The members should have a knowledge and expertise in matters to be studied by the commission.

(4) CHAIR.—The Speaker of the House of Representatives, after consultation with the majority leader of the Senate and the minority leaders of the House of Representatives and the Senate, shall designate one of the members of the Commission to serve as chair of the Commission.

(5) PERIOD OF APPOINTMENT: VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall be filled in the same manner as the original appointment.

(6) SECURITY CLEARANCES.—All Members of the Commission should hold appropriate security clearances.

(b) DUTIES.—

(1) IN GENERAL.—The commission shall consider issues relating to international terrorism directed at the United States as follows:

(A) Review the laws, regulations, policies, directives, and practices relating to counterterrorism in the prevention and punishment of international terrorism directed towards the United States.

(B) Assess the extent to which laws, regulations, policies, directives, and practices relating to counterterrorism have been effective in preventing or punishing international terrorism directed towards the United States. At a minimum, the assessment should include a review of the following:

(i) Evidence that terrorist organizations have established an infrastructure in the western hemisphere for the support and conduct of terrorist activities.

(ii) Executive branch efforts to coordinate counterterrorism activities among Federal, State, and local agencies and with other nations to determine the effectiveness of such coordination efforts.

(iii) Executive branch efforts to prevent the use of nuclear, biological, and chemical weapons by terrorists.

(C) Recommend changes to counterterrorism policy in preventing and punishing international terrorism directed toward the United States.

(2) REPORT.—Not later than 6 months after the date on which the Commission first meets, the Commission shall submit to the President and the Congress a final report of the findings and conclusions of the commission, together with any recommendations.

(c) ADMINISTRATIVE MATTERS.—

(1) MEETINGS.—

(A) The commission shall hold its first meeting on a date designated by the Speaker of the House which is not later than 30 days after the date on which all members have been appointed.

(B) After the first meeting, the commission shall meet upon the call of the chair.

(C) A majority of the members of the commission shall constitute a quorum, but a lesser number may hold meetings.

(2) AUTHORITY OF INDIVIDUALS TO ACT FOR COMMISSION.— Any member or agent of the commission may, if authorized by the commission, take any action which the commission is authorized to take under this section.

(3) POWERS.—

(A) The commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the commission considers advisable to carry out its duties.

(B) The commission may secure directly from any agency of the Federal Government such information as the commission considers necessary to carry out its duties. Upon the request of the chair of the commission, the head of a department or agency shall furnish the requested information expeditiously to the commission.

(C) The commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(4) PAY AND EXPENSES OF COMMISSION MEMBERS.—

(A) Subject to appropriations, each member of the commission who is not an employee of the government shall be paid at a rate not to exceed the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in performing the duties of the commission.

(B) Members and personnel for the commission may travel on aircraft, vehicles, or other conveyances of the Armed Forces of the United States when travel is necessary in the performance of a duty of the commission except when the cost of commercial transportation is less expensive.

(C) The members of the commission may be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the commission.

(D)(i) A member of the commission who is an annuitant otherwise covered by section 8344 of 8468 of title 5, United States Code, by reason of membership on the commission shall not be subject to the provisions of such section with respect to membership on the commission.

(ii) A member of the commission who is a member or former member of a uniformed service shall not be subject to the provisions of subsections (b) and (c) of section

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5532 of such title with respect to membership on the commission.

(5) STAFF AND ADMINISTRATIVE SUPPORT.—

(A) The chairman of the commission may, without regard to civil service laws and regulations, appoint and terminate an executive director and up to three additional staff members as necessary to enable the commission to perform its duties. The chairman of the commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51, and subchapter III of chapter 53, of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay may not exceed the maximum rate of pay for GS-15 under the General Schedule.

(B) Upon the request of the chairman of the commission, the head of any department or agency of the Federal Government may detail, without reimbursement, any personnel of the department or agency to the commission to assist in carrying out its duties. The detail of an employee shall be without interruption or loss of civil service status or privilege.

(d) TERMINATION OF COMMISSION.—The commission shall terminate 30 days after the date on which the commission submits a final report.

(e) FUNDING.—There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

SPECIAL AUTHORITIES AMENDMENT

SEC. 592. The authority of section 614 of the Foreign Assistance Act of 1961, as amended, may not be used during fiscal year 1999 for the Korean Peninsula Energy Development Organization to authorize the use of more than \$35,000,000 of funds made available for use under that Act or the Arms Export Control Act.

ECONOMIC AND POLITICAL TRANSITION IN INDONESIA

SEC. 593. (a) POLITICAL AND ECONOMIC REFORM.—It is the sense of Congress that—

(1) expanding the availability of wheat, wheat products, and rice for distribution to the most needy and vulnerable Indonesians is vital to the well-being of all Indonesians;

(2) the Administration should adopt a more active approach in support of democratic institutions and processes in Indonesia and provide assistance for continued economic and political development in Indonesia, including—

(A) support for humanitarian programs;

(B) leading a multinational effort to expand humanitarian and food aid programs to meet the needs of Indonesia;

(C) working with international financial institutions to recapitalize and reform the banking system, restructure corporate debt, and introduce economic and legal transparency in Indonesia;

(D) urging the Government of Indonesia to remove, to the maximum extent possible, barriers to trade and

investment which impede economic recovery in Indonesia, including tariffs, quotas, export taxes, nontariff barriers, and prohibitions against foreign ownership and investment;

(E) urging the Government of Indonesia to—

(i) recognize and protect the participation of all Indonesians, including ethnic and religious minorities, in the political and economic life of Indonesia; and

(ii) release individuals detained or imprisoned for their political views;

(F) supporting efforts to establish a timetable for elections and building democracy by strengthening political parties and institutions and the rule of law including the repeal of laws and regulations that discriminate on the basis of religion or ethnicity.

(b) REPORT.—Not later than 6 months after the date of enactment of this Act, the Secretary of State shall submit to the Committees on Appropriations a report containing a description and assessment of the actions taken by the Government of the United States and the Government of Indonesia to further the objectives referred to in subsection (a).

(c) ETHNIC VIOLENCE.—It is the sense of Congress that—

(1) the mistreatment of ethnic Chinese in Indonesia and the criminal acts carried out against them during the May 1998 riots in Indonesia are deplorable and condemned;

(2) a full and fair investigation of such criminal acts should be completed by the earliest possible date, and those identified as responsible for perpetrating such criminal acts should be brought to justice;

(3) the investigation by the Government of Indonesia, through its Military Honor Council, of those members of the armed forces of Indonesia suspected of possible involvement in the May 1998 riots, and of any member of the armed forces of Indonesia who may have participated in criminal acts against the people of Indonesia during the riots, is commended and should be supported;

(4) the Government of Indonesia should take action to assure—

(A) the implementation of appropriate measures to prevent ethnic-related violence and rapes in Indonesia and to protect the human rights and physical safety of the ethnic Chinese community in Indonesia; and

(B) the provision of just compensation for victims of the rape and violence that occurred during the May 1998 riots in Indonesia, including medical care;

(5) the Administration and the United Nations should continue to support and assist the Government of Indonesia and nongovernmental organizations, in the investigations into the May 1998 riots in Indonesia in order to expedite such investigations.

(d) REPORT.—(1) Not later than 6 months after the date of enactment of this Act, the Secretary of State shall submit to Congress a report containing the following:

(A) An assessment of—

(i) whether or not there was a systematic and organized campaign of violence, including the use of rape, against the ethnic Chinese community in Indonesia during the May 1998 riots in Indonesia; and

(ii) the level and degree of participation, if any, of members of the Government or armed forces of Indonesia in the riots.

(B) An assessment of the actions taken by the Government of Indonesia to investigate the May 1998 riots in Indonesia, bring the perpetrators of the riots to justice, and ensure that similar riots do not recur.

REPORTING REQUIREMENTS

SEC. 594. (a) NOTIFICATION.—No less than 15 days prior to the export to any country identified pursuant to subparagraph (C) of any lethal defense article or service in the amount of \$14,000,000 or less, the President shall provide a detailed notification to the Committees on Appropriations and Foreign Relations of the Senate and the Committees on Appropriations and International Relations of the House of Representatives. 22 USC 2753 note.

(b) CONTENT OF NOTIFICATION.—A detailed notification transmitted pursuant to subparagraph (a) shall include the same type and quantity of information required of a notification submitted pursuant to section 36(b) of the Arms Export Control Act (22 U.S.C. 2776(b)).

(c) COUNTRIES DEFINED.—This section shall apply to any country that is—

(1) identified in section 521 of the annual appropriations Act for Foreign Operations, Export Financing, and Related Programs, or a comparable provision in a subsequent appropriations Act; or

(2) currently ineligible, in whole or in part, under an annual appropriations Act to receive funds for International Military Education and Training or under the Foreign Military Financing Program, excluding high-income countries as defined pursuant to section 546(b) of the Foreign Assistance Act of 1961.

(d) EXCLUSIONS.—Information reportable under title V of the National Security Act of 1947 is excluded from the requirements of this section.

SENSE OF CONGRESS CONCERNING THE MURDER OF FOUR AMERICAN CHURCHWOMEN IN EL SALVADOR

SEC. 595. (a) FINDINGS.—Congress makes the following findings—

(1) the December 2, 1980 brutal assault and murder of four American churchwomen by members of the Salvadoran National Guard was covered up and never fully investigated;

(2) on July 22 and July 23, 1998, Salvadoran authorities granted three of the National Guardsmen convicted of the crimes early release from prison;

(3) the United Nations Truth Commission for El Salvador determined in 1993 that there was sufficient evidence that the Guardsmen were acting on orders from their superiors;

(4) in March 1998, four of the convicted Guardsmen confessed that they acted after receiving orders from their superiors;

(5) recently declassified documents from the State Department show that United States Government officials were aware of information suggesting the involvement of superior officers in the murders;

(6) United States officials granted permanent residence to a former Salvadoran military official involved in the cover-up of the murders, enabling him to remain in Florida; and

(7) despite the fact that the murders occurred over 17 years ago, the families of the four victims continue to seek the disclosure of information relevant to the murders.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) information relevant to the murders should be made public to the fullest extent possible;

(2) the Secretary of State and the Department of State are to be commended for fully releasing information regarding the murders to the victims' families and to the American public, in prompt response to congressional requests;

(3) the President should order all other Federal agencies and departments that possess relevant information to make every effort to declassify and release to the victims' families relevant information as expeditiously as possible;

(4) in making determinations concerning the declassification and release of relevant information, the Federal agencies and departments should presume in favor of releasing, rather than of withholding, such information; and

(5) the President should direct the Attorney General to review the circumstances under which individuals involved in either the murders or the cover-up of the murders obtained residence in the United States, and the Attorney General should submit a report to the Congress on the results of such review not later than January 1, 1999.

SENSE OF CONGRESS REGARDING THE TRIAL IN THE NETHERLANDS OF THE SUSPECTS INDICTED IN THE BOMBING OF PAN AM FLIGHT 103

SEC. 596. (a) FINDINGS.—Congress makes the following findings:

(1) On December 21, 1988, 270 people, including 189 United States citizens, were killed in a terrorist bombing on Pan Am Flight 103 over Lockerbie, Scotland.

(2) Britain and the United States indicted 2 Libyan intelligence agents—Abdel Basset Al-Megrahi and Lamen Khalifa Fhimah—in 1991 and sought their extradition from Libya to the United States or the United Kingdom to stand trial for this heinous terrorist act.

(3) The United Nations Security Council called for the extradition of the suspects in Security Council Resolution 731 and imposed sanctions on Libya in Security Council Resolutions 748 and 883 because Libyan leader, Colonel Muammar Qaddafi, refused to transfer the suspects to either the United States or the United Kingdom to stand trial.

(4) The sanctions in Security Council Resolutions 748 and 883 include a worldwide ban on Libya's national airline, a ban on flights into and out of Libya by other nations' airlines, a prohibition on supplying arms, airplane parts, and certain oil equipment to Libya, and a freeze on Libyan government funds in other countries.

(5) Colonel Qaddafi has continually refused to extradite the suspects to either the United States or the United Kingdom and has insisted that he will only transfer the suspects to a third and neutral country to stand trial.

(6) On August 24, 1998, the United States and the United Kingdom proposed that Colonel Qaddafi transfer the suspects

to the Netherlands, where they would stand trial before a Scottish court, under Scottish law, and with a panel of Scottish judges.

(7) The United States-United Kingdom proposal is consistent with those previously endorsed by the Organization of African Unity, the League of Arab States, the Non-Aligned Movement, and the Islamic Conference.

(8) The United Nations Security Council endorsed the United States-United Kingdom proposal on August 27, 1998, in United Nations Security Council Resolution 1192.

(9) The United States Government has stated that this proposal is nonnegotiable and has called on Colonel Qaddafi to respond promptly, positively, and unequivocally to this proposal by ensuring the timely appearance of the two accused individuals in the Netherlands for trial before the Scottish court.

(10) The United States Government has called on Libya to ensure the production of evidence, including the presence of witnesses before the court, and to comply fully with all the requirements of the United Nations Security Council resolutions.

(11) Secretary of State Albright has said that the United States will urge a multilateral oil embargo against Libya in the United Nations Security Council if Colonel Muammar Qaddafi does not transfer the suspects to the Netherlands to stand trial.

(12) The United Nations Security Council will convene on October 30, 1998, to review sanctions imposed on Libya.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) Colonel Qaddafi should promptly transfer the indicted suspects Abdel Basset Al-Megrahi and Lamén Khalifa Fhimah to the Netherlands to stand trial before the Scottish court;

(2) the United States Government should remain firm in its commitment not to negotiate with Colonel Qaddafi on any of the details of the proposal approved by the United Nations in United Nations Security Council Resolution 1192; and

(3) if Colonel Qaddafi does not transfer the indicted suspects Abdel Basset Al-Megrahi and Lamén Khalifa Fhimah to the Netherlands by October 29, 1998, the United States Permanent Representative to the United Nations should—

(A) introduce a resolution in the United Nations Security Council to impose a multilateral oil embargo against Libya;

(B) actively promote adoption of the resolution by the United Nations Security Council; and

(C) assure that a vote will occur in the United Nations Security Council on such a resolution.

SENSE OF THE CONGRESS REGARDING INTERNATIONAL COOPERATION
IN RECOVERING CHILDREN ABDUCTED IN THE UNITED STATES AND
TAKEN TO OTHER COUNTRIES.

SEC. 597. (a) FINDINGS.—Congress finds that—

(1) many children in the United States have been abducted by family members who are foreign nationals and living in foreign countries;

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(2) children who have been abducted by an estranged father are very rarely returned, through legal remedies, from countries that only recognize the custody rights of the father;

(3) there are at least 140 cases that need to be resolved in which children have been abducted by family members and taken to foreign countries;

(4) although the Convention on the Civil Aspects of International Child Abduction, done at The Hague on October 25, 1980, has made progress in aiding the return of abducted children, the Convention does not address the criminal aspects of child abduction, and there is a need to reach agreements regarding child abduction with countries that are not parties to the Convention; and

(5) decisions on awarding custody of children should be made in the children's best interest, and persons who violate laws of the United States by abducting their children should not be rewarded by being granted custody of those children.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that the United States Government should promote international cooperation in working to resolve those cases in which children in the United States are abducted by family members who are foreign nationals and taken to foreign countries, and in seeing that justice is served by holding accountable the abductors for violations of criminal law.

TITLE VI—INTERNATIONAL FINANCIAL PROGRAMS AND REFORM

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MONETARY PROGRAMS

UNITED STATES QUOTA IN THE INTERNATIONAL MONETARY FUND

\$14,500,000,000 For an increase in the United States quota in the International Monetary Fund, the dollar equivalent of 10,622,500,000 Special Drawing Rights, to remain available until expended.

LOANS TO THE INTERNATIONAL MONETARY FUND—NEW ARRANGEMENTS TO BORROW

3,361,000,000 For loans to the International Monetary Fund under section 17 of the Bretton Woods Agreements Act pursuant to the New Arrangements to Borrow, the dollar equivalent of 2,462,000,000 Special Drawing Rights, to remain available until expended. In addition, the amounts appropriated by title III of the Foreign Aid and Related Agencies Appropriations Act, 1963 (Public Law 87-872) and section 1101(b) of the Supplemental Appropriations Act, 1984 (Public Law 98-181) may also be used under section 17 of the Bretton Woods Agreements Act pursuant to the New Arrangements to Borrow.

[Total, title VI, International Financial Programs and Reform, \$17,861,000,000.]

GENERAL PROVISIONS—THIS TITLE

CONDITIONS FOR THE USE OF APPROPRIATED FUNDS FOR THE INTERNATIONAL MONETARY FUND

SEC. 601. None of the funds appropriated in this title may be obligated or made available to the International Monetary Fund

until 15 days after the Secretary of the Treasury and the Chairman of the Board of Governors of the Federal Reserve System jointly provide written notification to the appropriate committees that the major shareholders of the Fund have publicly agreed to, and will act to implement in the Fund the following policies:

(1) Policies providing that conditions in standby or other arrangements regarding the use of Fund resources include, in addition to appropriate monetary policy conditions, requirements that the recipient country, in accordance with a schedule for action—

(A) liberalize restrictions on trade in goods and services, consistent with the terms of all international trade agreements of which the borrowing country is a signatory;

(B) eliminate the systemic practice or policy of government directed lending on non-commercial terms or provision of market distorting subsidies to favored industries, enterprises, parties, or institutions; and

(C) provide a legal basis for nondiscriminatory treatment in insolvency proceedings between domestic and foreign creditors, and for debtors and other concerned persons.

(2) Policies providing that within 3 months after any meeting of the Executive Board of the Fund at which a Letter of Intent, a Policy Framework Paper, an Article IV economic review consultation with a member country, or a change in a general policy of the Fund is discussed, a full written summary of the meeting should be made available for public inspection, with the following information redacted:

(A) Information which, if released, would adversely affect the national security of a country, and which is of the type that would be classified by the United States Government.

(B) Market-sensitive information.

(C) Proprietary information.

(3) Policies providing that within 3 months after any meeting of the Executive Board of the Fund at which a Letter of Intent, a Memorandum of Understanding, or a Policy Framework Paper is discussed, a copy of the Letter of Intent, Memorandum of Understanding, or Policy Framework Paper should be made available for public inspection with the following information redacted:

(A) Information which, if released, would adversely affect the national security of a country, and which is of the type that would be classified by the United States Government.

(B) Market-sensitive information.

(C) Proprietary information.

(4) Policies providing that, in circumstances where a country is experiencing balance of payments difficulties due to a large short-term financing need resulting from a sudden and disruptive loss of market confidence and in order to provide an incentive for early repayment and encourage private market financing, loans made from the Fund's general resources after the date of the enactment of this section are—

(A) made available at an interest rate that reflects an adjustment for risk that is not less than 300 basis points in excess of the average of the market-based short-term cost of financing of its largest members; and

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(B) repaid within 1 to 2½ years from each disbursement.

REPORTS ON FINANCIAL STABILIZATION PROGRAMS IN THE REPUBLIC
OF KOREA

SEC. 602. (a) The Secretary of the Treasury shall instruct the United States Executive Director at the International Monetary Fund to exert the influence of the United States to oppose further disbursement of funds to the Republic of Korea under the Republic of Korea's standby arrangement of December 4, 1997 (in this section referred to as the "Arrangement"), unless there is in effect a certification by the Secretary of the Treasury to the appropriate committees that—

(1) no Fund resources made available pursuant to the Arrangement have been used to provide financial assistance to the semiconductor, steel, automobile, shipbuilding, or textile and apparel industries;

(2) the Fund has neither guaranteed nor underwritten the private loans of semiconductor, steel, automobile, shipbuilding, or textile and apparel manufacturers under the Arrangement; and

(3) officials from the Fund and the Department of the Treasury have monitored the implementation of the provisions contained in the Arrangement, and all of the conditions have either been met or the Republic of Korea has committed itself to fulfill all of these conditions according to an explicit timetable for completion; which timetable has been provided to the Fund and the Department of the Treasury and approved by the Fund.

(b) Before each disbursement of Fund resources to the Republic of Korea under the Arrangement, the Secretary of the Treasury shall report to the appropriate committees on whether a certification by the Secretary pursuant to subsection (a) is in effect.

ADVISORY COMMISSION

Establishment.
22 USC 262r
note.

SEC. 603. (a) IN GENERAL.—The Secretary of the Treasury shall establish an International Financial Institution Advisory Commission (in this section referred to as the "Commission").

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Commission shall be composed of 11 members, as follows:

(A) 3 members appointed by the Speaker of the House of Representatives.

(B) 3 members appointed by the Majority Leader of the Senate.

(C) 5 members appointed jointly by the Minority Leader of the House of Representatives and the Minority Leader of the Senate.

(2) TIMING OF APPOINTMENTS.—All appointments to the Commission shall be made not later than 45 days after the date of enactment of this Act.

(3) CHAIRMAN.—The Majority Leader of the Senate, after consultation with the Speaker of the House of Representatives and the Minority Leaders of the House of Representatives and the Senate, shall designate 1 of the members of the Commission to serve as Chairman of the Commission.

(c) QUALIFICATIONS.—

(1) EXPERTISE.—Members of the Commission shall be appointed from among those with knowledge and expertise in the workings of the international financial institutions (as defined in section 1701(c)(2) of the International Financial Institutions Act), the World Trade Organization, and the Bank for International Settlements.

(2) FORMER AFFILIATION.—At least 4 members of the Commission shall be individuals who were officers or employees of the Executive Branch before January 20, 1992, and not more than half of such 4 members shall have served under Presidents from the same political party.

(d) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall be filled in the same manner as the original appointment was made.

(e) DUTIES OF THE COMMISSION.—The Commission shall advise and report to the Congress on the future role and responsibilities of the international financial institutions (as defined in section 1701(c)(2) of the International Financial Institutions Act), the World Trade Organization, and the Bank for International Settlements. In carrying out such duties, the Commission shall meet with and advise the Secretary of the Treasury or the Deputy Secretary of the Treasury, and shall examine—

(1) the effect of globalization, increased trade, capital flows, and other relevant factors on such institutions;

(2) the adequacy, efficacy, and desirability of current policies and programs at such institutions as well as their suitability for respective beneficiaries of such institutions;

(3) cooperation or duplication of functions and responsibilities of such institutions; and

(4) other matters the Commission deems necessary to make recommendations pursuant to subsection (g).

(f) POWERS AND PROCEDURES OF THE COMMISSION.—

(1) HEARINGS.—The Commission or, at its direction, any panel or member of the Commission may, for the purpose of carrying out the provisions of this section, hold hearings, sit and act at times and places, take testimony, receive evidence, and administer oaths to the extent that the Commission or any panel or member considers advisable.

(2) INFORMATION.—The Commission may secure directly information that the Commission considers necessary to enable the Commission to carry out its responsibilities under this section.

(3) MEETINGS.—The Commission shall meet at the call of the Chairman.

(g) REPORT.—On the termination of the Commission, the Commission shall submit to the Secretary of the Treasury and the appropriate committees a report that contains recommendations regarding the following matters:

(1) Changes to policy goals set forth in the Bretton Woods Agreements Act and the International Financial Institutions Act.

(2) Changes to the charters, organizational structures, policies and programs of the international financial institutions (as defined in section 1701(c)(2) of the International Financial Institutions Act).

(3) Additional monitoring tools, global standards, or regulations for, among other things, global capital flows, bankruptcy standards, accounting standards, payment systems, and safety and soundness principles for financial institutions.

(4) Possible mergers or abolition of the international financial institutions (as defined in section 1701(c)(2) of the International Financial Institutions Act), including changes to the manner in which such institutions coordinate their policy and program implementation and their roles and responsibilities.

(5) Any additional changes necessary to stabilize currencies, promote continued trade liberalization and to avoid future financial crises.

(h) TERMINATION.—The Commission shall terminate 6 months after the first meeting of the Commission, which shall be not later than 30 days after the appointment of all members of the Commission.

(i) REPORTS BY THE EXECUTIVE BRANCH.—

(1) Within three months after receiving the report of the Commission under subsection (g), the President of the United States through the Secretary of the Treasury shall report to the appropriate committees on the desirability and feasibility of implementing the recommendations contained in the report.

(2) Annually, for three years after the termination of the Commission, the President of the United States through the Secretary of the Treasury shall submit to the appropriate committees a report on the steps taken, if any, through relevant international institutions and international fora to implement such recommendations as are deemed feasible and desirable under paragraph (1).

INTERNATIONAL ADVISORY COMMITTEE

SEC. 604. The Secretary of the Treasury shall instruct the United States Executive Director at the International Monetary Fund to exert the influence of the United States to seek the establishment of a permanent advisory committee to the Interim Committee of the Board of Governors of the Fund, that is to consist of elected members of the national legislatures of the member countries directly represented by appointed members of the Executive Board of the Fund, and to seek to ensure that the permanent advisory committee has the same access to Fund documents as is afforded to the Executive Board of the Fund.

STRENGTHENING PROCEDURES FOR MONITORING USE OF IMF FUNDS

SEC. 605. (a) The Secretary of the Treasury shall instruct the United States Executive Director at the International Monetary Fund to exert the influence of the United States to strengthen Fund procedures for ascertaining that funds disbursed by the Fund are used by the central bank (or other fiscal agent) of a borrowing country in a manner that complies with the conditions of the Fund program for the country.

(b) On request of the appropriate committees, the United States Executive Director shall obtain from the Fund and make available to such committees, on a confidential basis if necessary, data concerning such compliance.

(c) Within 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall report to the appropriate

committees on the progress made toward achieving the requirements of this section.

(d) On a quarterly basis, the Secretary of the Treasury shall report to the appropriate committees on the standby or other arrangements of the Fund made during the preceding quarter, identifying separately the arrangements to which the policies described in section 601(4) of this title apply and the arrangements to which such policies do not apply.

PROGRESS REPORTS TO CONGRESS ON UNITED STATES INITIATIVES TO
UPDATE THE ARCHITECTURE OF THE INTERNATIONAL MONETARY
SYSTEM

SEC. 606. Not later than July 15, 1999, and July 15, 2000, the Secretary of the Treasury shall report to the Chairmen and Ranking Members of the appropriate committees on the progress of efforts to reform the architecture of the international monetary system. The reports shall include a discussion of the substance of the United States position in consultations with other governments and the degree of progress in achieving international acceptance and implementation of such position with respect to the following issues:

22 USC 262r
note.

(1) Adapting the mission and capabilities of the International Monetary Fund to take better account of the increased importance of cross-border capital flows in the world economy and improving the coordination of its responsibilities and activities with those of the International Bank for Reconstruction and Development.

(2) Advancing measures to prevent, and improve the management of, international financial crises, including by—

(A) integrating aspects of national bankruptcy principles into the management of international financial crises where feasible; and

(B) changing investor expectations about official rescues, thereby reducing moral hazard and systemic risk in international financial markets,

in order to help minimize the adjustment costs that the resolution of financial crises may impose on the real economy, in the form of disrupted patterns of trade, employment, and progress in living standards, and reduce the frequency and magnitude of claims on United States taxpayer resources.

(3) Improving international economic policy cooperation, including among the Group of Seven countries, to take better account of the importance of cross-border capital flows in the determination of exchange rate relationships.

(4) Improving international cooperation in the supervision and regulation of financial institutions and markets.

(5) Strengthening the financial sector in emerging economies, including by improving the coordination of financial sector liberalization with the establishment of strong public and private institutions in the areas of prudential supervision, accounting and disclosure conventions, bankruptcy laws and administrative procedures, and the collection and dissemination of economic and financial statistics, including the maturity structure of foreign indebtedness.

(6) Advocating that implementation of European Economic and Monetary Union and the advent of the European Currency Unit, or euro, proceed in a manner that is consistent with

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strong global economic growth and stability in world financial markets.

DEFINITION

22 USC 262r
note.

SEC. 607. For purposes of sections 601 through 606 of this title, the term “appropriate committees” means the Committees on Appropriations, Foreign Relations, and Banking, Housing, and Urban Affairs of the Senate and the Committees on Appropriations and Banking and Financial Services of the House of Representatives.

PARTICIPATION IN QUOTA INCREASE

SEC. 608. The Bretton Woods Agreements Act (22 U.S.C. 286-286mm) is amended by adding at the end the following:

22 USC 286e-
1m.**“SEC. 61. QUOTA INCREASE.**

“(a) IN GENERAL.—The United States Governor of the Fund may consent to an increase in the quota of the United States in the Fund equivalent to 10,622,500,000 Special Drawing Rights.

“(b) SUBJECT TO APPROPRIATIONS.—The authority provided by subsection (a) shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts.”.

NEW ARRANGEMENTS TO BORROW

22 USC 286e-2.

SEC. 609. Section 17 of the Bretton Woods Agreements Act (22 U.S.C. 286e-2 et seq.) is amended—

(1) in subsection (a)—

(A) by striking “and February 24, 1983” and inserting “February 24, 1983, and January 27, 1997”; and

(B) by striking “4,250,000,000” and inserting “6,712,000,000”;

(2) in subsection (b), by striking “4,250,000,000” and inserting “6,712,000,000”; and

(3) in subsection (d)—

(A) by inserting “or the Decision of January 27, 1997,” after “February 24, 1983,”; and

(B) by inserting “or the New Arrangements to Borrow, as applicable” before the period at the end.

ADVOCACY OF POLICIES TO ENHANCE THE GENERAL EFFECTIVENESS
OF THE INTERNATIONAL MONETARY FUND

SEC. 610. (a) IN GENERAL.—Title XV of the International Financial Institutions Act (22 U.S.C. 262o-262o-1) is amended by adding at the end the following:

22 USC 262o-2.

“SEC. 1503. ADVOCACY OF POLICIES TO ENHANCE THE GENERAL EFFECTIVENESS OF THE INTERNATIONAL MONETARY FUND.

“(a) IN GENERAL.—The Secretary of the Treasury shall instruct the United States Executive Director of the International Monetary Fund to use aggressively the voice and vote of the Executive Director to do the following:

“(1) Vigorously promote policies to increase the effectiveness of the International Monetary Fund in structuring programs and assistance so as to promote policies and actions

that will contribute to exchange rate stability and avoid competitive devaluations that will further destabilize the international financial and trading systems.

“(2) Vigorously promote policies to increase the effectiveness of the International Monetary Fund in promoting market-oriented reform, trade liberalization, economic growth, democratic governance, and social stability through—

“(A) establishing an independent monetary authority, with full power to conduct monetary policy, that provides for a non-inflationary domestic currency that is fully convertible in foreign exchange markets;

“(B) opening domestic markets to fair and open internal competition among domestic enterprises by eliminating inappropriate favoritism for small or large businesses, eliminating elite monopolies, creating and effectively implementing anti-trust and anti-monopoly laws to protect free competition, and establishing fair and accessible legal procedures for dispute settlement among domestic enterprises;

“(C) privatizing industry in a fair and equitable manner that provides economic opportunities to a broad spectrum of the population, eliminating government and elite monopolies, closing loss-making enterprises, and reducing government control over the factors of production;

“(D) economic deregulation by eliminating inefficient and overly burdensome regulations and strengthening the legal framework supporting private contract and intellectual property rights;

“(E) establishing or strengthening key elements of a social safety net to cushion the effects on workers of unemployment and dislocation; and

“(F) encouraging the opening of markets for agricultural commodities and products by requiring recipient countries to make efforts to reduce trade barriers.

“(3) Vigorously promote policies to increase the effectiveness of the International Monetary Fund, in concert with appropriate international authorities and other international financial institutions (as defined in section 1701(c)(2)), in strengthening financial systems in developing countries, and encouraging the adoption of sound banking principles and practices, including the development of laws and regulations that will help to ensure that domestic financial institutions meet strong standards regarding capital reserves, regulatory oversight, and transparency.

“(4) Vigorously promote policies to increase the effectiveness of the International Monetary Fund, in concert with appropriate international authorities and other international financial institutions (as defined in section 1701(c)(2)), in facilitating the development and implementation of internationally acceptable domestic bankruptcy laws and regulations in developing countries, including the provision of technical assistance as appropriate.

“(5) Vigorously promote policies that aim at appropriate burden-sharing by the private sector so that investors and creditors bear more fully the consequences of their decisions, and accordingly advocate policies which include—

“(A) strengthening crisis prevention and early warning signals through improved and more effective surveillance of the national economic policies and financial market development of countries (including monitoring of the structure and volume of capital flows to identify problematic imbalances in the inflow of short and medium term investment capital, potentially destabilizing inflows of offshore lending and foreign investment, or problems with the maturity profiles of capital to provide warnings of imminent economic instability), and fuller disclosure of such information to market participants;

“(B) accelerating work on strengthening financial systems in emerging market economies so as to reduce the risk of financial crises;

“(C) consideration of provisions in debt contracts that would foster dialogue and consultation between a sovereign debtor and its private creditors, and among those creditors;

“(D) consideration of extending the scope of the International Monetary Fund’s policy on lending to members in arrears and of other policies so as to foster the dialogue and consultation referred to in subparagraph (C);

“(E) intensified consideration of mechanisms to facilitate orderly workout mechanisms for countries experiencing debt or liquidity crises;

“(F) consideration of establishing ad hoc or formal linkages between the provision of official financing to countries experiencing a financial crisis and the willingness of market participants to meaningfully participate in any stabilization effort led by the International Monetary Fund;

“(G) using the International Monetary Fund to facilitate discussions between debtors and private creditors to help ensure that financial difficulties are resolved without inappropriate resort to public resources; and

“(H) the International Monetary Fund accompanying the provision of funding to countries experiencing a financial crisis resulting from imprudent borrowing with efforts to achieve a significant contribution by the private creditors, investors, and banks which had extended such credits.

“(6) Vigorously promote policies that would make the International Monetary Fund a more effective mechanism, in concert with appropriate international authorities and other international financial institutions (as defined in section 1701(c)(2)), for promoting good governance principles within recipient countries by fostering structural reforms, including procurement reform, that reduce opportunities for corruption and bribery, and drug-related money laundering.

“(7) Vigorously promote the design of International Monetary Fund programs and assistance so that governments that draw on the International Monetary Fund channel public funds away from unproductive purposes, including large ‘show case’ projects and excessive military spending, and toward investment in human and physical capital as well as social programs to protect the neediest and promote social equity.

“(8) Work with the International Monetary Fund to foster economic prescriptions that are appropriate to the individual economic circumstances of each recipient country, recognizing that inappropriate stabilization programs may only serve to

further destabilize the economy and create unnecessary economic, social, and political dislocation.

“(9) Structure International Monetary Fund programs and assistance so that the maintenance and improvement of core labor standards are routinely incorporated as an integral goal in the policy dialogue with recipient countries, so that—

“(A) recipient governments commit to affording workers the right to exercise internationally recognized core worker rights, including the right of free association and collective bargaining through unions of their own choosing;

“(B) measures designed to facilitate labor market flexibility are consistent with such core worker rights; and

“(C) the staff of the International Monetary Fund surveys the labor market policies and practices of recipient countries and recommends policy initiatives that will help to ensure the maintenance or improvement of core labor standards.

“(10) Vigorously promote International Monetary Fund programs and assistance that are structured to the maximum extent feasible to discourage practices which may promote ethnic or social strife in a recipient country.

“(11) Vigorously promote recognition by the International Monetary Fund that macroeconomic developments and policies can affect and be affected by environmental conditions and policies, and urge the International Monetary Fund to encourage member countries to pursue macroeconomic stability while promoting environmental protection.

“(12) Facilitate greater International Monetary Fund transparency, including by enhancing accessibility of the International Monetary Fund and its staff, fostering a more open release policy toward working papers, past evaluations, and other International Monetary Fund documents, seeking to publish all Letters of Intent to the International Monetary Fund and Policy Framework Papers, and establishing a more open release policy regarding Article IV consultations.

“(13) Facilitate greater International Monetary Fund accountability and enhance International Monetary Fund self-evaluation by vigorously promoting review of the effectiveness of the Office of Internal Audit and Inspection and the Executive Board’s external evaluation pilot program and, if necessary, the establishment of an operations evaluation department modeled on the experience of the International Bank for Reconstruction and Development, guided by such key principles as usefulness, credibility, transparency, and independence.

“(14) Vigorously promote coordination with the International Bank for Reconstruction and Development and other international financial institutions (as defined in section 1701(c)(2)) in promoting structural reforms which facilitate the provision of credit to small businesses, including microenterprise lending, especially in the world’s poorest, heavily indebted countries.

“(b) COORDINATION WITH OTHER EXECUTIVE DEPARTMENTS.—To the extent that it would assist in achieving the goals described in subsection (a), the Secretary of the Treasury shall pursue the goals in coordination with the Secretary of State, the Secretary of Labor, the Secretary of Commerce, the Administrator of the Environmental Protection Agency, the Administrator of the Agency

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for International Development, and the United States Trade Representative.”.

22 USC 262r. (b) ADVISORY COMMITTEE ON IMF POLICY.—Section 1701 of such Act (22 U.S.C. 262p-5) is amended by adding at the end the following:

“(e) ADVISORY COMMITTEE ON IMF POLICY.—

“(1) IN GENERAL.—The Secretary of the Treasury should establish an International Monetary Fund Advisory Committee (in this subsection referred to as the ‘Advisory Committee’).

“(2) MEMBERSHIP.—The Advisory Committee should consist of members appointed by the Secretary of the Treasury, after appropriate consultations with the relevant organizations. Such members should include representatives from industry, representatives from agriculture, representatives from organized labor, representatives from banking and financial services, and representatives from nongovernmental environmental and human rights organizations.”.

REDUCTION OF BARRIERS TO AGRICULTURAL TRADE

SEC. 611. Title XIV of the International Financial Institutions Act (22 U.S.C. 262n-262n-2) is amended by adding at the end the following:

22 USC 262n-3.

“**SEC. 1404. REDUCTION OF BARRIERS TO AGRICULTURAL TRADE.**

“The Secretary of the Treasury shall instruct the United States Executive Director at the International Monetary Fund to use aggressively the voice and vote of the United States to vigorously promote policies to encourage the opening of markets for agricultural commodities and products by requiring recipient countries to make efforts to reduce trade barriers.”.

SEMIANNUAL REPORTS ON FINANCIAL STABILIZATION PROGRAMS LED BY THE INTERNATIONAL MONETARY FUND IN CONNECTION WITH FINANCING FROM THE EXCHANGE STABILIZATION FUND

SEC. 612. Title XVII of the International Financial Institutions Act (22 U.S.C. 262r-262r-2) is amended by adding at the end the following:

22 USC 262r-3.

“**SEC. 1704. REPORTS ON FINANCIAL STABILIZATION PROGRAMS LED BY THE INTERNATIONAL MONETARY FUND IN CONNECTION WITH FINANCING FROM THE EXCHANGE STABILIZATION FUND.**

“(a) IN GENERAL.—The Secretary of the Treasury, in consultation with the Secretary of Commerce and other appropriate Federal agencies, shall prepare reports on the implementation of financial stabilization programs (and any material terms and conditions thereof) led by the International Monetary Fund in countries in connection with which the United States has made a commitment to provide, or has provided financing from the stabilization fund established under section 5302 of title 31, United States Code. The reports shall include the following:

“(1) A description of the condition of the economies of countries requiring the financial stabilization programs, including the monetary, fiscal, and exchange rate policies of the countries.

“(2) A description of the degree to which the countries requiring the financial stabilization programs have fully

implemented financial sector restructuring and reform measures required by the International Monetary Fund, including—

“(A) ensuring full respect for the commercial orientation of commercial bank lending;

“(B) ensuring that governments will not intervene in bank management and lending decisions (except in regard to prudential supervision);

“(C) the enactment and implementation of appropriate financial reform legislation;

“(D) strengthening the domestic financial system and improving transparency and supervision; and

“(E) the opening of domestic capital markets.

“(3) A description of the degree to which the countries requiring the financial stabilization programs have fully implemented reforms required by the International Monetary Fund that are directed at corporate governance and corporate structure, including—

“(A) making nontransparent conglomerate practices more transparent through the application of internationally accepted accounting practices, independent external audits, full disclosure, and provision of consolidated statements; and

“(B) ensuring that no government subsidized support or tax privileges will be provided to bail out individual corporations, particularly in the semiconductor, steel, and paper industries.

“(4) A description of the implementation of reform measures required by the International Monetary Fund to deregulate and privatize economic activity by ending domestic monopolies, undertaking trade liberalization, and opening up restricted areas of the economy to foreign investment and competition.

“(5) A detailed description of the trade policies of the countries, including any unfair trade practices or adverse effects of the trade policies on the United States.

“(6) A description of the extent to which the financial stabilization programs have resulted in appropriate burden-sharing among private sector creditors, including rescheduling of outstanding loans by lengthening maturities, agreements on debt reduction, and the extension of new credit.

“(7) A description of the extent to which the economic adjustment policies of the International Monetary Fund and the policies of the government of the country adequately balance the need for financial stabilization, economic growth, environmental protection, social stability, and equity for all elements of the society.

“(8) Whether International Monetary Fund involvement in labor market flexibility measures has had a negative effect on core worker rights, particularly the rights of free association and collective bargaining.

“(9) A description of any pattern of abuses of core worker rights in recipient countries.

“(10) The amount, rate of interest, and disbursement and repayment schedules of any funds disbursed from the stabilization fund established under section 5302 of title 31, United States Code, in the form of loans, credits, guarantees, or swaps, in support of the financial stabilization programs.

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“(11) The amount, rate of interest, and disbursement and repayment schedules of any funds disbursed by the International Monetary Fund to the countries in support of the financial stabilization programs.

“(b) TIMING.—Not later than March 15, 1999, and semiannually thereafter, the Secretary of the Treasury shall submit to the Committees on Banking and Financial Services and International Relations of the House of Representatives and the Committees on Foreign Relations, and Banking, Housing, and Urban Affairs of the Senate a report on the matters described in subsection (a).”.

ANNUAL REPORT AND TESTIMONY ON THE STATE OF THE INTERNATIONAL FINANCIAL SYSTEM, IMF REFORM, AND COMPLIANCE WITH IMF AGREEMENTS

SEC. 613. Title XVII of the International Financial Institutions Act (22 U.S.C. 262r-262r-2) is further amended by adding at the end the following:

22 USC 262r-4.

“SEC. 1705. ANNUAL REPORT AND TESTIMONY ON THE STATE OF THE INTERNATIONAL FINANCIAL SYSTEM, IMF REFORM, AND COMPLIANCE WITH IMF AGREEMENTS.

“(a) REPORTS.—Not later than October 1 of each year, the Secretary of the Treasury shall submit to the Committee on Banking and Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate a written report on the progress (if any) made by the United States Executive Director at the International Monetary Fund in influencing the International Monetary Fund to adopt the policies and reform its internal procedures in the manner described in section 1503.

“(b) TESTIMONY.—After submitting the report required by subsection (a) but not later than March 1 of each year, the Secretary of the Treasury shall appear before the Committee on Banking and Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate and present testimony on—

“(1) any progress made in reforming the International Monetary Fund;

“(2) the status of efforts to reform the international financial system; and

“(3) the compliance of countries which have received assistance from the International Monetary Fund with agreements made as a condition of receiving the assistance.”.

AUDITS OF THE INTERNATIONAL MONETARY FUND

SEC. 614. Title XVII of the International Financial Institutions Act (22 U.S.C. 262r-262r-2) is further amended by adding at the end the following:

22 USC 262r-5.

“SEC. 1706. AUDITS OF THE INTERNATIONAL MONETARY FUND.

“(a) ACCESS TO MATERIALS.—Not later than 30 days after the date of the enactment of this section, the Secretary of the Treasury shall certify to the Committee on Banking and Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate that the Secretary has instructed the United States Executive Director at the International Monetary Fund to facilitate timely access by the General Accounting Office to

information and documents of the International Monetary Fund needed by the Office to perform financial reviews of the International Monetary Fund that will facilitate the conduct of United States policy with respect to the Fund.

“(b) REPORTS.—Not later than June 30, 1999, and annually thereafter, the Comptroller General of the United States shall prepare and submit to the committees specified in subsection (a), the Committee on Appropriations of the House of Representatives, and the Committee on Appropriations of the Senate a report on the financial operations of the Fund during the preceding year, which shall include—

“(1) the current financial condition of the International Monetary Fund;

“(2) the amount, rate of interest, disbursement schedule, and repayment schedule for any loans that were initiated or outstanding during the preceding calendar year, and with respect to disbursement schedules, the report shall identify and discuss in detail any conditions required to be fulfilled by a borrower country before a disbursement is made;

“(3) a detailed description of whether the trade policies of borrower countries permit free and open trade by the United States and other foreign countries in the borrower countries;

“(4) a detailed description of the export policies of borrower countries and whether the policies may result in increased export of their products, goods, or services to the United States which may have significant adverse effects on, or result in unfair trade practices against or affecting United States companies, farmers, or communities;

“(5) a detailed description of any conditions of International Monetary Fund loans which have not been met by borrower countries, including a discussion of the reasons why such conditions were not met, and the actions taken by the International Monetary Fund due to the borrower country's noncompliance;

“(6) an identification of any borrower country and loan on which any loan terms or conditions were renegotiated in the preceding calendar year, including a discussion of the reasons for the renegotiation and any new loan terms and conditions; and

“(7) a specification of the total number of loans made by the International Monetary Fund from its inception through the end of the period covered by the report, the number and percentage (by number) of such loans that are in default or arrears, and the identity of the countries in default or arrears, and the number of such loans that are outstanding as of the end of period covered by the report and the aggregate amount of the outstanding loans and the average yield (weighted by loan principal) of the historical and outstanding loan portfolios of the International Monetary Fund.”.

This Act may be cited as the “Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999”.

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Approved October 21, 1998.

LEGISLATIVE HISTORY—H.R. 4328 (S. 2307):

HOUSE REPORTS: No. 105-648 (Comm. on Appropriations) and 105-825 (Comm. of Conference).

SENATE REPORTS: No. 105-249 accompanying S. 2307 (Comm. on Appropriations).

CONGRESSIONAL RECORD, Vol. 144 (1998):

July 29, considered and passed House.

July 30, considered and passed Senate, amended, in lieu of S. 2307.

Oct. 20, House agreed to conference report.

Oct. 21, Senate agreed to conference report.

H.R. 4569 / (S. 2334)Reported from Appropriations September 15, 1998;
Report 105-719.

Passed House amended September 17, 1998 (255-161).

Received in Senate September 22, 1998.

Ordered placed on the calendar October 2, 1998.

Grand total, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 ...	\$31,308,114,980
Appropriations	(13,447,114,980)
International Monetary Programs	(17,861,000,000)
<i>By transfer</i>	(33,500,000)
<i>Limitation on administrative expenses</i>	(29,910,000)
<i>Limitation on callable capital subscriptions</i>	(2,274,814,917)
<i>Loan authorizations</i>	(19,810,000,000)

NOTE.—In addition to the total in the annual appropriations act, the following amounts are available for Foreign Assistance activities for fiscal year 1999:

Permanent appropriations:

Federal funds	487,000,000
Trust funds	11,323,000,000

Omnibus Consolidated and Emergency Supplemental
Appropriations Act, 1999 (Public Law 105-277):

Division B—Emergency Supplemental Appropriations:

International Security Assistance	50,000,000
Department of State	20,000,000
Agency for International Development	96,000,000
International narcotics control and law enforcement	232,600,000
Year 2000 Conversion	15,601,000

Subtotal, additions	12,224,201,000
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Total, Foreign Assistance	43,532,315,980
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