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Foreign Relations Authorization, FY2004 and FY2005: An Overview

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Summary

The foreign *relations* authorization process dovetails with the annual appropriation process for the Department of State (within the Commerce, Justice, State and Related Agency appropriation) and foreign policy/foreign aid activities (within the foreign operations appropriation). Congress is required by law to authorize the spending of appropriations for the State Department and foreign policy activities every two years. Foreign *assistance* authorization measures (such as authorization for the U.S. Agency for International Development, economic and military assistance to foreign countries, and international population programs) have been merged into the State Department authorization legislation since 1985. Since that time, Congress has not passed a stand-alone foreign assistance authorization bill.

Congressman Hyde introduced H.R. 1950 on May 5, 2003. The House International Relations Committee reported the bill May 16 (H.Rept. 108-105, Part D). H.R. 1950, as reported out by the Committee, contained authorization legislation for FY2004 and FY2005 and included a defense trade and security assistance title, as well as a foreign assistance title. As amended (July 15 and 16) and passed (July 16) by the House, H.R. 1950 also includes the Millennium Challenge Account and Peace Corps provisions. The legislation authorizes about \$27 billion for FY2004 and FY2005. The House bill contains the Israeli-Palestinian peace plan, also known as the “road map” which goes beyond the President’s plan by including conditions that must be met before the United States can agree to a Palestinian state. Also included are terrorist-related enforcement measures, munition and satellite export controls. Eliminated by amendment was a provision providing \$50 million in U.S. contributions to the U.N. Population Fund for each year that the legislation covers. House floor action occurred on July 15th and 16th. The House passed the bill, as amended, by recorded vote (382-42) on July 16th.

The Senate originally reported three separate bills providing authority for only FY2004: a foreign relations authorization (S. 925), a foreign assistance authorization bill (S. 1161) which includes arms export control and counter terrorism measures, and the Millennium Challenge Account (S. 1160). Senator Lugar introduced S. 925 on April 24, 2003. The Senate Foreign Relations Committee amended it and reported it out on the same day (S.Rept. 108-39). The bill authorizes about \$11 billion in spending for FY2004 only. In addition it contains measures on a Peace Corp Charter for the 21st Century, expanding public diplomacy to improve outreach to Muslim populations, and international parental child abduction prevention. Senate floor action occurred July 9 and 10 during which a number of amendments were adopted. Amendment 1136 (Lugar) would merge into S. 925 the Senate bills (S. 1160) the Millennium Challenge Account (MCA) and (S. 1161) foreign Assistance authorization. Other adopted amendments included a proposal for rural development assistance for Mexico, emergency food aid to HIV/AIDS victims in sub-Saharan Africa, and a Sense of Congress that the United States remain engaged in Iraq. A Senate vote on S. 925 is expected before the August recess.

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Division abbreviations: ALD = American Law Division; G&F = Government and Finance Division; RSI = Resources, Science, and Industry Division, DSP = Domestic Social Policy Division; FDT = Foreign Affairs, Defense, and Trade Division.

Contents

Most Recent Developments	1
Background	1
Foreign Relations	2
Belarus	2
Biotech Agriculture Promotion	3
Child Abduction Prevention	5
Climate Change Policy	5
Copyright Piracy Protection	6
Cuba: Support for Democracy Building	8
International Broadcasting	9
International Organizations	11
Brahimi Report Implementation	11
Peacekeeping Contributions Cap	11
Status of Israel in U.N. Regional Group	12
UNESCO	14
Israel-Palestine Issues	14
Jerusalem	16
Mexico: Migration, Pollution Control, Consular ID, Extradition Issues ..	17
Migration Accord	17
Pollution Control	18
Extradition Issues	19
Consular ID Cards	19
Peace Corps	19
Public Diplomacy	21
State Department Authorities and Personnel Issues	22
Defense Trade and Security Assistance	22
Export Controls for Satellites	22
Israeli Palestinian Peace Enhancement Act of 2003	24
Missile Technology Control Regime Annex	25
Missile Threat Reduction Act of 2003	26
Munitions Export Controls	28
Security Assistance	30
Terrorist Organizations	31
Terrorist-Related Prohibitions and Enforcement Measures	32
Foreign Assistance	33
Afghanistan	33
The Africa Society	34
Colombia and Andean Region Assistance	35
Congo Basin Forest Partnership	37
International Narcotics Control	38
Mexico Rural Development Assistance	39
U.N. Population Fund	40
Appendix	42

State Department Authorization History 42

List of Tables

Table 1. State Department and Related Agencies Appropriations and
Proposed Authorizations 43

Foreign Relations Authorization, FY2004 and FY2005: An Overview

Most Recent Developments

Senator Lugar introduced the Foreign Relations Authorization Act, Fiscal Year 2004 (S. 925) on April 24, 2003. The Senate Foreign Relations Committee marked it up and reported it out the same day (S.Rept. 108-39). Senate floor action occurred on July 9 and 10 with numerous amendments adopted, including one that would merge the bills related to the Millennium Challenge Account (S. 1160) and foreign assistance authorization (S. 1161) into the Foreign Relations Authorization legislation. S. 925 would authorize Department of State and foreign assistance spending at about \$27 billion for one year (FY2004).

On May 5, 2003, Congressman Hyde introduced the House Foreign Relations Authorization Act, Fiscal Years 2004 and 2005 (H.R. 1950). The House International Relations Committee held markup on it beginning May 7 and filed a report (H. Rept 108-105) on May 16. The House bill would authorize the Department of State's operations and programs at more than \$27 billion through FY2005, and would establish U.S. policy on the Israeli-Palestinian peace plan, export controls, security assistance to certain foreign countries, and funding for the U.N. Population Fund. House floor action occurred on July 15th and 16th. The House passed the bill on July 16, 2003.

Background

The foreign *relations* authorization legislation provides authority for the State Department and related foreign policy agencies to conduct foreign policy activities and programs in the coming year. It authorizes foreign policy programs and enacts changes in U.S. foreign policy. It also serves as a vehicle for Congress to influence executive branch management of foreign policy. Since Congress has not passed a foreign *assistance* authorization bill since 1985, activities such as authorization for the U.S. Agency for International Development (USAID), as well as U.S. economic, development, and military assistance are also typically included in the foreign relations authorization legislation.

By law, authorization of foreign policy agencies and programs is required prior to expenditure of Foreign Operations and State Department appropriations. In effect, the authorizing legislation sets spending ceilings for the foreign policy agency appropriations. (See Table 1 in appendix.) Prior to 1995, Congress had reauthorized U.S. government foreign policy agencies and activities in the foreign relations authorization legislation every two years until 1994 (P.L. 103-236, April 30, 1994).

P.L. 107-228 is the first stand-alone foreign relations authorization bill that Congress has passed since 1994. In the intervening years, Congress waived the requirement or included authorization in appropriation laws. (See *State Department Authorization History* in the Appendix.)

Foreign Relations

The foreign relations authorization legislation typically provides authority for State Department spending for such activities as salaries and other operating expenses, passport and visa processing, embassy and Foreign Service activities, as well as public diplomacy and international broadcasting. In addition, the legislation often becomes a convenient vehicle for numerous foreign policy-related issues, such as nonproliferation, human rights, international family planning policy, and international environment issues. Congress can influence U.S. foreign policy regarding specific regions or countries via this biannual legislation, as well.

Legislation in the 108th Congress on foreign relations authorization include H.R. 1950 and S. 925. (S. 1160 and S. 1161 will be merged into S. 925, according to an adopted floor amendment, S.Amdt. 1136.) H.R. 1950 has five divisions. Division A is entitled, *Millennium Challenge Account*; Division B is entitled *Peace Corps Expansion Act of 2003*; Division C is entitled *Department of State Authorization Act, Fiscal Years 2004 and 2005*; Division D is entitled, *Defense Trade and Security Assistance Reform Act of 2003* and Division E is *Assistance for Viet Nam*.

Belarus¹

Since his election in 1994, Belarusian President Aleksandr Lukashenko has reversed Belarus's modest progress toward democracy and a free market economy and created an authoritarian, Soviet-style regime. The Bush Administration has called him "Europe's last dictator." The 2002 State Department Human Rights report said that Belarus's human rights record is "very poor." Lukashenko has extended his term in office by illegitimate means; drastically reduced the power of the legislature and judiciary; harassed, arrested, and beaten opposition figures (perhaps having four of them killed in 1999); forced the closure of independent media; and restricted freedom of religion. In November 2002, the United States joined 14 European Union countries in imposing a visa ban against Lukashenko and other top Belarusian officials due to Belarus's closure of an OSCE human rights monitoring mission in the country. The visa ban was lifted in April 2003 after the OSCE office was reopened. Belarus allegedly has ties with rogue regimes. Before the war in Iraq, Lukashenko made statements opposing U.S. military action and supporting Saddam Hussein. In April 2003, Deputy Assistant Secretary of State Stephen Pifer said that there have been "repeated reports from a variety of credible sources that Belarus is involved in arms transfers to states or groups that support terrorism, and in the

¹ Written by Steven Woehrel, Specialist in European Affairs, Foreign Affairs, Defense, and Trade Division.

military training of individuals associated with these states.” He said those states included Iran and Iraq under Saddam Hussein.²

Congressional concerns about Belarus are reflected in the House version of H.R. 1950. Title XVI Section 1601 authorizes U.S. aid to assist Belarusian democracy; Section 1602 authorizes appropriations for increased broadcasting to Belarus by Voice of America and Radio Free Europe/Radio Liberty (RFE/RL); Section 1603 expresses the sense of the Congress that sanctions be imposed on Belarus until conditions are met that require Belarus’s democratization; and Section 1604 expresses the sense of the Congress that the President should coordinate with European countries to take measures similar to those in this title. Section 1605 requires the President to report within 90 days and every year thereafter on the sale of weapons or weapons-related assistance to regimes supporting terrorism, and on the personal wealth of Lukashenko and other senior Belarusian leaders.

This title could be viewed as non-controversial in that it does not formally require the Administration to take action, except to submit a regular report on Belarus’s military ties with regimes supporting terrorism. The title’s authorization for aid for Belarus democratization and VOA and RFE/RL broadcasts is also unlikely to be controversial. Section 1603, which expresses support for, but does not mandate, sanctions against Belarus, could conceivably cause some disquiet among some U.S. allies in Europe, if it were perceived to be part of a U.S. effort to completely isolate Lukashenko. While sharing U.S. distaste for the Belarusian leader, some European countries may worry that isolation could provoke the regime into unpredictable actions, or contribute to instability in a country that will border on the European Union in 2004. Policymakers who support Title XVI argue that Lukashenko’s regime is a source of instability, and that the sooner it is deposed and democracy is restored, the more stable the region will be. A mix of sanctions and support for pro-democracy groups would be the best way to achieve this aim, they believe.

The Senate version of the bill contains no such provisions.

CRS Products:

CRS Issue Brief IB95077, *The Former Soviet Union and U.S. Foreign Assistance*, by Curt Tarnoff.

CRS Report 95-776, *Belarus: Country Background Report*, by Steven Woehrel.

Biotech Agriculture Promotion³

U.S. farmers have been rapidly adopting genetically engineered (GE) crops — mainly corn, soybean, and cotton varieties — to lower production costs and improve management. However, many foreign countries are wary of agricultural biotechnology, particularly in the European Union (EU) where consumer and

² Associated Press wire dispatch, April 16, 2003

³ Written by Geoffrey Becker, Specialist in Agriculture Policy, Resources, Science, and Industry Division.

environmental organizations have been more vocal in expressing concerns about the human health and environmental impacts of GE crops. U.S. exporters often have encountered barriers to trade in these markets, where in some cases their sales have been slowed or halted.

Both S. 925 and H.R. 1950 contain provisions intended to promote agricultural biotechnology in international trade and development. The Senate bill (Sec. 211) would authorize the Secretary of State to provide grants, cooperative agreements, or contracts totaling up to \$500,000 annually for “outreach and public diplomacy activities” which are aimed at ensuring that foreign government decisions on biotechnology policy reflect scientific findings. The House version (Sec. 728) is more prescriptive, requiring the Secretary to provide other countries, as appropriate, scientific evidence on the benefits, safety, and potential uses of agricultural biotechnology. The Secretary of State is required to chair a federal interagency task force to develop and disseminate such scientific information; and to instruct USAID to develop a program demonstrating agricultural biotechnology benefits for the developing world, among other things.

Agricultural groups and the biotechnology industry might be expected to strongly support a biotechnology provision in this legislation; they have been working for a number of years to urge the Administration and Congress to do more to promote the products of U.S. agricultural biotechnology — which, they assert, are as safe as conventionally produced crops — in foreign markets. Some U.S. consumer and environmental advocacy organizations, who have expressed concerns about the safety of such products, might oppose it; others could argue that numerous federal agencies, including the Department of State, the U.S. Trade Representative, and U.S. Department of Agriculture (USDA), already are working aggressively to open foreign markets to U.S. biotechnology.

State is the lead department dealing with the so-called Cartagena Biosafety Protocol. This January 2000 agreement, under the U.N. Convention on Biological Diversity, deals with the safe handling, transfer and transboundary movement of bio-engineered organisms and products. It is expected to take effect in 2003 upon ratification by the necessary 50 countries. The United States is a party to neither the Convention nor the Protocol, but is working with ratifiers, and others, to ensure that each country’s implementation does not present obstacles to U.S. biotechnology exports.

USDA operates numerous programs to promote GE products in international trade. For example, USDA’s Foreign Agricultural Service (FAS) has undertaken a variety of activities to educate, train, and provide technical assistance to foreign countries developing and/or purchasing biotechnology products, and to negotiate and resolve disputes with trading partners. Also, Section 3204 of the 2002 farm bill (P.L. 107-171) created a new Biotechnology and Trade Program to provide grants for public and private sector projects that will address nontariff barriers to U.S. agricultural exports involving biotechnology, food safety, disease, or related concerns. The measure authorizes annual appropriations of up to \$6 million through FY2007.

CRS Products:

See *Agricultural Biotechnology* in the CRS Agriculture Policy Briefing Book for more information and references to other CRS reports.

Child Abduction Prevention⁴

Section 702 of S. 925 amends the Immigration and Nationality Act to declare inadmissible any aliens and relatives who support a child being abducted from a parent in the United States who has custody. The alien(s) in question would remain inadmissible until the abducted child is surrendered to the person with custody or until the abducted child reaches age 21. Individuals deemed inadmissible under this provision would be placed on the Consular Lookout and Support System data base with identifying information. Within 180 days after enactment and annually for the next 4 years, the Secretary of State shall submit a report to specified congressional committees providing factual information on the number of cases over the past year of such inadmissible aliens.

Section 275, H.R. 1950 would require the Secretary of State to establish procedures to notify U.S. embassies regarding international child abduction situations and guidelines for embassy personnel on providing sanctuary. Section 276 is similar to the Senate's section 702, but the House adds "spouse of the abducted child" to the list of inadmissible aliens relatives. The House bill also requires an annual report, but does not stipulate a deadline for the first report.

Climate Change Policy⁵

Both H.R. 1950 (Section 730) and S. 925 (Section 813) include sections outlining a "Sense of Congress on Climate Change" that are nearly identical, with only minor differences in the wording of a few subsections. Both bills state the sense of Congress that "the United States should demonstrate international leadership and responsibility in reducing the health, environmental, and economic risks posed by climate change," through several actions: "taking responsible action to ensure significant and meaningful reductions in emissions of greenhouse gases from all sectors"; creating flexible mechanisms such as tradable credits for emissions reductions and carbon sequestration; participating in international negotiations, including making proposals that have the objective of obtaining U.S. participation in a future binding climate change treaty in a manner consistent with the United Nations Framework Convention on Climate Change (UNFCCC), that "protects the economic interests of the United States, and that recognizes the shared international responsibility for addressing climate change, including developing country participation"; and establishing in the House and Senate bipartisan observer groups to "monitor any international negotiations on climate change."

⁴ Prepared by Susan B. Epstein, Specialist in Foreign Policy and Trade, Foreign Affairs, Defense, and Trade Division.

⁵ Prepared by Susan R. Fletcher, Senior Analyst in International Environmental Policy, Resources, Science, and Industry Division.

The findings sections of both bills review evidence that “...atmospheric concentrations of manmade greenhouse gases are contributing to global climate change,” and note some of the consequences, such as rising sea levels, warming of the oceans, and reduced snow and ice cover. The findings also note that the United States is a party to the UNFCCC, which has the objective of stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system, and that the United States has elected against becoming a party to the Kyoto Protocol (which establishes legally binding greenhouse gas reductions for developed countries), but that the U.S. position is not to interfere with other nations’ activities in support of the Protocol. The findings also state “United States businesses need to know how governments worldwide will address the risks of climate change.”

In 2001, President Bush rejected the Kyoto Protocol to the UNFCCC, and with it the concept of legally binding international emissions reductions. The current U.S. policy stresses voluntary domestic actions, not mandatory regulatory requirements, and outlines a number of voluntary initiatives and government research priorities that are aimed at fulfilling U.S. responsibility for taking action. This Sense of Congress accepts the importance of the consequences of climate change, and asserts a U.S. role in taking responsibility and assuming leadership in reducing risks posed by these consequences. It goes somewhat beyond current Administration policy in urging a proposal to gain U.S. participation in a future binding treaty on climate change. It retains caveats on the need for developing country participation and protecting the economic interests of the United States that have been part of the congressional debate since S. Res. 98, including these concerns, was passed in 1997 by the U.S. Senate.

CRS Products:

For additional information, see CRS Issue Brief IB89005, *Global Climate Change*; and CRS Report RL31931, *Climate Change: Federal Laws and Policies Related to Greenhouse Gas Reductions*.

Copyright Piracy Protection⁶

International copyright protection against unauthorized use depends upon the national laws of each country and effective enforcement of those laws. Although there is no single “international copyright” which automatically grants protection in every country, various treaties concerning copyright and intellectual property rights [IPR] establish minimum protection and enforcement standards and reciprocity among the parties to those treaties, which include, *inter alia*, the Agreement on Trade-Related Aspects of Intellectual Property Rights [TRIPS] of the World Trade Organization [WTO], the Berne Convention, and the World Intellectual Property Organization [WIPO] Copyright Treaty and WIPO Performances and Phonograms Treaty. The latter two, popularly known as the WIPO Internet Treaties, increased minimum standards of protection particularly for internet-based delivery of copyrighted works. Also, pursuant to the WIPO-WTO Agreement of 1995, which

⁶ Prepared by Margaret Mikyung Lee, Legislative Attorney, American Law Division.

entered into force on January 1, 1996, each of these two organizations agreed to provide legal-technical assistance to the developing country members of the other and to enhance their technical cooperation activities; WIPO has assisted over 130 developing and least developed countries in TRIPS implementation.¹ Under the TRIPS, developing and least developed countries were given a transition period within which to implement the laws and regulations and enforcement infrastructure necessary to comply with TRIPS obligations. Under Article 65.2, developing countries had until Jan. 1, 2000, and under Article 65.3, the least-developed countries have until Jan. 1, 2005, for implementation. Article 67 of the TRIPS requires developed countries to provide, upon request, technical cooperation to assist developing and least developed countries in implementation, including in the training of personnel.

The United States has been providing such assistance, as reported to the WTO, through its IPR Training Coordination Group, which is comprised of federal agencies responsible for IPR law and enforcement and of private sector industry associations with an interest in IPR protection.² This Group provides programs, training, and technical assistance to foreign officials and policy makers. In its 2003 Special 301 Report, the Office of the U.S. Trade Representative (USTR) describes these and other ongoing efforts in combating the perennial and increasing problem of IPR piracy generally, through the negotiation of bilateral and regional free trade agreements and implementation of the WIPO Internet Treaties. Currently, the USTR notes a special focus on reducing counterfeiting and piracy of “optical media” products such as CDs, VCDs, DVDs, and CD-ROMs. Some developing and least developed countries have made progress in both implementation of laws and enforcement of such laws against IPR infringement; others have recently enacted laws but as yet have no track record on enforcement; still others have not yet implemented laws and regulations.

Section 1810 of H.R. 1950, the Foreign Relations Authorization Act for FY2004 and FY2005, authorizes \$10 million for the State Department to provide direct assistance for combating copyright piracy to non-members of the Organization for Economic Cooperation and Development, whose members are developed countries that adhere to the principles of an open market economy, democratic pluralism and respect for human rights. The authorized assistance specifically includes equipment and training for foreign law enforcement, training for judges and prosecutors, and assistance in compliance with international IPR treaty obligations, including the TRIPS. The provision further requires the State Department to make every effort to consult with and assist the WIPO in promoting the integration of such developing, non-OECD countries into the global intellectual property system. The chief U.S. diplomatic representative to a country identified under the USTR Priority Watch List

¹ Council for Trade-Related Aspects of Intellectual Property Rights, *Technical Cooperation Activities: Information from Other Intergovernmental Organizations — WIPO*, IP/C/W/376/Add.5 (Jan. 6, 2003).

² Council for Trade-Related Aspects of Intellectual Property Rights, *Technical Cooperation Activities: Information from Developed Country Members — United States*, IP/C/W/377/Add.6 (Feb. 4, 2003). See, e.g., International Copyright Institute funded under Pub. L. 108-7, § 1209, 117 Stat. 11 (2003), and programs established under Pub. L. 103-392, § 501, 108 Stat. 4098 (1994).

as particularly deficient in IPR enforcement would be responsible for preparing a plan and recommendations for actions the United States should take to address such deficiencies. Priority Watch List countries shall have priority in receiving assistance under this provision, but other countries may also receive such assistance. Section 1810 of H.R. 1950 is consistent with current U.S. international IPR obligations and policy in combating copyright piracy through training and other technical assistance to developing and least developed countries in the process of implementing and enforcing international IPR standards. Although some commentators have questioned the benefit to developing countries of strong IPR protections because of the increased costs of importing and using protected works, others have noted a correlation between stronger IPR protections and increased foreign direct investment, imports, and internationalization that can benefit developing countries.

Neither Senate bill (S. 925 or S. 1161) contains similar language.

Cuba: Support for Democracy Building³

As passed by the House, H.R. 1950, in Section 1807, would authorize \$15 million for each of FY2004 and FY2005 to the President to support democracy-building efforts for Cuba as allowed pursuant to the Cuban Liberty and Democratic Solidarity Act of 1996 (P.L. 104-114, Section 109(a)). Section 1807 also states “that it is U.S. policy to support individuals and groups who struggle for freedom and democracy in Cuba, including human rights dissidents, independent journalists, independent labor leaders, and other opposition groups.” The House Report to the bill (H.Rept. 108-105) states that the funds are designated only for Cuba-related programs and should not be diverted. (In the Senate, S. 1089, introduced May 20, 2003, also would authorize \$15 million to support democracy building in Cuba, as well as \$30 million to establish a fund to provide assistance to a future transition government in Cuba.) S. 925 does not contain language regarding Cuba.

Over the past several years, the U.S. Agency for International Development (USAID) has provided assistance to increase the flow of information on democracy, human rights, and free enterprise to Communist Cuba. The assistance has been part of the U.S. strategy of supporting the Cuban people while at the same time isolating the government of Fidel Castro through economic sanctions. USAID’s Cuba program supports a variety of U.S.-based non-governmental organizations to promote rapid, peaceful transition to democracy, help develop civil society, and build solidarity with Cuba’s human rights activists.⁴ These efforts are funded through the annual foreign operations appropriations bill. In FY2001, \$4.989 million was provided for various Cuba projects; \$5 million was provided in FY2002; and \$5.750 million will be provided in FY2003 (the Administration requested \$6 million as part of its foreign aid request, but following the enactment of the FY2003 omnibus appropriations bill, P.L. 108-7, the Administration allocated \$5.750 million). For FY2004, the Administration has requested \$7 million for information dissemination to foster democratic progress and the development of a civil society in Cuba.

³ Prepared by Mark P. Sullivan, Specialist in Latin American Affairs, Foreign Affairs, Defense, and Trade Division.

⁴ See USAID’s Cuba program website: [<http://www.usaid.gov/regions/lac/cu/>].

In addition to funding through foreign operations appropriations, the United States provides democratization assistance for Cuba through the National Endowment for Democracy (NED), which is funded through the annual Commerce, Justice, and State (CJS) appropriations measure. In FY2001, NED funded \$765,000 in democracy projects for Cuba; in FY2002, it funded \$841,000 in Cuba projects. Funding levels for NED's Cuba projects in FY2003 and in the FY2004 request are not available yet but will probably rise because of increased overall funding for NED.

A major argument in support of the House provision to increase funding for democracy building in Cuba is that it helps respond to the Cuban government's harsh crackdown on human rights and democracy activists in 2003. The increased funding could be viewed as bolstering the long-standing U.S. policy of providing support for the Cuban people. In contrast, a major argument countering the House provision is that the Administration already has been funding democracy building in Cuba for several years and has requested \$7 million for such purposes in the FY2004 Foreign Operations budget request. The House provision would more than double the Administration's request for such projects and would be in addition to some \$25 million spent for another program designed to support the Cuban people, broadcasting to Cuba via Radio and TV Marti.

CRS Products:

For additional information, see CRS Report RL31740, *Cuba: Issues for the 108th Congress*.

International Broadcasting⁵

In addition to authorizing FY2004 funding of international broadcasting activities at a 13% increase over current-year funding in the Senate bill and a 29.7% increase in the House bill, both House and Senate bills provide for a Mideast Broadcasting Network. The bills differ on several provisions. For example, the House bill provides measures to structurally reorganize international broadcasting, promote global internet access, and establish in the Department of State a coordinator for international free media, none of which are in the Senate bill. The Senate bill includes foreign language broadcasting stipulations not found in the House version of the foreign relations authorization.

In 2002, the Broadcasting Board of Governors (BBG) began a pilot project to create the Middle East Radio Network (MERN) within the Voice of America (VOA). The Foreign Relations Authorization Act, FY2003 (H.R. 1646/ P.L. 107-228) authorized \$20 million for the Middle East Radio Network of VOA. In the Administration's FY2004 budget request, the BBG proposed the creation of a new U.S. Middle East Television Network.

S. 925, Section 810 and H.R. 1950, Section 501 both similarly amend the United States International Broadcasting Act of 1994 by authorizing grants for a

⁵ Prepared by Susan B. Epstein, Specialist in Foreign Policy and Trade, Foreign Affairs, Defense, and Trade Division.

“Mideast Radio and Television Network” (House) or “Middle East Broadcasting Network” (Senate). Both bills establish a Board of Directors for the network, include language directing the Board to avoid duplication of language services with other broadcasting activities to the extent possible, and explicitly state that the network is not connected to the U.S. federal government in any way. Little controversy on this measure is expected in the United States; however, some Middle East experts suggest that increased broadcast activity in that region could draw the ire of fundamentalists in the Muslim/Arab world.

Additionally, H.R. 1950, Div. C, Title V, Section 531 — United States International Broadcasting Activities — would amend Section 304 of the United States International Broadcasting Act of 1994 (22 U.S.C. 6203) to reorganize international broadcasting by creating the United States International Broadcasting Agency which would be headed by the Broadcasting Board of Governors (BBG). It would establish a full-time director who is appointed by the Board, rather than being run by the Board itself, as in the current broadcasting operation. This measure would aim primarily to improve lines of authority and establish greater accountability. Other than establishing an agency rather than a board to run international broadcasting, most other aspects of the international broadcasting entity remain virtually the same. The Senate bill has no similar provision.

Title V, subtitle B — Global Internet Freedom — would establish an office within the BBG with the sole mission of countering internet blocking worldwide; to encourage development of technology to prevent such blocking; and to pressure repressive governments engaged in blocking internet access to its people. Currently, the IBB has been handling internet access blocks on an ad hoc basis with current appropriation levels. BBG officials say that this action would bring more visibility to a problem and an activity that they were already handling, but it would not substantively change the internet counter-blocking activities that they would continue to conduct. S. 925 has no similar provision.

Other international broadcasting measures in H.R.1950 include a sense of Congress expressing the need for expanded broadcasting to North Korea by Radio Free Asia; improved broadcasting measures to Cuba and counter jamming of radio and TV Marti; establishing in the Department of State a coordinator for International Free Media; a pilot program to promote travel and tourism in the United States via international broadcasting; and a measure to prevent the elimination of international broadcasting in Eastern Europe.

S. 925, Sec 803 prevents elimination of certain foreign language broadcasting within 1 year of the enactment of the Act. The languages listed are: Bulgarian, Czech, Estonian, Hungarian, Latvian, Lithuanian, Polish, Slovenian, Slovak, Romanian, Croatian, Armenian, and Ukrainian. A report within 6 months of enactment of the Act is required by the secretary. H.R. 1950 has no parallel measure.

CRS Products:

For more information, see CRS report RL31370, *State Department and Related Agencies: FY2003 Appropriations and FY2004 Request*.

International Organizations

Both H.R. 1950 and S. 925 would authorize funding of the International Organizations accounts within the State Department budget at \$1,010.5 million for *U.S. Contributions to International Organizations* and \$550.2 million for *U.S. Contributions to International Peacekeeping*, the same as the Administration's FY2004 request. Other issues addressed in the legislation include:

Brahimi Report Implementation⁶. In August 2000, a panel of experts on United Nations Peace Operations, created by U.N. Secretary-General Kofi Annan in March 2000, issued a report assessing the shortcomings of the United Nations in the peacekeeping area and offering nearly 60 recommendations for reform and change. The report is often referred to as the Brahimi Report, named after the chairman of the Panel, Lakhdar Brahimi, former Foreign Minister of Algeria and currently, the Special Representative of the Secretary-General for Afghanistan. Since August 2000, the U.N. General Assembly, its Special Committee on Peacekeeping Operations, and the U.N. Security Council have reviewed and implemented many of the Panel's recommendations. Secretary-General Annan has issued reports outlining areas of implementation.

Section 402 of S. 925 directs that the Secretary of State submit to "appropriate committees of Congress" a report "assessing the progress made to implement the recommendations" of the Brahimi Panel. Specifically, the Secretary's report, due 90 days after enactment, "shall include — (1) an assessment of the United Nations progress toward implementing the recommendations...; (2) a description of the progress made toward strengthening the capability of the United Nations to deploy a civilian police force and rule of law teams on an emergency basis at the request of the United Nations Security Council; and (3) a description of the policies, programs, and strategies of the United States Government that support the implementation of the recommendations..., especially in the areas of civilian police and rule of law." The Senate Foreign Relations Committee, in its report, noted that it was interested in "learning how the U.S. government is contributing to the development of a more robust U.N. peacekeeping capacity, especially its ability to organize civil police units for use on an emergency basis." Enactment of this reporting requirement depends on its acceptance by the full Senate and by House conferees. H.R. 1950 does not include a similar provision.

Peacekeeping Contributions Cap⁷. Effective October 1, 1995, Congress limited to 25% the U.S. assessed payments to U.N. peacekeeping accounts, irrespective of the higher percent level assessed by the United Nations (Section 404 (b)(2), P. L. 103-236). Congress took this action as a result of continuing increases in the overall costs of U.N. peacekeeping operations and of the failure of U.N. member governments to accept increases in their own assessment levels, a step that would enable U.S. assessments to be lowered. This difference between U.S.

⁶ Prepared by Marjorie Ann Browne, Specialist in International Relations, Foreign Affairs, Defense, and Trade Division.

⁷ Contributed by Marjorie Ann Browne, Specialist in International Relations, Foreign Affairs, Defense, and Trade Division.

peacekeeping contributions and U.N. peacekeeping assessments, created by the gap between U.N. and U.S.-recognized assessment levels, helped to produce a growing arrearage in U.S. contributions to U.N. peacekeeping accounts. In 2001, in response to a December 2000 agreement by the U.N. General Assembly that the U.S. regular budget assessment would be reduced from 25% to 22%, the U.S. peacekeeping assessment level started to fall. [The U.N. peacekeeping assessment is based on a modification of the regular budget assessment level.] (See IB90103, Table 1. U.N. Peacekeeping Assessment Levels for the United States and accompanying text for further details and background.)

In 2002, Congress stipulated that the 25% cap for peacekeeping payments would be raised for four calendar years to a range of 28.15% for CY2001 to 27.4 % for CY2004. This would enable current U.S. peacekeeping assessments to be paid in full (section 402, P. L. 107-228).

Section 401 of the Senate Foreign Relations Committee recommends S. 925 set the assessment limit for U.S. peacekeeping contributions beyond calendar year 2004 at 27.4%. This is the same as the level in P. L. 107-228 for CY2004. Section 401 of the House International Relations Committee recommends H.R. 1950 set the peacekeeping assessment limit at 27.1% for calendar years 2005 and 2006. In summary, S. 925 would establish 27.4% as the assessment level cap for the future, unless an initiative were taken to change it. H.R. 1950 would set the cap at 27.1 %, but for only two years. Acceptance of the H.R. 1950 recommendation would require a return to this issue either to continue the 27.1% cap or to change it for calendar years beyond 2006.

CRS Products:

CRS Issue Brief IB90103, *United Nations Peacekeeping: Issues for Congress*, by Marjorie Ann Browne.

Status of Israel in U.N. Regional Group.⁸ In May 2000, Israel was admitted, on a temporary basis, to membership into the Western European and Others Group (WEOG) that meets at United Nations headquarters in New York. This decision meant that, for the first time, Israel could be recommended or nominated for participation as a member or an officer of U.N. bodies. A primary function of these regional groups is to elect and thus nominate a regional candidate for membership in U.N. organs and bodies, including the U.N. Economic and Social Council and the U.N. Security Council. Regional groups were devised for the purpose of ensuring what is called “equitable geographic distribution,” a principle referred to in the U.N. Charter (Article 23, paragraph 2, on election of the non-permanent members of the Security Council). If a member state is not a member of a regional group, that state has no chance of being elected, for example, to membership on the Economic and Social Council or the Security Council. Israel would naturally be eligible for membership in the Asian Group which includes other countries in the Middle East. A consensus has not existed within that Group to admit Israel. Some authorities have

⁸ Prepared by Marjorie Ann Browne, Specialist in International Relations, Foreign Affairs, Defense, and Trade Division.

maintained that not being a member of a regional group violates the Charter principle of “equality among all member states” (Article 2, paragraph 1).

The WEOG was seen as an alternative location for Israel, pending resolution of disputes in the Middle East. WEOG’s decision was that Israel’s membership would have to be reviewed in full after four years. In addition, Israel could not be nominated from the WEOG for the first two years. On February 7, 2003, Israel was elected, as a candidate from WEOG, as one of the three Vice-Chair on the Open-Ended Working Group on Disarmament to consider the objectives and agenda for the fourth special session of the General Assembly devoted to disarmament (SSOD IV). This working group was established by the U.N. General Assembly (Resolution 57/61) in the fall of 2002. In late April 2003, the U.N. Economic and Social Council elected Israel to a four-year term on the U.N. Commission on Narcotic Drugs, with membership starting on January 1, 2004.

Congress has, over the past few years, expressed its concern that Israel, by not being a member of a regional group, did not have equal access for full participation as a member of the United Nations. The currently enacted legislation, in Section 721 of P. L. 106-113 (Appendix G. The Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001), is entitled *United Nations Policy on Israel and the Palestinians*. Under this section, Congress expressed its view that U.S. policy shall “promote an end to the persistent inequity experienced by Israel in the United Nations” by being “denied acceptance into any of the United Nations regional blocs.” This section further requires the Secretary of State to report, by January 15, of each year, on (1) actions taken by U.S. representatives to “encourage the nations of the Western Europe and Others Group (WEOG) to accept Israel into their regional bloc;” and (2) “other measures being undertaken, and which will be undertaken, to ensure and promote Israel’s full and equal participation in the United Nations.” The report submitted to Congress in January 2003 noted that “since the Asia Group where Israel most appropriately belongs also excludes it from participation in its activities at UN agencies outside of New York, our efforts are now focused on gaining Israel’s admittance into WEOG or similar groups at those agencies.” The report went on, “We will continue efforts in 2003 and future years to gain Israel’s entry into all WEOG or similar groups where it has interest in participating.”

Under Section 405 of H.R. 1950, U.S. officials “should pursue an aggressive diplomatic effort and take all necessary steps to ensure the extension and upgrade of Israel’s membership in the Western European and Others Group at the United Nations.” The Secretary of State is required to report, semiannually through September 30, 2005, on the steps taken by the United States on this issue. As explained in its report, the Committee urged extension of WEOG membership “in UN bodies and UN affiliated agencies in New York and throughout the world.” While S. 925 does not contain a comparable provision, it is likely that Congress will enact language identical or similar to this. It might be useful to review and compare this language with that of Section 721. S. 925 has no similar provision.

UNESCO.⁹ On September 12, 2002, President Bush announced that the United States would return to the United Nations Educational, Scientific, and Cultural Organization (UNESCO), after having withdrawn from it in 1984. Last year's Foreign Relations Authorization Act (P. L. 107-228) expressed the sense of Congress that the President should submit a report to Congress on the merits of a U.S. return to UNESCO and provide details of the costs. The State Department is preparing a report which is expected to be submitted later this year.

The President's FY2004 budget request includes \$71.429 million for U.S. assessed contributions to UNESCO. This amount includes funds for the U.S. assessed share (22%) for the final three months of calendar year 2003 (October-December), a one-time payment to the UNESCO Working Capital Fund, and full calendar year 2004 U.S. assessment.

The Senate Committee on Foreign Relations in its report (S.Rept. 109-39) on S. 925 recommends funding at the level requested by the President for the account. The Committee expressed support for a U.S. return to UNESCO and for an increase in the UNESCO budget. The House Committee on International Relations in reporting (H.Rept. 108-105, part 1) its bill, H.R. 1950, recommends authorization of such sums as may be necessary for FY2004 and FY2005 for U.S. contributions to the regular budget of UNESCO. The House Committee also expresses the view that in conjunction with returning to UNESCO, the President should take the following steps: appoint a U.S. Representative to the Organization for Economic Cooperation and Development (OECD) who should also serve as the U.S. Representative to UNESCO; ensure an increase in U.S. employment at UNESCO especially at senior levels; request the creation of a Deputy Director for Management position at UNESCO to be filled by an American; insist that increases in UNESCO's budget level beyond zero nominal growth for 2004-2005 focus primarily on adoption of management and administrative reforms; and request that the U.S. contribution for the last quarter of calendar year 2003 be spent on key education and science priorities that directly benefit U.S. national interests. Each member of UNESCO is required to establish a National Commission on Educational, Scientific and Cultural Cooperation. The House Committee recommends updating the 1946 law governing the U.S. National Commission.

CRS Products:

For additional information on UNESCO see CRS Report RL30985, *UNESCO Membership: Issues for Congress*.

Israel-Palestine Issues¹⁰

Both H.R. 1950 and S. 925 authorize \$50 million for settling Jewish migrants in Israel, both bills seek to promote wider Israeli diplomatic relations, and both call

⁹ Prepared by Vita Bite, Analyst in International Relations, Foreign Affairs, Defense, and Trade Division..

¹⁰ By Clyde Mark, Specialist in Middle East Affairs, Foreign Affairs, Defense, and Trade Division.

upon the Administration to press for membership in the International Red Cross for the Israeli Magan David Adom society, all non-controversial issues in Congress. Funds for Jewish migrants originally were intended for Jews escaping from the former Soviet Union and Ethiopia. The bills seek to expand Israel's diplomatic relations by directing the Secretary of State to encourage other nations to develop and maintain relations with Israel. The International Red Cross refused Israel's membership because the Israelis wanted to use the Star of David as their symbol, which the Red Cross believed would open the door to other nations seeking their own individual emblems. Israel rejected a Red Cross offer to adopt an internationally neutral red diamond. On another issue, Section 809 of the Senate bill repeats the President's 24 June 2002 position that the United States will recognize a Palestinian state only if: 1) its leaders are not compromised by terrorism, 2) it restates an acceptance of Israel, and 3) it has taken steps to counter terrorism.

H.R. 1950 has provisions not found in the Senate bill. Section 501 of H.R. 1950 amends the International Broadcasting Act (22 U.S.C. 6201) to establish a non-government Mideast Radio and Television Network to provide programming for the Middle East region that will present reliable, objective news, a balanced projection of U.S. thought, a clear presentation of U.S. policies, and an accurate picture of world developments. (See in this report: *International Broadcasting* above.)

Section 732 states that Congress recognizes the hardships under which the Palestinian refugees live and the humanitarian nature of the \$2.5 billion in U.S. assistance given to the refugees since 1950. Section 732 calls upon the U.N. Secretary General to implement reforms in the United Nations Relief and Works Agency (UNRWA) that would compel UNRWA to deny support to terror-related activity. The same section calls upon the Secretary of State to campaign for such UNRWA reforms. The section also criticizes UNRWA for not resettling the refugees, for allowing terrorist training in UNRWA facilities, and for permitting anti-Jewish sentiments in textbooks in UNRWA schools. Israeli supporters maintain that UNRWA perpetuates the refugee status, permits terrorists in the camps, and uses anti-Jewish textbooks. But others point out that the criticism of UNRWA may be misplaced. UNRWA's mandate is to provide benefits for the refugees and not to resettle them. Also, UNRWA does not own or control the refugee camps, which are on host country property, operated by the host countries, and policed by host country security personnel. It is the responsibility of the host country to stop military or terrorist training that may occur in the refugee camps. Finally, UNRWA follows host country textbooks and curriculum, and does not provide textbooks of its own. The UNRWA schools used Egyptian textbooks in Gaza and Jordanian textbooks in the West Bank. Israeli officials censured the Egyptian and Jordanian books from 1967 until 1994, but did not replace them. The Palestinian Authority assumed responsibility for West Bank/Gaza education in 1994, and did not introduce their own textbooks in the UNRWA West Bank and Gaza schools until 2000.¹¹ Refugee camps in Syria and Lebanon continue to use Syrian and Lebanese text books. Section 732 encourages the General Accounting Office to audit U.S. assistance to UNRWA

¹¹ See Brown, Nathan J. *Democracy, History, and the Contest Over the Palestinian Curriculum*, n.p., the Adam Institute, November 2001. Brown, a professor at George Washington University, found the Palestinian textbooks to be "innocuous."

to ensure that U.S. funds are not supporting terrorism, anti-Jewish teachings, or the glorification of violence.

Israel receives about one quarter of its Foreign Military Financing (FMF) assistance from the United States as a direct grant to be spent in Israel, rather than as funds to be spent in the United States for purchase of U.S.-produced military equipment and services. Israel is the only country to receive direct FMF grants. By prior agreement, the United States is reducing the amount of Economic Support Funds (ESF) for Israel and increasing the annual FMF payments. Section 1321 of H.R. 1950 increases the amount of the direct grant portion of the FMF to match the increases in overall FMF for Fiscal Years 2003, 2004, and 2005. Section 1332 authorizes the Department of Defense to sell to Israel at market prices surplus U.S. military equipment currently held in a stockpile in Israel. There is no sizeable congressional opposition to these sections.

Section 1804 directs the Secretary of State to certify to Congress that the Comptroller General of the United States has access to financial information in order to review U.S. assistance to the West Bank and Gaza to ensure that the assistance is not used to support terrorism.

CRS Products:

For more information, see CRS Issue Brief IB85066, *Israel: U.S. Foreign Assistance*, and CRS Issue Brief IB92052, *Palestinians and Middle East Peace: Issues for the United States*.

Jerusalem¹²

A majority of the Members of Congress believe that the United States should recognize Jerusalem as the capital of Israel as evidenced by congressional passage of numerous resolutions and bills, including P.L. 104-45 of November 8, 1995 calling for the U.S. embassy to be moved from Tel Aviv to Jerusalem. U.S. Administrations have disagreed, arguing that Jerusalem's final status should be negotiated rather than decided unilaterally by Israel. Palestinian-Israeli agreements call for negotiations on the future of the city, and most nations agree that Jerusalem's status should be negotiated. Section 807 of S. 925 states that no funds authorized in the bill may be used for a U.S. Consulate in east Jerusalem unless the consulate is under the authority of the U.S. Ambassador to Israel, and that no funds may be used to publish materials listing national capitals unless Jerusalem is named as the capital of Israel. Section 221 of H.R.1950 repeats the two Senate subsections, then adds a third; that U.S. citizens born in Jerusalem may request that their passports list Jerusalem, Israel as their birthplace. Both the Senate and House versions appear to be congressional attempts to compel the Administration to take steps leading toward a recognition of Jerusalem as Israel's capital. Israel agrees with the congressional position.

¹² Written by Clyde Mark, Specialist in Middle East Affairs, Foreign Affairs, Defense, and Trade Division.

CRS Products:

For more information, see CRS Report RS20339, *Jerusalem, the U.S. Embassy and P.L. 104-45*, 22 September 1999, and CRS Issue Brief IB91137, *Middle East Peace Talks*.

Mexico: Migration, Pollution Control, Consular ID, Extradition Issues¹³

The House passed H.R. 1950 on July 16, 2003, with several provisions relating to Mexico. This included a modified version of a sense of the Congress provision regarding a possible bilateral migration accord with Mexico reported out by the House International Relations Committee on May 16, 2003 (H.Rept. 108-105, Part 1), two amendments stating the sense of Congress on joint pollution control on the border and Mexican extradition policy, and restrictions on Mexico's issuance of consular ID cards. There are no similar provisions in the bill (S. 925) under consideration by the Senate.

Migration Accord. The idea of a migration accord has been advanced by President Vicente Fox and by President Bush at presidential meetings in the last two years. Mexican officials have been pressing for the legalization of undocumented Mexican workers in the United States through amnesty or guest worker arrangements to protect their human rights and to reduce the number of migrants who die each year while seeking entry into the United States. In mid-February 2001, the two presidents agreed to hold cabinet-level negotiations to address migration and labor issues between the countries. Subsequent press reports suggested that various proposals were being considered by the Administration and by Congress, with leaders of both U.S. political parties reportedly seeking to gain favor with Hispanic voters and to deal with the existence of numerous undocumented workers in hard-to-fill jobs. In early September 2001, the two presidents pledged to reach agreement as soon as possible on a range of issues, including border safety, a temporary worker program, and the status of undocumented Mexicans in the United States. However, following the September 2001 terrorist attacks in the United States, congressional action focused on strengthening border security and alien admission and tracking procedures. In March 2002, the two presidents noted that important progress had been made to enhance migrant safety, and they agreed to continue the cabinet-level talks to achieve safe, legal, and orderly migration flows between the countries. During the annual Binational Commission meetings of cabinet secretaries in November 2002, Secretary of State Powell and Foreign Secretary Castañeda reaffirmed the intention to continue talks toward a migration agreement, but in January 2003, Castañeda resigned, reportedly in part out of frustration with the lack of progress in negotiating a migration accord with the United States.

When the House International Relations Committee marked up H.R. 1950 on May 8, 2003, Representative Menendez offered an amendment, which, in modified form, became Section 731. The initial amendment recounted the recent commitments on migration matters by the two governments as findings, and stated

¹³ Prepared by K. Larry Storrs, Specialist in Latin American Affairs.

the sense of Congress that the United States should reach an agreement with Mexico on a migration accord that would ensure that migration to the United States is “safe, orderly, legal, and dignified.” Arguing that the Menendez provision was too broad, Representative Ballenger offered a substitute amendment, subsequently approved 24-22, that stated the sense of Congress that a Mexico-U.S. migration agreement should address the key issues of concern for both nations, and should include an accord to open Mexico’s state-run petroleum monopoly (PEMEX) to reform and to investment by U.S. oil companies. It also added a finding that PEMEX “is inefficient, plagued by corruption and in need of substantial reform and private investment in order to provide sufficient petroleum products to Mexico and the United States to fuel future economic growth which can help curb illegal migration into the United States.” Representative Gallegly, expressing concern about fugitives from U.S. justice that Mexico will not extradite, offered an amendment to the Ballenger substitute measure, which was approved by unanimous consent, that the issues of extradition and law enforcement cooperation should be addressed in any migration agreement between the countries. In sum, Section 731, as reported, states the sense of Congress that the United States should as soon as practicable commence negotiations to reach a migration accord with Mexico which addresses the key issues of concern in both countries, which opens PEMEX to reform and investment by U.S. oil companies, and which addresses extradition and law enforcement issues.

Mexican officials and commentators criticized the Committee-reported provisions related to PEMEX and extradition as an intrusion in the domestic affairs of Mexico. The Office of the Mexican Presidency issued a statement on May 11, 2003, acknowledging that the negotiation of a migration agreement was a priority for the Fox Administration, but pointing out that “negotiating such an agreement in exchange for opening up *Petróleos Mexicanos* (the state oil industry - PEMEX) to foreign investment would be wholly unacceptable.” The statement further asserted that “major changes have been undertaken at PEMEX to modernize its infrastructure and make its management transparent, and thus guarantee that oil shall remain in Mexican ownership.”

During floor consideration on July 15, 2003, the House approved, as part of an en bloc amendment, an amendment proposed by Representative David Dreier, as modified by HIRC Chairman Henry Hyde, that became Section 730, that removed the previously mentioned references to PEMEX, and stated the sense of Congress that the United States and Mexico should conclude negotiations in an attempt to reach a migration accord that is as comprehensive as possible and which addresses the key issues of concern for both nations; and that as part of any agreement, the issues of extradition and law enforcement cooperation be addressed.

Pollution Control. During floor consideration on July 15, 2003, the House approved, as part of an en bloc amendment, an amendment proposed by Representatives Hunter, Cunningham, Davis, and Filner, that became Section 740, that expresses the sense of Congress that the U.S. Section of the International Boundary and Water Commission should give priority attention to treaty negotiations with Mexico on the building of a public-private wastewater treatment facility in Mexico that can treat sewage flowing from Tijuana to San Diego, as outlined in P.L. 105-457. The amendment recounted in the findings the damage to San Diego

beaches, and the three year delay in negotiations, and it required that monthly progress reports be submitted to appropriate congressional committees.

Extradition Issues. During floor consideration on July 15, 2003, the House approved Amendment 27 proposed by Representative McKeon that expresses in Section 744 the sense of the Congress that the U.S. government should encourage the Mexican government to work closely with the Mexican Supreme Court to persuade the Court to reconsider its October 2001 ruling so that the possibility of life imprisonment in the United States will not have an adverse effect on the timely extradition of criminal suspects from Mexico to the United States.

Consular ID Cards. In floor action on July 15, 2003, the House voted 226-198 to accept Amendment 17 by Representative John Hostettler that would establish in Section 232 a series of restrictions on the issuance of consular identification cards by foreign missions. In recent years, the Mexican consulates have been issuing matrícula consular cards for identity purposes, and they have been increasingly accepted in the United States in situations where proof of identity is required, such as for establishing banking accounts and obtaining credit cards, and transferring funds from the United States to Mexico. Critics argue that the cards are used primarily by illegal aliens seeking to obtain benefits not achieved through regular immigration law and procedures, and that they might facilitate money-laundering and terrorist activity. The amendment would require that foreign missions issue consular identification cards only to bona fide citizens of the country as verified by birth certificates, voter IDs, and passports; that card recipients be required to notify the mission of any change of address; that automated records be kept by the missions to prevent duplicate or fraudulent issuance; that records be subject to audit by the United States; and that the United States be notified of each issuance, including the name and address. In the event that a foreign mission has issued consular ID cards in violation of these provisions, it could be required to suspend the issuance of cards; and in the event of non-compliance, the State Department would suspend the issuance of immigrant or nonimmigrant visas, or both, to nationals of that country until it was in compliance with the requirements. Supporters of the amendment argued that the issuance of the cards was out of control and needed to be controlled. Opponents argued that it was an attack on the Mexican identity card and persons of Hispanic heritage, and that the requirements were onerous and excessive.

CRS Products:

For further information, see CRS Report RL31876, *Mexico-U.S. Relations: Issues for the 108th Congress*, by K. Larry Storrs.

Peace Corps¹⁴

The Peace Corps Charter for the 21st Century Act, appearing as title IX in the Senate bill (S. 925), is partly a response to a January 2002 initiative of the Bush Administration to double the size of the Peace Corps over a period of five years. S.

¹⁴ Prepared by Curt Tarnoff, Specialist in Foreign Affairs, Foreign Affairs, Defense, and Trade Division.

925 is nearly identical to the 2002 Senate-approved bills, S. 2667 and S. 12, except for altered authorization amounts and the requirement of a plan on increasing the number of volunteers. The Peace Corps Expansion Act of 2003, originally H.R. 2441 (H.Rept. 108-205), was added during floor debate to H.R. 1950.

S. 925 and H.R. 1950 share many features. Chiefly, both bills support an expanded volunteer force by authorizing appropriations to the year FY2007. Both bills require that volunteers be trained in the education, prevention, and treatment of infectious diseases so that they can convey this knowledge during their service. They establish a number of reporting requirements, including reports to Congress on how the Agency plans to increase the number of volunteers, new agency initiatives, country security concerns, student loans, and recruitment of volunteers for priority countries. The two bills reaffirm the Peace Corps' status as an independent agency. Both pieces of legislation focus attention on returned volunteers (RPCVs). They require that some members of a revived Advisory Council be RPCVs. Both bills urge that RPCVs be utilized to open or reopen programs in Muslim countries.

The two bills differ in several ways. Their authorization levels are slightly different (see table). H.R. 1950 requires more reports — on federal equal opportunity programs and on medical screening procedures and health considerations for putting volunteers in a country. It requires that recruiting be the responsibility of the Peace Corps; the Senate bill requires that it be “primarily” its responsibility. H.R. 1950 raises the minimum readjustment allowance provided volunteers at completion of service from \$125 for each month served to \$275 in FY2004 and \$300 thereafter, while S. 925 raises it to \$275 only (volunteers currently receive \$225). Under H.R. 1950, the Advisory Council has 11 members, 6 of whom are RPCVs; S. 925 would have 7 members, including 4 RPCVs. The latter measure requires regular meetings and an annual report from the Council on its functions. Both bills authorize establishment of an annual grant program to help RPCVs implement small projects — in S. 925 eligible projects must meet the so-called “third goal” of the Peace Corps (promoting an understanding of other peoples by Americans); in H.R. 1950 they could meet all Peace Corps goals. For this purpose, S. 925 authorizes the Corporation for National and Community Service to utilize \$10 million in funds additional to the regular Corporation budget; H.R. 1950 authorizes the Peace Corps Director to allocate the grants which are additional to the Peace Corps budget (or the role can be delegated to the Corporation). H.R. 1950 requires that the number of Crisis Corps volunteers be expanded to at least 120 in FY2004, 140 in FY2005, 160 in FY2006, and 165 in FY2007. It also contains a declaration of support for the Bush goal of doubling the Peace Corps by FY2007.

Although the Peace Corps is viewed positively by the public and is widely supported in Congress, the Peace Corps provisions raise a number of potential issues for policymakers. The doubling of the size of the Peace Corps means a substantial increase in the size of the agency's budget to nearly \$500 million by FY2007, presumably to be maintained for years thereafter. Budget constraints may prevent this rapid growth — the FY2003 Administration request of \$317 million was trimmed in the final appropriations bill to \$295 million. Further, Senate appropriators in their 2003 report (S.Rept. 107-219) called the expansion plan “overly ambitious,” potentially causing strains in administrative and programming

capacities and suggesting that expansion may have to be drawn out over more than five years.

CRS Products:

For further discussion, see CRS Report RS21168, *The Peace Corps: Expansion Initiative and Related Issues*.

Public Diplomacy¹⁵

Public diplomacy consists of U.S. government activities designed to present the American culture and promote understanding by foreign publics of U.S. government policies. Public diplomacy includes government exchange programs, international information programs, and U.S. government international broadcasting. (For details on international broadcasting measures, see that section above.) Both House and Senate bills include funding authorization and new program authority relating public diplomacy to the post 9/11 world.

Title VI, S. 925 — Strengthening Outreach to the Islamic World — would require the President to develop an international information strategy, focusing on regions with significant Muslim populations, and report to the relevant congressional committees. In addition, Section 602 would require the Secretary of State to include public diplomacy training at all levels of the Foreign Service. Section 612 of this title would expand existing educational and cultural exchanges and would include exchanges to promote religious freedom, information technology, and sports diplomacy.

House Title II of Div C, Subtitle A, United States Public Diplomacy — Section 202 emphasizes that public diplomacy must be an integral component of U.S. foreign policy. The Department, in coordination with international broadcasting entity is called on to coordinate efforts of all federal agencies in promoting public diplomacy activities. The section would establish a public diplomacy reserve corps which may include public diplomacy experts and related field experts from the private sector. Section 203 would require the Secretary of State to develop annually a public diplomacy strategy and specify goals, agency responsibilities and resources needed to achieve the stated goals. The Secretary would annually review the public diplomacy strategy and its impact on target audiences. Each annual report shall include an assessment of the U.S. public diplomacy strategy both worldwide and by region. Comparable to Section 602 in S. 925, Section 204 establishes public diplomacy as a priority in recruiting and training Foreign Service officers. It would require the Secretary to seek to increase, through recruitment and incentives, the number of Foreign Services officers who are proficient in languages spoken in predominantly Muslim countries.

Other measures contained in H.R. 1950, Title II, Subtitle A include reporting requirements and enhancements of the Advisory Commission on Public Diplomacy;

¹⁵ By Susan B. Epstein, Specialist in Foreign Policy and Trade, Foreign Affairs, Defense, and Trade Division.

implementation of a pilot program to assist foreign governments in order to establish or improve a public library system in their countries in order to improve literacy and public education; and a sense of Congress that the Secretary should include the predominantly Muslim populated countries in sub-Saharan Africa in the Department's public diplomacy activities.

Similar to Section 612 of the Senate bill, H.R. 1950, Title II of Div C, Subtitle C — *Educational and Cultural Activities* — contains Section 251 which would establish an array of exchange initiatives for predominantly Muslim countries. Included would be an expansion of the Fulbright Exchange and the Hubert H. Humphrey Fellowship programs in Muslim countries, a journalism training program, grants for U.S. citizens to teach English language overseas, and library training exchange.

State Department Authorities and Personnel Issues¹⁶

In addition to providing the required authority for the Department of State and related agencies to spend specified levels of appropriations (see Table 1 in the Appendix for appropriation and authorization levels), Division C of H.R. 1950 and S. 925 contain measures ranging from authorizing a U.S. diplomacy center to raising post differential pay and danger pay allowances for Foreign Service Officers to a security cost sharing among all agencies represented in overseas posts. On these issues, both bills have similar provisions, none of which seem controversial at this time.

CRS Reports:

For more detail on State Department and related agencies, see CRS Report RL31370, *State Department and Related Agencies: FY2003 Appropriations and FY2004 Request*.

Defense Trade and Security Assistance

Export Controls for Satellites¹⁷

Between 1992 and 1996, responsibility for decisions regarding export of commercial communications satellites was transferred from the State Department to the Commerce Department. In 1997, issues arose in connection with the launch of U.S.-built satellites by China as to whether U.S. satellite manufacturers were abiding by the terms of the export licenses granted by the Commerce Department, and whether such exports should be under the more restrictive controls of the State Department. The concern was that China might be gaining militarily useful

¹⁶ Written by Susan B. Epstein, Specialist in Foreign Policy and Trade, Foreign Affairs, Defense, and Trade Division.

¹⁷ By Marcia S. Smith, Specialist in Aerospace and Telecommunications Policy, Resources, Science, and Industry Division

information in connection with its launches of U.S.-built satellites. Subsequently, Congress directed that export control responsibility for these satellites be returned to the State Department effective March 15, 1999 (FY1999 DOD authorization bill, P.L. 105-261).

Which agency should control these exports remains controversial because of concern that uncertainty associated with State Department control over the licenses (particularly in terms of the time required for the licenses to be approved or denied) places U.S. companies at a competitive disadvantage with European satellite manufacturing companies. The Satellite Industry Association (SIA) released figures in May 2001 showing U.S. satellite manufacturers losing market share to foreign companies in 2000. SIA and others attributed that loss in part to the shift in jurisdiction to State. Congress directed the Secretary of State to establish an export regime that includes expedited approval for exports to NATO allies and major non-NATO allies in the FY2000 State Department authorization act (part of the FY2000 Consolidated Appropriations Act, P.L. 106-113). The new rules took effect on July 1, 2000. (In 2001 and 2002, U.S. companies won the majority of contracts for new commercial communications satellites, though it is not possible to draw a direct link between that and the regulatory change.)

Efforts to shift jurisdiction over these satellite exports back to the Commerce Department continue. In the 107th Congress, the House International Relations Committee (HIRC) recommended returning jurisdiction to the Commerce Department in Title VII of the Export Administration Act (H.R. 2581) as reported (H.Rept. 107-297, Part I). The House Armed Service Committee (HASC) struck Title VII, however, when it reported its version of the bill (H.Rept. 107-297, Part II). There was no further action on the bill. In the 108th Congress, Title XV of H.R. 1950 as reported from HIRC (H.Rept. 108-105, Part 1) would leave the decision on agency jurisdiction to the President if the export is to a NATO country or major non-NATO ally; exports to China would remain under State Department jurisdiction. However, the House Armed Services Committee struck Title XV when it marked up the bill (H.Rept. 108-105, Part 3), and it was not included in the version of the bill that passed the House on July 16.

In addition, the Security Assistance Act (P.L. 106-280) reduced from 30 days to 15 days the time Congress has to review decisions on exporting commercial communications satellites to Russia, Ukraine, and Kazakhstan, making the time period the same as for NATO allies. Section 1202 of the HIRC version of H.R.1950 recommended changing that time period back to 30 days for those three countries, a recommendation that is included in the bill as passed by the House July 16.

CRS Products:

For further information, see CRS Issue Brief IB93062, *Space Launch Vehicles: Government Activities, Commercial Competition, and Satellite Exports*, by Marcia Smith.

Israeli Palestinian Peace Enhancement Act of 2003¹⁸

Title XVI of Div. C, H.R. 1950 addresses the effort to achieve peace between the Israelis and Palestinians that began with President Bush's speech on June 24, 2002. It envisioned "two states, living side by side in peace and security." The President called on the Palestinians to elect new leaders "not compromised by terror" and to undertake "true reforms" to build a practicing democracy. He declared that the United States will not support the establishment of a Palestinian state until its leaders fight terrorists and dismantle their infrastructure. He promised that when there are new leaders and new security arrangements with Israel, the United States will then support the creation of a Palestinian state, but certain aspects of its sovereignty will be "provisional" until a final settlement in the Middle East. The President also declared that "as we make progress toward security, Israeli forces need to withdraw to positions they held prior to September 28, 2000, and Israeli settlement in the occupied territories must stop." The President added that in real peace, the "Israeli occupation that began in 1967 will be ended through a settlement negotiated by the parties, based on U.N. Resolutions 242 and 338, with Israeli withdrawal to secure and recognized borders."

Building on the President's vision, the United States, European Union, United Nations, and Russia (the "Quartet") developed a three-phase "Performance-Based Roadmap to a Permanent Two-State Solution to the Israeli-Palestinian Conflict." In Phase I, the focus will be on an end to terror and violence, the building of Palestinian political and security institutions, and the normalization of Palestinians life through humanitarian and economic responses, the dismantlement of Israeli settlement outposts erected since March 2001, and the freezing of all settlement activity. Phase II, will focus on the creation of an independent Palestinian state with provisional borders. Phase III, will see negotiations for a permanent agreement and an end of the Israeli-Palestinian conflict. The Roadmap was presented on April 30, 2003. The Roadmap calls for Israeli actions to "accompany" those of the Palestinians, although in Phase I the Palestinians are to unconditionally cease violence "immediately." The Palestinians, EU, and U.N. view the Roadmap as a parallel process, requiring simultaneous steps by both sides. The Israeli government and its supporters consider it to be a sequential process, beginning with an end to Palestinian violence, and maintain that the President's June 24, 2002 speech does so, as well.

Title XVII, Sec. 1602 declares that the security of Israel is a national security interest of the United States. It endorses the two-state solution as necessary to achieving the security of Israel, if the Palestinian state is peaceful, democratic, "and abandons the use of terror forever." Sec. 1603 states a willingness to provide substantial assistance to the Palestinians after they achieve peace with Israel. Sec. 1604 indicates that transformation of the Palestinian system of government along the lines outlined in President Bush's June 24, 2002 speech is a precondition for peace negotiations. Sec. 1605 calls on the President not to recognize a Palestinian state until it embodies his June 24, 2002 vision. Sec. 1606 allows the provision of assistance to a Palestinian state if the President certifies that an international peace

¹⁸ Prepared by Carol Migdalovitz, Specialist in Middle Eastern Affairs, Foreign Affairs, Defense, and Trade Division.

agreement has been signed, in which both parties commit to an internationally recognized boundary with no remaining territorial claims and, in which, the issue of refugees is resolved. In other words, the bill bans aid to the Palestinian state with provisional borders that is to emerge from Phase II of the Roadmap. However, the President may waive this provision if he determines and certifies that it is in the U.S. national interest. The limitations on assistance do not apply to humanitarian assistance or aid to help reform the Palestinian Authority. Assistance to the Palestinian state for economic development, democratization, security cooperation with Israel, and to help compensate Palestinian refugees is specifically authorized.

The Senate bill has no parallel provisions.

CRS Products:

For background, see CRS Issue Brief IB91137, *The Middle East Peace Talks*, and CRS Issue Brief IB92052, *Palestinians and Middle East Peace: Issues for the United States*.

Missile Technology Control Regime Annex¹⁹

H.R. 1950 requires that the Secretary of State, in coordination with the Secretary of Commerce, the Attorney General, and the Secretary of Defense certify to Congress no later than March 1 of each year that items on the Missile Technology Control Regime (MTCR) Annex have been under stringent control in accordance with the International Traffic in Arms Regulations (ITAR) and Export Administration Regulations (EAR) for the previous year. The legislation also requires that if the requirement has not been met, then reasons why this did not occur must also be included in the certification. This proposed annual certification also requires that the Secretary of State describe any updated coverage in both the ITAR and EAR as they relate to MTCR Annex items. In addition, any overlap or omissions in these regulations as they relate to MTCR Annex items will also be included in the certification to Congress. The Senate version, S.925, Foreign Relations Authorization Act, Fiscal Year 2004, does not contain similar provisions.

Section 1201 of H.R. 1950 appears to be an attempt to strengthen controls by assigning specific accountability for U.S. missile-related activities. Current law (Section 832 of the Foreign Relations Authorization Act, Fiscal Years 2002 and 2003) requires reporting on all international transfers of MTCR equipment or technology to any country seeking to acquire such equipment, including U.S. transfers of such equipment or technology. Furthermore, current law requires the following:

- An analysis of the effectiveness of the regulatory and enforcement regimes of the United States as they relate to the MTCR, and;

¹⁹ Written by Andrew Feickert, Analyst in National Defense, Foreign Affairs, Defense, and Trade Division.

- An explanation of U.S. policy regarding the transfer of MTCR equipment and technology to foreign programs.

Section 1201, as proposed, also formally designates the Secretary of Commerce and the Attorney General to be part of the review and certification process, whereas current law stipulates roles only for the Secretary of State and the Secretary of Defense. The formal inclusion of the Secretary of Commerce and the Attorney General in this requirement will likely be viewed in favorable terms as both are involved in a variety of missile nonproliferation capacities. The reporting on overlaps and omissions in terms of the ITAR and EAR in the proposed annual certification might help Congress identify areas where both regulations can be improved by legislative action. The proposal of the annual certification proposed in Section 1201 may generate opposition, particularly in the Executive Branch. The question that may arise is one of Congressional intent: Is this certification intended to establish legal accountability, or is it to compel the Secretaries of State, Defense, and Commerce, and the Attorney General to cooperate in improving U.S. government control of MTCR-related items? If it is to establish legal accountability, there could be a significant degree of opposition. If it is to improve cooperation, it may be argued that there is alternative legislative language that could achieve the same intent.

CRS Products:

CRS Report RL31848, *Missile Technology Control Regime (MTCR) and International Code of Conduct Against Ballistic Missile Proliferation (ICOC): Background and Issues for Congress*, Andrew Feickert.

CRS Report RL31502, *Nuclear, Biological, Chemical, and Missile Proliferation Sanctions: Selected Current Law*, Dianne E. Rennack.

Missile Threat Reduction Act of 2003²⁰

H.R. 1950, Section 1412 calls for a U.S.-led effort to seek a binding international instrument(s) to restrict trade of offensive ballistic missiles. This proposal addresses offensive ballistic missiles with a range of at least 300 km and a payload capacity of 500 kg or more and would apply to both conventional and weapons of mass destruction-armed missiles. Because this proposal stipulates only offensive ballistic missiles, it is assumed that surface-to-air missiles and ballistic missile defense interceptor missiles would not be subject to the binding instrument. Cruise missiles and unmanned aerial vehicles (UAVs), which are included in provisions of the Missile Technology Control Regime (MTCR), are not included in this proposal. This binding instrument may be in the form of a multilateral treaty, United Nations Security Council Resolution (UNSCR), or another instrument of international law. No matter what form this instrument takes, it is proposed that it should also include enforcement measures including “interdiction, seizure, and impoundment of illicit shipments of offensive ballistic missiles and related

²⁰ Prepared by Andrew Feickert, Analyst in National Defense, Foreign Affairs, Defense, and Trade Division.

technology, equipment, and components”. Such a binding instrument is not reflected in current law.

The Senate version of the Foreign Relations Authorization Act, S.925, does not address the establishment of a binding agreement restricting the trade of ballistic missiles.

It is unclear if the proposed instrument would replace the MTCR and the International Code of Conduct Against Ballistic Missile Proliferation (ICOC), or if it would complement these voluntary, non-binding arrangements. U.S. sponsorship of a Security Council resolution or multilateral treaty could prove to be controversial, given the current climate in the United Nations. Attempts to include an enforcement mechanism, especially provisions for “interdiction, seizure, and impoundment,” may face considerable resistance on a legal, policy, and practical basis. This measure has led some experts to ask whether some sort of an international enforcement organization would be created or whether any country might “interdict” what they deem to be illicit ballistic missile or technology shipments.

Those in Congress who favor revitalizing nonproliferation efforts in lieu of the current Administration’s emphasis on a counterproliferation strategy involving potential preemption might be generally supportive of legislation that attempts to strengthen nonproliferation controls. There also likely will be skepticism, both in Congress and the Administration, based on the argument that proliferating countries would decline to accede to the treaty or refuse to comply with its provisions if they become members. The U.S. aerospace industry, particularly companies involved in ballistic missile interceptors, cruise missiles, and UAVs, might be supportive of this treaty as it does not include restrictions on these systems in its provisions. Likewise, the Department of Defense might be supportive as such exempted systems are considered by many the “workhorses” of the modern U.S. military.

H.R. 1950, Section 1413 calls for U.S. sponsorship of a U.N. Security Council Resolution prohibiting United Nations members from “purchasing, receiving, assisting or allowing transfer of” missile or missile-related equipment and technology from North Korea and permits interdiction, seizure, or impoundment of North Korean missiles or related technology and equipment. (The Senate version, S.925, does not contain similar provisions.) This resolution might receive support from countries that are concerned about continuing North Korean missile proliferation, particularly proliferation to countries such as Iran, Pakistan, and Libya. The proposal addresses the possibility that countries such as North Korea, Iran, Pakistan, and Libya might not accede to the proposed U.S.-sponsored ballistic missile treaty. Proponents believe that this resolution, if vigorously and uniformly enforced, could significantly impede North Korean missile and technology sales and could also have a detrimental impact on the medium and intermediate-range ballistic programs of Iran, Pakistan, and Libya — all reported to be heavily dependent on North Korean missile technology and assistance.

Critics are likely to maintain that a U.N. Security Council resolution presents the same issues as does the proposed U.S.-sponsored treaty in terms of enforcement mechanisms. From their perspective, the December 2002 U.S. release of Yemen-

bound North Korean SCUDs seized at sea could serve as a legal precedent for countries opposing such a resolution. Additionally, they maintain that there is likely to be resistance to this resolution if it permits interdiction without Security Council approval. Some analysts suggest that, to be approved, the resolution would have to contain provisions for the Security Council to review evidence on a case-by-case basis and establish “probable cause” before sanctioning interdiction or seizure.

CRS Products:

CRS Report RL31848, *Missile Technology Control Regime (MTCR) and International Code of Conduct Against Ballistic Missile Proliferation (ICOC): Background and Issues for Congress*, Andrew Feickert.

CRS Report RL31502, *Nuclear, Biological, Chemical, and Missile Proliferation Sanctions: Selected Current Law*, Dianne E. Rennack.

Munitions Export Controls²¹

H.R. 1950, as passed by the House, contains, in Title XIII, provisions related to export controls of items on the U.S. Munitions List, as well as new reporting requirements. Specifically, the committee bill contains technical amendments to the Arms Export Control Act (AECA) in Sections 1202-1204. Section 1202 amends section 36(c) of the AECA to require advance certification to Congress of any comprehensive export authorization in the amount of \$100 million or more, regardless of whether a signed contract exists. This section also repeals clause (B) of paragraph 2 of section 36(c), thus establishing a 30 day waiting period for satellite launches by Russia, Kazakhstan, and Ukraine. Section 1203 amends section 36(d) of the AECA to no longer require advance notification of agreements involving the manufacture abroad of significant military equipment that is valued at less than \$7 million in the case of major defense equipment, or \$25 million in the case of all other significant military equipment. Section 1204 amends section 38 of the AECA to establish an accelerated and streamlined munitions license approval procedure of ten days for Australia and the United Kingdom. The procedure would apply to those defense articles, services, and technology that are currently exempt by regulation (i.e. section 126.5 of the International Traffic in Arms Regulations, title 22 C.F.R.) from prior U.S. Government review and licensing requirements when they are to be exported or transferred to Canada. Section 1205 of the House bill would require the Secretary of State to establish a coordinator for small business affairs in the Office of Defense Trade Controls to serve as a point of contact for U.S. small businesses on export licensing, registration, and other matters.

The House bill also contains two reporting requirements. Section 1201 requires the Secretary of State, in consultation with the Secretaries of Commerce and Defense, and the Attorney General, to provide an annual certification and report to Congress on U.S. missile technology export controls. The intent is to ensure that U.S. missile technology controls are clearly established and kept up-to-date, in light of the special

²¹ Prepared by Richard F. Grimmett, Specialist in National Defense, Foreign Affairs, Defense, and Trade Division.

threat to U.S. security interests that would be presented by the unauthorized export and proliferation of missile technologies. Section 1206 contains a sense of the Congress provision noting that administrative, licensing and compliance-related functions associated with arms exports under section 38 of the Arms Export Control Act could be expedited by a reduction in those matters necessitating inter-agency referral outside of the State Department, or by co-locating munitions control functions of the Departments of State, Defense, and Homeland Security. Section 1206 requires the Secretary of State to consult with the Secretaries of Homeland Security and Defense, and the public — through the U.S. Government’s federal advisory committee structure — to examine the relative advantages and disadvantages of co-location of munitions control functions, and to report on this matter to the appropriate committees of Congress within 180 days of enactment of this provision.²²

On May 29, 2003, the Senate Foreign Relations Committee reported S. 1161, a bill to authorize foreign assistance for FY2004. The reported committee bill contains technical amendments to current law. Section 231 of the committee bill raises the minimum dollar thresholds at which sales of certain defense articles, design and construction services, and major defense articles (or upgrades of such sales) must be reported to Congress under Section 36 of the Arms Export Control Act (AECA). These thresholds were raised from \$14 million to \$50 million for major defense equipment, from \$50 million to \$100 million for defense articles and defense services, and from \$200 million to \$350 million for design and construction services. Section 232 requires the President to make certifications to Congress under section 36(c)(1) of the AECA before issuing comprehensive authorizations (under section 126.14 of the International Traffic in Arms Regulations (ITAR) Title 22 C.F.R.) for the export of defense articles or defense services to an eligible country or foreign partner. Section 233 provides an exception to the requirements for bilateral agreements for country exemptions from International Traffic in Arms Regulations contained in section 38(j)(A) of the AECA with respect to transfers of certain U.S.-origin defense items within Australia. Section 238 grants eligibility to Haiti for the purchase of defense articles and services for the Haitian Coast Guard under the AECA, subject to existing notification requirements. Section 239 of the Senate committee bill also contains a sense of the Congress statement that once a bilateral agreement with the United Kingdom for an exemption from the International Traffic in Arms Regulations (ITA) for certain United States-origin defense items is finalized, the United States should approve an appropriately-crafted exception the current requirements of section 38(j) of the Arms Export Control Act.

CRS Products:

For related background see CRS Report RL31675, *Arms Sales Congressional Review Process*; and CRS Report RL31559, *Proliferation Control Regimes: Background and Status*.

²² For related background see CRS Report RL31675, *Arms Sales Congressional Review Process*; and CRS Report RL31559, *Proliferation Control Regimes: Background and Status*.

Security Assistance²³

H.R. 1950, as passed by the House, contains, in Title XIII, a number of provisions relating to military assistance and arms export control, including authorizations for appropriations for a number of security assistance programs. Specifically, the House bill contains provisions providing funding authorizations for Foreign Military Sales and Financing, International Military Education and Training, de-mining assistance, and the non-proliferation and disarmament fund. A variety of technical language changes to existing law are made. Authority is also provided to transfer certain obsolete or surplus war reserve defense articles to Israel, and the authority is expanded to loan to friendly foreign countries, material, supplies, and equipment for research and development purposes. Title XIII includes provisions establishing reporting requirements to Congress relating to U.S. cooperative efforts with foreign governments to foster development and deployment of defenses against missile attack, as well as the obligation to submit to the House International Relations Committee all reports provided to the Senate Foreign Relations Committee on Strategic Offensive Reductions between the U.S. and the Russian Federation. Funding authorization is provided for refurbishment and various costs associated with the transfer of up to four maritime interdiction patrol boats for Mozambique. The House bill also contains a statement of the House of Representatives regarding the treaty with the Russian Federation on Strategic Offensive Reductions, as well as a statement of Congressional findings regarding Iran's program to develop a nuclear explosive device.

On May 29, 2003, the Senate Foreign Relations Committee reported S.1161, to authorize foreign assistance for FY2004. The Senate Committee bill contains a number of provisions relating to military assistance and arms export control, including authorizations for appropriations for a number of security assistance programs. Specifically, the committee bill contains funding authorizations for Foreign Military Sales and Financing, de-mining assistance, the non-proliferation and disarmament fund, and International Military Education and Training (IMET). The Senate bill makes various technical changes to existing law. Section 204 creates the authority for the Secretary of State to receive lethal excess property from other U.S. Government agencies for the purpose of providing it to foreign governments. Section 207 authorizes the President to waive the requirement that net proceeds from the disposal of defense articles granted to a foreign country be paid to the United States. Section 208 authorizes the President to transfer certain obsolete or surplus defense items to Israel, in exchange for concessions of equivalent value, with the requirement that Congress receive prior notification before any transfer is made. Section 209 authorizes the President, through FY2004, to transfer excess items to the Defense Department's War Reserve Stockpile in Israel. Section 212 makes permanent an authority to allow the State Department and USAID to dispose of de-mining equipment on a grant basis in foreign countries. Section 213 updates authorities provided to the President in Section 614 of the Foreign Assistance Act, to waive restrictions on providing economic and military assistance, and increases the amount

²³ Richard F. Grimmert, Specialist in National Defense, Foreign Affairs, Defense, and Trade Division.

of assistance that can be provided, through use of this authority, to any single country from \$50 million to \$75 million in any fiscal year.²⁴

CRS Products:

For funding levels for military assistance programs that are associated with this legislation see CRS Report RL31811, *Appropriations for FY2004: Foreign Operations, Export Financing, and Related Programs*.

Terrorist Organizations²⁵

The overall purpose of Section 501 in S. 925 is to make it harder for terrorist organizations to be removed from designation as a Foreign Terrorist Organization absent a petition by a designated entity itself and/or review by the Secretary of State. It also prevents groups from using aliases to evade the law. It is intended to improve U.S. ability to keep track of, and sanction, these groups.

Section 501(a) removes the current requirement set forth in Section 219 of the Immigration and Nationality Act (8 U.S.C. 1189) that the designation of an organization as a Foreign Terrorist Organization (FTO) automatically lapse after two years unless the Secretary of State renews it. Instead it places the onus on the FTO to petition to ask to be removed. If the FTO does not petition to be removed within a four-year period, however, then the Secretary must take the initiative and review the designation to determine whether or not it should continue. As amended, neither the results of the four-year evaluation nor the procedures established to make such an evaluation are subject to judicial review; thus, there is much more procedural protection if the FTO chooses to challenge the designation before the four-year review. The ability to revoke the FTO's designation by act of Congress also stays in place.

An interesting implication of these changes is that, in placing the burden on the Foreign Terrorist Organization to come forward, the process could be useful to the U.S. government in gathering counter terrorist intelligence. A terrorist group must reveal its identity and membership, at least to some extent, in order to petition to be removed from the list. Since designation as a terrorist organization carries numerous legal implications, including the possible freezing of U.S. assets and barring of members' entry into the United States, this provision increases the leverage that the Executive branch has in both identifying and potentially controlling terrorist groups — assuming that Foreign Terrorist Organizations are appropriately labeled in the first place.

Section 501(b) gives the Secretary the flexibility to amend an FTO's designation to take into account new or different names that a terrorist group might use. This is

²⁴ For funding levels for military assistance programs that are associated with this legislation see: CRS Report RL31811, *Appropriations for FY2004: Foreign Operations, Export Financing, and Related Programs*.

²⁵ Prepared by Audrey Kurth Cronin, Specialist in Terrorism, Foreign Affairs, Defense, and Trade Division.

an effort to keep the law from being evaded by groups that evolve or change their names but continue to be essentially the same group — an important problem in the current international terrorist environment. Sections 501 (c) and 501 (d) are technical changes designed to make this part of the bill conform to Section 219 of the Immigration and Nationality Act, and to ensure that earlier redesignations of FTOs remain valid.

No similar provisions are in the House bill.

Terrorist-Related Prohibitions and Enforcement Measures²⁶

Title XI of H.R. 1950, as passed by the House, deals with prohibitions that are related to preventing terrorists and their state sponsors from acquiring arms and other materials. Section 1101 amends section 3 of the Arms Export Control Act (AECA) strengthening the ineligibility language to include specific reference to state sponsors of international terrorism and those who trade with them. The next five sections relate to section 38 of the AECA: Section 1102 strengthens and expands the statutory authority of the State Department (administering the President’s authority) to regulate access by foreign persons to munitions and other defense articles, even in situations where the foreign person is in the United States and there is no classic “export” involved. (The legislation also notes that this authority must be exercised in close coordination with the Attorney General.) Section 1103 expresses the sense of Congress that new exemptions from licensing requirements should be undertaken after coordination with law enforcement agencies. Section 1104 is a technical amendment that updates language to reflect new legislation enacted since September 11. And Section 1105 attempts to prevent any prohibited material from being exported without a license to the military, police, or intelligence services of embargoed countries unless there is concurrence by both the Secretaries of State and Defense.

Section 1106 changes language in section 40 of the AECA, expanding upon the list of prohibited items that may not be sold to state sponsors of international terrorism. Section 1107, which apparently aims to increase the deterrent effect of the penalties, strengthens the ability to enforce violations of the AECA, for example, by increasing the fines for criminal violations when they involve state sponsors of international terrorism. It also includes technical changes of language in Section 47. Section 1108 changes the standards for high risk exports under Section 38 to require frequent coordination among the Secretary of Homeland Security, the Attorney General, the Director of the Federal Bureau of Investigation, and the Director of Intelligence. Finally, Section 1110 requires the President to submit a report to the Committee about the nature and origin of foreign-supplied items discovered by coalition forces in Iraq.

There are no similar measures in the Senate bill S. 925.

²⁶ Prepared by Audrey Kurth Cronin, Specialist in Terrorism, Foreign Affairs, Defense, and Trade Division.

CRS Products:

For more information on defense export controls, see CRS Report RL30983, *U.S. Defense Articles and Services Supplied to Foreign Recipients: Restrictions on Their Use*, and CRS Report RL31675 *Arms Sales: Congressional Review Process*.

Foreign Assistance²⁷

Afghanistan²⁸

The House bill (H.R. 1950) contains a provision calling on the Administration to increase its efforts to strengthen the central government in Kabul. The “findings” section of the provision asserts that the U.S.-led reconstruction effort in Afghanistan is in jeopardy because of a lack of security throughout Afghanistan and the limited writ of the U.S.-backed central government in Kabul. The provision, no equivalent of which is contained in the Senate version, calls for expanding the mandate and capabilities of an international peacekeeping force, the International Security Assistance Force (ISAF), and augmentation of the number of forces devoted to U.S.-led “provincial reconstruction teams,” — local groupings of U.S. and other forces and aid workers designed to promote the climate for reconstruction.

The provision is likely to be interpreted as a criticism of the Administration and an assertion that the Administration has devoted insufficient resources to the Afghan reconstruction effort. Several recent press articles have reported that, among other difficulties, much of Afghanistan remains under the control of regional leaders, some of whom are clashing with each other, and that international relief organizations are reluctant to work in parts of Afghanistan because of security concerns. In recent statements, Administration officials have identified some of the same security difficulties mentioned in the provision, although Administration statements say that these problems are manageable and are not at a level of intensity where they materially hinder reconstruction or the return of political stability. The departing U.S. commander of the 9,000 U.S. troops still in Afghanistan said in late May 2003 that security is improving to the point where the United States is likely to begin reducing U.S. forces there by mid-2004.²⁹ According to the former commander, Lt. Gen. Dan McNeill, “the preponderance of the country is enjoying a high degree of stability,” and the U.S.-trained Afghan National Army should begin to become self-sufficient within the coming year. Since training began in mid-2002, the United States has trained about 4,500 recruits to the national army and the U.S. and Afghan plan is to build it to a force strength of 70,000. However, many experts believe it will be at least several more years before the army reaches that strength and that, in

²⁷ For more information on Foreign Assistance Authorization, see CRS report RL31959, by Larry Nowels.

²⁸ This section was prepared by Kenneth Katzman, Specialist in Middle Eastern Affairs.

²⁹ Former Commander: Forces Can Be Reduced Next Year in Afghanistan. *Associated Press*, May 28, 2003.

the interim, the United States and international peacekeeping forces will be needed to ensure stability.

CRS Products:

CRS Report RL30588, *Afghanistan: Current Issues and U.S. Policy*.

CRS Report RL31759, *Reconstruction Assistance in Afghanistan: Goals, Priorities, and Issues for Congress*.

CRS Report RL31389, *Afghanistan: Challenges and Options for Reconstructing a Stable and Moderate State*.

The Africa Society³⁰

The Africa Society is an organization set up to implement the *National Policy Plan of Action for U.S.-Africa Relations in the 21st Century*, a programmatic document produced by the National Summit on Africa, and to pursue other activities similar to those described in H.R. 1950, as amended. The Summit, held in 2000, culminated a series of U.S. regional policy planning and outreach meetings. These sought to increase U.S. public support awareness of Africa and formulate a grassroots foreign policy strategy to increase public engagement with — and guide — U.S.-Africa relations. The Society, hitherto financially supported by corporate and non-profit organizations, is chaired by former U.S. United Nations ambassador Andrew Young. Its President is Leonard H. Robinson, Jr., a former State Department African Affairs official and the first president of the African Development Foundation. The Society has hosted many Africa-focused public policy forums that have included bipartisan congressional Member and staff participation, as well as African leaders, and Clinton and Bush administration officials. The Society has initiated a joint project with the University of California, Los Angeles to establish a National Research Institute on African Affairs.

Title XVIII, Section 1815, of H.R. 1950, as passed by the House on July 16, 2003, authorizes the Secretary of State to make grants to the Africa Society of the National Summit on Africa of \$1 million in FY2004 and “such sums as may be necessary” in FY 2005. Such sums would fund public and private partnership-based programs and activities, defined under “necessary and appropriate” grant agreements, that advance U.S. interests and values in Africa. The bill characterizes such interests as those that support the development in Africa of more open, democratic systems; assist civil society capacity building; increase equitable trade and investment-based economic growth; enhance public and private sector transparency and openness; and promote U.S. public awareness about Africa. Section 1815 had earlier been considered and adopted by voice vote by HIRC on May 8, 2003, after being offered by Rep. Donald M. Payne on the same day. Neither S.925, the Foreign Relations Authorization Act, FY2004, nor S.1161, the Foreign Assistance Authorization Act, FY2004, make reference to the Africa Society.

³⁰ Contributed by Nicolas Cook, Analyst in African Affairs, Foreign Affairs, Defense and Trade Division.

Colombia and Andean Region Assistance^{31 32}

The House passed H.R. 1950 on July 16, 2003, with several provisions relating to Colombia and neighboring countries in the Andean region, following the recommendations reported out by the House International Relations Committee (House Report 108-105, Part 1) on May 16, 2003. The Senate Foreign Relations Committee (SFRC) reported out S. 925 (Foreign Relations Authorization for FY2004, Senate Report 108-39) on April 24, 2003, with a provision to repeal the requirement for a semi-annual report on extradition of narcotics traffickers from Andean countries; and it reported out S. 1161, Foreign Assistance Authorization Act for FY2004 (Senate Report 108- 56) on May 29, 2003, with several provisions on Colombia. The Senate considered S. 925 on July 9-10, 2003, and added several amendments related to Colombia, but it has not completed action, and that measure and has not considered S. 1161.

Reflecting continuing concern with the persistent and complex conflict in Colombia, the spill-over of guerrilla and drug trafficking activities into neighboring countries, and the ongoing involvement of the United States (including the kidnaping and killing of American citizens), HIRC reported out H.R. 1950, with three reporting requirements similar to provisions in the Foreign Relations Authorization for FY2003 (H.R. 1646/P.L. 107-228), and with the provision of additional authority related to the interdiction of illicit arms trafficking. These provisions were subsequently approved by the House without modification.

Section 702 of the House-passed bill requires the Secretary of State, after consulting with internationally recognized human rights organizations, to make a very detailed report to Congress, not later than 30 days after enactment and every 180 days thereafter, on the specific measures that the Colombian authorities are taking to apprehend and prosecute leaders of paramilitary organizations and other terrorist organizations. The Committee report expressed concern about the illegal activities not only of two leftist guerrilla groups — the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN) — but also of the rightist paramilitary groups, specifically the United Self Defense Forces of Colombia (AUC), that are reported to be responsible for at least half of all non-combatant killings, torture, and disappearances. Noting that the State Department's March 2003 human rights report found some continuing collusion with the AUC by members of the Colombian security forces, the Committee report stated that Colombia's government has not committed at every level to confront the paramilitaries and to protect civilians from paramilitary abuses.

Section 708 requires the Secretary of State to submit a report on the impact of the U.S. assistance plan known as Plan Colombia on Ecuador and Colombia's neighboring countries to appropriate congressional committees not later than 30 days after enactment. This report is to set forth a comprehensive strategy for United States

³¹ Prepared by K. Larry Storrs and Connie Veillette, Analysts in Latin American Affairs, Foreign Affairs, Defense and Trade Division.

³² See also in this report the section *International Narcotics Control* below.

activities in Colombia, with specific reference to the impact of U.S. assistance on Ecuador and other adjacent countries, and it is to provide the reasons for the failure to submit a report on this subject as required by the Foreign Relations Authorization Act for FY2003. Stating that a State Department report of March 4, 2003 was inadequate, the Committee report expressed the expectation that a new report “will address in detail not only the counter-drug repercussions of Plan Colombia and its successor programs on Ecuador and other adjacent countries, but also the humanitarian and economic development implications of increased eradication efforts for these countries.”

Section 1801 provides specific authority for U.S. counter-drug assistance which is being used to support the interdiction of aerial trafficking of illicit narcotics to be used to support the interdiction of illicit arms in connection with illicit drug trafficking. The Committee report notes that “this provision ensures that any and all illegal arms brought into Colombia by aerial means that are in any way trafficked in connection with the illicit drug trade, are also clearly eligible for U.S. assistance in interdicting.”

Section 1802 requires the Secretary of State, acting through the Department of State’s Narcotics Affairs Section (NAS) in Bogota, Colombia, to ensure, not later than 180 days after enactment, “that all pilots participating in the United States opium eradication program in Colombia are Colombians and are fully trained, qualified and experienced pilots, with preference provided to individuals who are members of the Colombian National Police.” The Committee report states that local Colombian police anti-drug pilots are more familiar with the terrain and can be more effective in locating crops, thereby enhancing efforts to eradicate the small but potent opium crop that makes up nearly two-thirds of U.S. heroin use, according to recent United States estimates, while promoting the Colombianization of the programs and reducing the involvement of U.S. private contractors.

On the Senate side, the Senate Foreign Relations Committee reported out S. 925 with one provision related to Colombia and the Andean region. Responding to a request from the Executive Branch, Section 801 of the bill would repeal the requirement in the Emergency Supplemental Appropriation Act for FY2000 (P.L. 106-246) that the State Department report semi-annually on the extradition of narcotics traffickers from Andean countries.

In floor action on S. 925 on July 10, 2003, the Senate approved two amendments related to Colombia and Andean region assistance, both approved by voice vote.

S.Amdt. 1162, proposed by Chairman Lugar, added Section 815 which would modify the reporting requirements on U.S. personnel involved in the anti-narcotics campaign in Colombia by changing the frequency of the reports from bimonthly to quarterly, and by clarifying that the reports were to be provided to appropriate committees of Congress.

S.Amdt. 1194, proposed by Majority Leader Frist, added Section 2522 which commends the leadership and people of Colombia for the progress made against illicit drug traffickers and terrorists, and which expresses U.S. support for the efforts

of President Uribe and the government and the people of Colombia to preserve and strengthen democracy, human rights, and economic opportunity in Colombia.

On May 29, 2003, the Committee reported out S. 1161, with several modifications on assistance to Colombia and the Andean region.

Section 122 authorizes \$700 million (rather than the \$731 million requested) for the Andean Counterdrug Initiative. It further provides that assistance for Colombia for FY2004 and previous years may be used to support a unified campaign against narcotics trafficking and terrorist activities; and to take actions to protect human health and welfare in emergency circumstances, including undertaking rescue operations. It further provides that U.S. personnel providing such assistance shall be subject to the personnel caps in the Emergency Supplemental Act for 2000, shall not participate in any combat operation in connection with such assistance; and shall be subject to the condition that Colombia is fulfilling its commitment to the United States with respect to its human rights practices, including specific conditions set forth in the Foreign Operations Appropriations for FY2003.

Section 502 provides that information on the extent of involvement of U.S. businesses in counter-narcotics activities under State or Defense Department contracts, required by the previous Foreign Relations Authorization, may be reported in the annual report detailing the counter-narcotics performance of drug producing and drug transit countries.

CRS Products:

For more information, see the section on Colombia and the Andean Regional Initiative in CRS Report RL31726, *Latin America and the Caribbean: Issues for the 108th Congress*, by Nina M. Serafino; and CRS Report RL31383, *Andean Regional Initiative (ARI): FY2002 Supplemental and FY2003 Assistance for Colombia and Neighbors*, by K. Larry Storrs and Nina M. Serafino.

Congo Basin Forest Partnership³³

Section 1809 of H.R. 1950 authorizes \$18.6 million for each of fiscal years 2004 and 2005 for the Congo Basin Forest Partnership (CBFP) program. The Senate bill S. 1161 contains a Congo Basin initiative, but without specifying a particular funding level. H.R. 1950 notes that the Subcommittee on Africa conducted an oversight hearing on this program, which was announced by Secretary of State Colin Powell in 2002. The bill describes the CBFP as “an impressive and innovative approach to conservation in this environmentally at risk region.” The bill also notes that the program will help protect some 25,000,000 acres of landscape against poorly managed and non-managed logging, and states the importance of the tropical forests of the Congo Basin to both human livelihoods, the existence of several species, and environmental protection.

³³ Written by Susan R. Fletcher, Senior Analyst in International Environmental Policy, Resources, Science, and Industry Division.

Announced as a key U.S. initiative at the World Summit on Sustainable Development in Johannesburg, South Africa, on September 4, 2002, and in Gabon, one of the key participating countries, the CBFP is a partnership that includes several Congo Basin African countries, the European Union, the World Bank, the International Tropical Timber Organization (ITTO), and a number of non-governmental organizations. In December 2002, the United States announced that the U.S. contribution would be through a \$12 million per year increase within the Central African Regional Program for the Environment (CARPE), and that the U.S. plan is to invest or leverage up to \$53 million in the CBFP through the year 2005. The non-governmental organizations in the partnership pledged to match the U.S. government's contribution, and other partners are expected to provide significant additional contributions.

The bill provides for an increase in the announced level of annual support for this program, stating that \$16 million each year is authorized for the on-going (CARPE), which will be the lead program through which the United States will participate in the CBFP.

International Narcotics Control^{34 35}

In the area of international narcotics control, interest often centers on Plan Colombia and its spillover effect on neighboring countries. An important U.S. policy objective is an effective narcotics control program in Colombia, one in which eradication of crops and law enforcement/interdiction play central roles. Complicating U.S. narcotics policy objectives in Colombia is widespread corruption — considered to be less in the Colombian National Police than in other institutions involved in counter-narcotics. Also complicating U.S. policy objectives are concerns that those involved in counter-narcotics may not maximize respect for human rights or may commit atrocities in a campaign against members of the Revolutionary Armed Forces (FARC). Finally, many are concerned that U.S. personnel could be drawn into a combatant role in what is perceived by a growing number of analysts as a seemingly endless and unwinnable war, thereby prompting efforts to minimize direct participation by U.S. personnel in counter-narcotics operations. A major criticism of U.S. foreign drug control policy initiatives from some commentators is that they are overly “Colombia centric”.

The House version of the Foreign Relations Authorization Act, Fiscal Years 2004 and 2005 (H.R. 1950) contains four notable provisions that refer to international narcotics control issues. All of these provisions, arguably, relate either directly, or indirectly to Colombia.

Section 1801 of the House bill broadens the scope of activities for which U.S. narcotics related assistance under chapter 8 part I of the Foreign Assistance Act can be used. The proposed language provides that assistance provided to combat aerial

³⁴ Prepared by Raphael Perl, Specialist in International Affairs, Foreign Affairs, Defense, and Trade Division.

³⁵ See also in this report the section *Colombia and Andean Region Assistance* above.

trafficking of illicit narcotics includes authority to interdict illicit arms in connection with the traffic in illicit narcotics.

Section 1802 of the bill requires the Department of State, within 180 days of the Act's enactment, to seek to ensure that Colombian trained pilots [and not U.S. national contractor pilots] be those participating in "the United States opium eradication program in Colombia". The bill text provides that preference be given to "individuals who are members of the Colombian National Police".

Section 1813 of the bill provides for limited assistance for policing which supports democratic governance, an exception to the general prohibition under section 660 of the Foreign Assistance Act of 1961 on U.S. assistance to police forces in foreign countries. Included in this democratic policing exception is "training and technical assistance ... in counter-narcotics."

Finally, 709 of the proposed legislation, addresses an ongoing concern by many over the spillover effects of Plan Colombia and its successor programs on neighboring Ecuador — not only in terms of counter-drug repercussions, but also in terms of the humanitarian and economic development implications of increased eradication there. The bill notes that Administration has not complied with existing requirements to submit a report to Congress on "the impact of Plan Colombia on Ecuador and the other adjacent countries to Colombia" and requires that such a report be submitted within 30 days from enactment of the Act.

CRS Products:

CRS Issue Brief IB88093, *Drug Control: International Policy and Approaches*.
CRS Report RS21213, *Colombia: Summary and Tables on U.S. Assistance, FY1889-FY2004*.

CRS Report RL30541, *Colombia: Plan Colombia Legislation and Assistance*.
CRS Report RL31383, *Andean Regional Initiative (ARI): FY2002 Supplemental and FY2003 Assistance for Colombia and Neighbors*.

CRS Report RS20494, *Ecuador: International Narcotics Control Issues*.

CRS Report RS21317: *Ecuador: Political and Economic Conditions and U.S. Relations*

Mexico Rural Development Assistance³⁶

During Senate floor consideration of the Foreign Relations Authorization for FY2004 (S. 925) on July 10, 2003, Senator Reid offered S.Amdt. 1164 to provide \$100 million to Mexico to deal with the existing rural development crisis in the country. The funds would be used for four purposes, primarily in the rural areas of Mexico: (1) to provide microcredit lending to non-traditional sectors of the economy; (2) to promote small business entrepreneurial development and training; (3) to aid small farmers, such as coffee farmers, devastated by the collapse of commodity prices; and (4) to support the private property ownership system and increased

³⁶ Prepared by Larry Storrs, Specialist in Latin American Affairs, Foreign Affairs, Defense, and Trade Division.

mortgage financing. Senator Reid argued that the United States should assist the neighboring country of Mexico not only because the countryside in particular was experiencing serious economic difficulties, but because the assistance would have a positive impact on the United States by reducing the flow of illegal migrants and drugs to the United States and by creating conditions for greater trade between the countries. Senator Lugar while finding merit in the program, argued against the amendment on the grounds that Mexico was already scheduled to receive \$67.5 million in funding, that the program had not been fully considered by the Administration and the Committee, and that the additional funding under the amendment would have to be cut from other programs to meet the budget guidelines. After discussion, the amendment was approved 54-43.

Currently, there is no similar provision in the House bill.

CRS Products:

For more detail on U.S.-Mexico relations see CRS Report RL31876, *Mexico-U.S. Relations: Issues for the 108th Congress*.

U.N. Population Fund³⁷

The U.N. Population Fund (UNFPA) is the world's largest international source of funding for family planning and reproductive health programs, providing nearly \$6 billion in assistance to over 140 countries since 1969. The United States, which had been one of the organization's largest donors, suspended support for UNFPA in 1985 because of concerns over practices of forced abortions and involuntary sterilizations in China where UNFPA maintained programs. Congress passed the so-called Kemp-Kasten amendment in that year and in each subsequent year as part of the annual Foreign Operations appropriations. The amendment bars U.S. funding to any organization that supports or participates "in the management" of a program of coercive abortion or involuntary sterilization. Presidents Reagan and Bush found UNFPA to be in violation of Kemp-Kasten, a position that was reversed in 1993 by President Clinton. In most years since 1993, Congress appropriated about \$25 million for UNFPA, but required that the amount be reduced by however much UNFPA spent in China. Consequently, the U.S. contribution has fluctuated between \$21.5 million and \$25 million.

For FY2002, Congress provided not more than \$34 million for UNFPA. The White House, however, froze the funds because new evidence suggested that coercive practices were continuing in Chinese counties where UNFPA worked. A State Department team reviewing the situation (May 2002) concluded that there was no evidence that UNFPA "knowingly supported or participated in the management of a program of coercive abortion or involuntary sterilization", although the team found that China maintains coercive elements in its population programs.

³⁷ Prepared by Larry Nowels, Specialist in Foreign Affairs, Foreign Affairs, Defense and Trade Division.

Despite the team's recommendation to release the \$34 million, Secretary of State Powell determined on July 22, 2002, to withhold funds to UNFPA and to recommend that they be re-directed to other international family planning and reproductive health activities. The State Department said that even though UNFPA did not "knowingly" support or participate in a coercive practice, that alone would not preclude the application of Kemp-Kasten. Instead, a finding that the recipient of U.S. funds — in this case UNFPA — simply supports or participates in such a program, whether knowingly or unknowingly, would trigger the restriction.

For FY2003 Congress approved in P.L. 108-7 a provision allocating \$34 million to UNFPA, so long as several conditions were met. The most significant requirement is that the President must certify that UNFPA is no longer involved in the management of a coercive family planning program. The President has not yet issued a determination regarding the status of UNFPA funding for FY2003.

For years in which the United States did not contribute to UNFPA, critics have argued that U.S. policy was undermining the most important international family planning organization and limiting reproductive health programs in over 140 countries in which UNFPA operates because of coercive practices in one nation. Supporters of cutting off support for UNFPA contend that by withdrawing from China, UNFPA could immediately restore its eligibility for U.S. funding and remove itself from involvement with a national program that includes practices contrary to UNFPA's own non-coercive policies.

During markup on H.R. 1950, the House International Relations Committee approved a Crowley amendment that would have authorized \$50 million for a U.S. contribution to UNFPA for each of FY2004 and FY2005. The Crowley amendment further would have altered existing law for determining UNFPA eligibility by requiring that the President find that UNFPA does not "directly" support or participate in coercive or involuntary activities. This would appear to make it more difficult for the President to block funding for UNFPA than under conditions that apply for this year. Not only did the Crowley amendment add the word "directly," but it also defined the circumstances under which UNFPA would be found ineligible as "knowingly and intentionally working with a purpose to continue, advance or expand the practice of coercive abortion or involuntary sterilization, or playing a primary and essential role in a coercive or involuntary aspect of a country's family planning program." Nevertheless, a floor amendment passed by recorded vote (216 to 211) removed funding for UNFPA.

CRS Products:

CRS Issue Brief IB96026. *Population Assistance and Family Planning Programs: Issues for Congress.*

Appendix

State Department Authorization History

Authorization of State Department appropriations are required by law every two years. Typically, the authorization is passed in the first year of a new Congress for the following even/odd year authority.

FY1973 — P.L. 93-126

FY1975 — P.L. 93-475

FY1977 — P.L. 94-350

FY1978 — P.L. 95-105

FY1979 — P.L. 95-426

FY1984-1985 — P.L. 98-164

FY1986-87 — P.L. 99-93

FY1988-89 — P.L. 100-204

FY1990-91 — P.L. 101-246

FY1992-93 — P.L. 102-138

FY1994-95 — P.L. 103-236

Government shutdown — Nov. 1995 — Jan. 1996

FY1996 — P.L. 104-134, Sec. 405 (appropriations legislation)

FY1997 — P.L. 104-208, Sec. 404 (appropriations legislation)

FY1998-99 — State Dept authorization was passed in the omnibus appropriations bill, Nov. 1998 — P.L. 105-277

FY2000-2001 — P.L. 106-113, (H.R. 3427), appendix G of consolidated appropriations Act/D.C. appropriations legislation

FY2002 — authorization requirement waived for FY2002 in CJS appropriations Act. (Section 405, P.L. 107-77, signed Nov. 28, 2001)

FY2003 — P.L. 107-228, authorization for FY2003, signed September 30, 2002.

Table 1. State Department and Related Agencies Appropriations and Proposed Authorizations
(millions of dollars)

	Approp. FY2001 Enacted	Approp. FY2002 Enacted	Supple- mental Approps since 9/11 ^a	Approp. FY2003 Enacted	Approp. FY2004 Request	Auth. Senate S. 925 FY2004	Auth. House H.R. 1950 FY2004	Auth. House H.R. 1950 FY2005
State Department								
Diplomatic & Consular Program	3,167.2	3,630.1	281.9	3,822.3	4,163.5	4,171.5	4,187.5	4,438.8
Public Diplomacy	--	(270.3)	--	(292.7)	(287.7)	--	(320.9)	(329.8)
Worldwide Security Upgrades	(409.1)	(487.7)	--	(553.0)	(646.7)	(646.7)	(646.7)	(679.7)
Democracy, Human Rights and Labor	--	--	--	--	--	--	(20.0)	(20.0)
Minority recruitment	--	--	--	--	--	--	(2.0)	(2.0)
Ed & cultural exchange programs	231.6	237.0	15.0	245.3	345.3 ^b	407.3	393.3	405.0
Fulbright Academic Exchange	(123.4)	(118.0)	--	(123.0)	(127.4)	(132.7)	(142.0)	(142.0)
Office of Inspector General	28.4	29.0	--	29.3	31.7	31.7	31.7	32.7
Representation allowances	6.5	6.5	--	6.5	9.0	9.0	9.0	9.0
Protec.-missions & officials	15.4	9.4	--	11.0	10.0	10.0	10.0	10.0
Embassy security/constr/maintenance	1,077.6	1,274.0	412.9	1,263.5	1,514.4	1,826.4	1,653.0	1,784.0
Worldwide security upgrades**	(661.2)	(816.0)	--	(755.0)	(861.4)	(900.0)	(1,000.0)	(1,000.0)
Emergency-diplo. & consular services	5.5	6.5	101.0	6.5	1.0	1.0	1.0	Unspecified
Repatriation loans	1.2	1.2	--	1.2	1.2	1.2	1.2	1.2
Payment American Inst. Taiwan	16.3	17.0	--	18.5	19.8	19.8	19.8	20.8
Foreign Service Retirement Fund	131.2	135.6	--	138.2	135.0	--	--	--
Capitol Investment Fund	96.8	203.0	15.0	183.3	157.0	157.0	157.0	161.7
International Organ. & Conf.								
Contributions to international organizations	868.9	850.0	--	866.0	1,010.5	1,010.5	1,010.5	1,040.8

	Approp. FY2001 Enacted	Approp. FY2002 Enacted	Supple- mental Approps since 9/11 ^a	Approp. FY2003 Enacted	Approp. FY2004 Request	Auth. Senate S. 925 FY2004	Auth. House H.R. 1950 FY2004	Auth. House H.R. 1950 FY2005
Contributions to international peacekeeping	844.1	844.1	--	673.7	50.2	550.2	550.2	Unspecified
U.N. Arrearage payments	--	--	--	--	--	--	--	--
Total International Commissions	56.1	60.5	--	57.5	71.7	69.6	69.6	69.6
Related Appropriations								
The Asia Foundation	9.2	9.3	--	10.4	9.3	15.0	18.0	18.0
National Endowment for Democracy	30.9	33.5	--	42.0	36.0	42.0	45.0	47.0
Reagan-Fascell Democracy Fellow	--	--	--	--	--	--	1.0	1.0
Benjamin Gillman Int'l Scholars Program	--	--	--	--	--	--	2.5	2.5
East-West Center	13.5	14.0	--	18.0	14.3	15.0	14.3	14.3
North-South Center	--	--	--	--	--	2.0	(1.0)	(1.0)
Eisenhower Exchange	0.5	0.5	--	0.5	0.5	--	--	--
Israeli Arab Scholarship	0.3	0.4	--	--	--	--	--	--
Migration/Refugees	698.5	705.0	--	787.0	760.2	760.2	927.0	957.0
Total State Department	7,299.7	8,066.6	825.8	8,180.7	8,840.6	9,099.4	9,101.6	8,966.9
International Broadcasting								
Capital Improvements	--	25.9	--	12.7	11.4	11.4	29.9	11.4
Broadcasting Operations	--	428.2	--	468.9	525.2	561.0	600.4	612.1
Broadcasting to Cuba	--	24.9	--	25.0	26.9	--	26.9	27.4
Total International Broadcasting	450.4	479.0	93.5	506.6	563.5	572.4	657.2	650.9
TOTAL State & Broadcasting	7,750.1	8,545.6	919.3	8,687.3	9,404.1	9,671.8	9,758.8	9,617.8

*FY2002 enacted numbers do not include funds provided in the Emergency Supplemental Appropriation Act (P.L. 107-38).

**P.L. 106-113 sec. 604 authorized up to \$900 million for FY2000 through FY2004.

a. Includes funding supplementals from P.L. 107-38; P.L. 107-117, P.L. 107-206, and P.L. 108-11.

b. Funding level includes a transfer of \$100.040 million from Foreign Operations appropriations to State Department appropriations for FSA and Seed programs.