



November 8, 2005

Highlights of the Conference Report to Accompany H.R. 3057, Foreign Operations, Export Financing, and Related Programs Appropriations Bill, 2006

On November 2, the Conference Report, H. Report. 109-265, was filed.

Noteworthy

- The conference report would provide \$20.98 billion in total spending, of which \$20.94 billion is discretionary spending and nearly \$42 million is mandatory spending. The conference report is \$1.89 billion below the Administration's request and \$1.33 billion above the FY05 enacted level. (The FY05 level included \$5.08 billion in emergency spending for the Global War on Terrorism.)
- H.R. 3057 provides \$2.82 billion (from all accounts in the Act) for HIV/AIDS, which is \$268.0 million above the Administration's request and \$629.0 million above the FY05 enacted level. Included in this amount is \$2.00 billion for the Global HIV/AIDS Initiative (GHI) account; \$250.0 million for HIV/AIDSs from the Child Survival and Health Programs Fund (CSHPF account); and \$450.0 million for a U.S. contribution to the Global Fund to Fight AIDS, Tuberculosis, and Malaria. The budget request for the Global Fund from this Act totaled \$200.0 million. (Additional funding is contained in the Labor, HHS, and Education Appropriations bill.
- H.R. 3057 provides \$1.77 billion for the Millennium Challenge Corporation, which is \$1.23 billion below the Administration's request, but \$282.0 million above the FY05 enacted level.
- On November 4, the House passed the conference report to H.R. 3057 by a vote of 358-39. Unlike the Senate-passed version of H.R. 3057, the conference report does not include funding for the State Department (it is instead provided in H.R. 2862, the Science, State, Justice, Commerce Appropriations bill).

Highlights

(amount in billions)

<u>Title</u>	<u>President's Request</u>	<u>FY06 Conference Report</u>
Title I—Export & Investment Assistance	\$0.09	\$0.01
Title II—Bilateral Economic Assistance	\$16.28	\$14.57
Title III—Military Assistance	\$4.87	\$4.76
Title IV—Multilateral Economic Assistance	\$1.62	\$1.62
Title V—General Provisions	\$0.0	\$0.01
Total	\$22.87¹	\$20.98²

Bill Provisions

Title I – Export and Investment Assistance

Title I provides \$12.6 million for Export and Investment Assistance, which is \$84.5 million below the Administration's request, but \$74.3 million above the FY05 enacted level.³ The total spending level is reduced by the fact that the Overseas Private Investment Corporation has a net of -\$177.5 million. Significant spending accounts are as follows:

Export-Import Bank of the United States:

Conference Report: Provides \$ 139.0 million.

Senate Committee-Reported Bill: Provided \$164.2 million for the Export-Import Bank of the United States, which is \$61.5 million below the Administration's request, but \$65.3 million above the FY05 enacted level.

Overseas Private Investment Corporation:

Conference Report: Provides a net of -\$177.5 million.

¹ Totals do not add due to rounding.

² Totals do not add due to rounding.

³ Last year's Export and Investment Assistance title provided a net of -\$5.1 million for FY05.

Senate Committee-Reported Bill: Provided a net of -\$177.5 million for the Overseas Private Investment Corporation, which is equal to the Administration's request, and \$34.2 million above the FY05 enacted level.

Trade and Development Agency:

Conference Report: Provides \$50.9 million.

Senate Committee-Reported Bill: Provided \$50.9 million for the Trade and Development Agency, which is \$2.0 million above the Administration's request, but \$188,000 below the FY05 enacted level.

Title II – Bilateral Economic Assistance

Title II provides more than \$14.57 billion for Bilateral Economic Assistance, which is \$1.71 billion below the Administration's request and \$1.75 billion below the FY05 enacted level. Significant spending accounts are as follows:

HIV/AIDS:

Conference Report: Provides \$2.82 billion (from all accounts in the Act) for HIV/AIDS, which is \$268.0 million above the Administration's request and \$629.0 million above the FY05 enacted level. Included in this amount is \$2.00 billion for the Global HIV/AIDS Initiative (GHI) account; \$250.0 million for HIV/AIDS from the Child Survival and Health Programs Fund (CSHPF account); and \$450.0 million for a U.S. contribution to the Global Fund to Fight AIDS, Tuberculosis, and Malaria.

Senate Committee-Reported Bill: Provided \$2.87 billion (from all accounts in the Act) for HIV/AIDS, which is \$203 million above the Administration's request. Included in this amount were \$350.0 million for HIV/AIDS from the Child Survival and Health Programs Fund (CSHPF account); \$205.0 million for TB and malaria from the CSHPF and other bilateral accounts; \$2.02 billion for the Global HIV/AIDS Initiative (GHI) account; and \$400.0 million for a U.S. contribution to the Global Fund to Fight AIDS, Tuberculosis, and Malaria, of which \$250.0 million is from the CSHPF and \$150.0 million from GHI.

Family Planning/Reproductive Health:

Conference Report: Provides \$440.0 million from all accounts in the bill, which is \$1 million less than the FY05 level.

Senate Committee-Reported Bill: Provided \$450.0 million for Family Planning/Reproductive Health, which is \$25.0 million above the Administration's request and \$9.0 million below the FY05 enacted level.

Child Survival and Health Programs Fund (CSHPF):

Conference Report: Provides \$1.59 billion.

Senate Committee-Reported Bill: Provided \$1.66 billion for CSHPF, which is \$407.5 million above the Administration's request and \$121.4 million above the FY05 enacted level. These funds support programs and activities to reduce child mortality and morbidity, and to combat other public health problems.

Development Assistance:

Conference Report: Provides \$1.52 billion.

Senate Committee-Reported Bill: Provided \$1.68 billion for Development Assistance, which is \$571.8 million above the Administration's request and \$226.7 million above the FY05 enacted level—these funds consist of a wide range of poverty-reduction and long-term development activities including democracy and the rule of law.

International Disaster and Famine Assistance:

Conference Report: Provides \$365.0 million.

Senate Committee-Reported Bill: Provided \$400.0 million for disaster assistance, which is \$255.5 million below the Administration's request, but \$33.0 million above the FY05 enacted level.

Transition Initiatives:

Conference Report: Provides \$40.0 million.

Senate Committee-Reported Bill: Provided \$50.0 million for Transition Initiatives, which is \$275.0 million below the Administration's request, but \$1.4 million above the FY05 enacted level. These funds help bridge the gap between emergency relief and long-term development programs.

Payment to the Foreign Service Retirement and Disability Fund:

Conference Report: Provides \$41.7 million in mandatory spending.

Senate Committee-Reported Bill: Provided \$41.7 million in mandatory spending for the Payment to the Foreign Service Retirement Disability Fund, which is equal to the Administration's request, but \$800,000 below the FY05 enacted level.

Economic Support Fund:

Conference Report: Provides \$2.63 billion. Included in this funding are earmarks for the following countries: **Israel** (\$240.0 million); **Egypt** (\$495.0 million); and **Jordan** (\$250.0 million).

Senate Committee-Reported Bill: Provided \$3.04 billion for the Economic Support Fund, which is equal to the Administration's request, but \$859.9 million below the FY05 enacted level. Included in this funding were earmarks for the following countries: **Israel** (\$240.0 million, which is equal to the Administration's request); **Egypt** (\$495.0 million, which is equal to the Administration's request); and **Jordan** (\$250.0 million, which is equal to the Administration's request).

Assistance for Eastern Europe and Baltic States:

Conference Report: Provides \$361.0 million. Included in this funding are earmarks for the following countries: **Albania** (\$28.0 million); **Bosnia and Herzegovina** (\$40.0 million); **Bulgaria** (\$20.0 million); **Croatia** (\$15.0 million); **Kosovo** (\$75.0 million); **Macedonia** (\$35.0 million); **Romania** (\$20.0 million); **Serbia** (\$70.0 million); **Montenegro** (\$15.0 million); and \$43.0 million for **Regional Assistance**.

Senate Committee-Reported Bill: Provided \$395.0 million for Assistance for Eastern Europe and the Baltic States, which is \$13.0 million above the Administration's request and \$1.6 million above the FY05 enacted level. Included in this funding were earmarks for the following countries: **Albania** (\$28.0 million); **Bosnia and Herzegovina** (\$41.0 million); **Bulgaria** (\$28.0 million); **Croatia** (\$15.0 million); **Kosovo** (\$80.0 million); **Macedonia** (\$35.0 million); **Romania** (\$20.0 million); **Serbia** (\$75.0 million); **Montenegro** (\$15.0 million); and \$58.0 million for **Regional Assistance**.

Assistance for the Independent States of the Former Soviet Union:

Conference Report: Provides \$514.0 million. Included in this funding are earmarks for the following countries: **Armenia** (\$75.0 million); **Azerbaijan** (\$35.0 million); **Belarus** (\$12.0 million); **Georgia** (\$67.0 million); **Kazakhstan** (\$25.0 million); **Kyrgyz Republic** (\$25.0 million); **Moldova** (\$19.0 million); **Russia** (\$80.0 million); **Russia Far East** (\$17.5 million); **Tajikistan** (\$24.0 million); **Turkmenistan** (\$5.0 million); **Ukraine** (\$84.0 million); **Uzbekistan** (\$20.0 million); and **Regional FSA** (\$43.0 million).

Senate Committee-Reported Bill: Provided \$565.0 million for Assistance for the Independent States of the Former Soviet Union, which is \$83.0 million above the Administration's request and \$9.5 million above the FY05 enacted level. Included in this funding were earmarks for the following countries: **Armenia** (\$75.0 million); **Azerbaijan** (\$38.0 million); **Belarus** (\$15.0 million); **Georgia** (\$70.5 million); **Kazakhstan** (\$28.0 million); **Kyrgyz Republic** (\$35.0 million); **Moldova** (\$20.0 million); **Russia** (\$85.0 million); **Russia Far East** (\$17.5 million); **Tajikistan** (\$25.0

million); **Turkmenistan** (\$6.5 million); **Ukraine** (\$95.0 million); **Uzbekistan** (\$28.5 million); **Nagorno-Karabagh** (\$3.0 million); and **Regional FSA** (\$40.5 million).

Inter-American Foundation:

Conference Report: Provides \$19.5 million.

Senate Committee-Reported Bill: Provided \$20.0 million for the Inter-American Foundation, which is \$2.2 million above the Administration's request and \$2.1 million above the FY05 enacted level.

African Development Foundation:

Conference Report: Provides \$23.0 million.

Senate Committee-Reported Bill: Provided \$25.0 million for the African Development Foundation, which is \$6.2 million above both the Administration's request and the FY05 enacted level.

Peace Corps:

Conference Report: Provides \$322.0 million.

Senate Committee-Reported Bill: Provided \$320.0 million for the Peace Corps, which is \$25.0 million below the Administration's request, but \$2.6 million above the FY05 enacted level. Senate Report language recommends a phase-out in Thailand.

Millennium Challenge Corporation (MCC):

Conference Report: Provides \$1.77 billion.

Senate Committee-Reported Bill: Provided \$1.80 billion for the MCC, which is \$1.2 billion below the Administration's request, but \$312.0 million above the FY05 enacted level. In funding this program, the Committee Report states its support for the foreign assistance objectives of the MCC, which provides assistance in a manner that promotes economic growth and the elimination of extreme poverty and strengthens good governance, economic freedom, and investments in people.

Global HIV/AIDS Initiative (Department of State):

Conference Report: Provides nearly \$2 billion.

Senate Committee-Reported Bill: Provided \$2.02 billion for the Global HIV/AIDS Initiative, which is \$50.0 million above the Administration's request and \$646.1 million above the FY05 enacted level.

International Narcotics Control and Law Enforcement:

Conference Report: Provides \$477.2 million.

Senate Committee-Reported Bill: Provided \$523.9 million for International Narcotics Control and Law Enforcement, which is equal to the Administration's request and \$197.7 million above the FY05 enacted level.

Andean Counterdrug Initiative:

Conference Report: Provides \$734.5 million.

Senate Committee-Reported Bill: Provided \$734.5 million for the Andean Counterdrug Initiative, which is equal to the Administration's request and \$9.3 million above the FY05 enacted level.

Migration and Refugee Assistance:

Conference Report: Provides \$791.0 million.

Senate Committee-Reported Bill: Provided \$900.0 million for Migration and Refugee Assistance, which is \$7.2 million above the Administration's request and \$136.2 million above the FY05 enacted level.

United States Emergency Refugee and Migration Assistance Fund:

Conference Report: Provides \$30.0 million.

Senate Committee-Reported Bill: Provided \$40.0 million for the United States Emergency Refugee and Migration Assistance Fund, which is equal to the Administration's request and \$10.2 million above the FY05 enacted level.

Nonproliferation, Anti-Terrorism, Demining and Related Programs:

Conference Report: Provides \$410.1 million.

Senate Committee-Reported Bill: Provided \$440.1 million for Nonproliferation, Anti-Terrorism, Demining and Related Programs, which is equal to the Administration's request and \$41.3 million above the FY05 enacted level.

Conflict Response Fund:

Conference Report: Provides no funding.

Senate Committee-Reported Bill: Provided \$74.0 million for the Conflict Response Fund, which is \$26.0 million below the Administration's request, and \$74.0 million above the FY05 enacted level.

International Affairs Technical Training:

Conference Report: Provides \$20.0 million.

Senate Committee-Reported Bill: Provided \$20.0 million for International Affairs Technical Training, which is equal to the Administration's request and \$1.2 million above the FY05 enacted level.

Debt Restructuring (Department of Treasury):

Conference Report: Provides \$65.0 million.

Senate Committee-Reported Bill: Provided \$99.8 million for debt restructuring, which is equal to the Administration's request and \$550,000 above the FY05 enacted level. Included in this funding was \$79.8 million to complete the U.S. pledge to the Heavily Indebted Poor Countries Initiative Trust Fund and \$20.0 million for the Tropical Forest Conservation Act.

Title III – Military Assistance

Title III provides nearly \$4.76 billion for military assistance, which is \$10.9 million below the Administration's request.

International Military Education and Training:

Conference Report: Provides \$86.7 million.

Senate Committee-Reported Bill: Provided \$86.7 million for International Military Education Training, which is equal to the Administration's request, but \$2.3 million below the FY05 enacted level.

Foreign Military Financing:

Conference Report: Provides \$4.50 billion. Included in this funding are earmarks for the following allies in the global war on terror: **Israel** (\$2.28 billion); **Jordan** (\$210 million); **Egypt** (\$1.30 billion); **Armenia** (\$5.0 million); **Azerbaijan** (\$5.0 million); **Pakistan** (\$300.0 million); **Turkey** (\$15.0 million); **Estonia** (\$5.0 million); **Latvia** (\$6.0 million); **Lithuania** (\$5.0 million); **Operation Enduring Friendship** (\$4.0 million); **Mongolia** (\$3.0 million); **Georgia** (\$12.0 million); **Lebanon** (\$1.0 million); and **Poland** (\$30.0 million); **Indonesia** (\$1.0 million); **Philippines** (\$20.0 million); **Thailand** (\$1.5 million); **Tunisia** (\$10.0 million); **Tonga** (\$250,000); **Bangladesh** (\$1.0 million); **Sri Lanka** (\$1.0 million); **Cambodia** (\$1.0 million); and **Fiji** (\$500,000).

Senate Committee-Reported Bill: Provided \$4.60 billion for Foreign Military Financing, which is \$15 million above the Administration's request, but \$391.6 million below the FY05 enacted level. Included in this funding were increases for the following allies in the global war on terror: **Mongolia** (\$4.0 million); **Latvia** (\$6.5 million); **Jordan** (\$210.0 million); **Georgia** (\$14.0 million); **Lebanon** (\$1.0 million); **Poland** (\$35.0 million).

Peacekeeping Operations:

Conference Report: Provides \$175.0 million.

Senate Committee-Reported Bill: Provided \$195.8 million for peacekeeping operations, which is equal to the Administration's request, but \$221.8 million below the FY05 enacted level.

Title IV – Multilateral Economic Assistance

Title IV provides \$1.62 billion for Multilateral Economic Assistance, which is \$17.8 million below the Administration's request, but \$54.4 million above the FY05 enacted level.

International Bank for Reconstruction and Development Global Environment Facility:

Conference Report: Provides \$80.0 million.

Senate Committee-Reported Bill: Provides \$107.5 million for the International Bank for Reconstruction and Development Global Environment Facility, which is equal to the Administration's request and \$860,000 above the FY05 enacted level.

International Development Association:

Conference Report: Provides \$950.0 million.

Senate Committee-Reported Bill: Provides \$900.0 million for the International Development Association, which is \$50.0 million below the Administration's request, but \$56.8 million above the FY05 enacted level.

Inter-American Development Bank:

Conference Report: Provides \$1.7 million.

Senate Committee-Reported Bill: Provides \$3.7 million for the Inter-American Development Bank, which is \$2.0 million above the Administration's request, but \$7.2 million below the FY05 enacted level.

Inter-American Investment Corporation:

Conference Report: Provides \$1.7 million.

Senate Committee-Reported Bill: Provides \$1.5 million for the Inter-American Investment Corporation, which is \$242,000 below the Administration's request, but \$1.5 million above the FY05 enacted level.

Asian Development Bank:

Conference Report: Provides \$100.0 million.

Senate Committee-Reported Bill: Provides \$100.0 million for the Asian Development Bank, which is \$15.3 million below the Administration's request, but \$800,000 million above the FY05 enacted level.

African Development Bank:

Conference Report: Provides \$135.7 million.

Senate Committee-Reported Bill: Provides \$139.3 million for the African Development Bank, which is \$2.0 million below the Administration's request, but \$30.1 million above the FY05 enacted level.

European Bank for Reconstruction and Development:

Conference Report: Provides \$1.0 million.

Senate Committee-Reported Bill: Provides \$1.0 million for the European Bank for Reconstruction and Development, which is equal to the Administration's request and \$34.1 million below the FY05 enacted level.

International Fund for Agricultural Development:

Conference Report: Provides \$15.0 million.

Senate Committee-Reported Bill: Provides \$15.0 million for the International Fund for Agricultural Development, which is equal to the Administration's request and \$120,000 above the FY05 enacted level.

International Organizations and Programs:

Conference Report: Provides \$329.5 million.

Senate Committee-Reported Bill: Provides \$330.0 million for International Organizations and Programs, which is \$48.1 million above the Administration's request and \$4.2 million above the FY05 enacted level.

Title V – General Provisions

Title V contains a number of specific policy issues. Some of the highlights include the following:

Prohibitions

- Section 507 prohibits the use of funds to finance directly any assistance or reparations to **Cuba, Libya, North Korea, Iran, or Syria**.
- Section 508 prohibits the use of funds for any government of a country whose duly elected head of government is deposed by decree or **military coup**.
- Section 518 prohibits any funds from being used to pay for the performance of **abortions** as a method of family planning or to motivate or coerce any person to practice abortions.
- Section 527 prohibits any funds being made available to any country the President determines grants sanctuary from prosecution to any individual or group that has committed an act of international terrorism, or otherwise supports international **terrorism**.
- Section 533 prohibits any funds from being used to provide an incentive to a U.S. business should the number of **employees in the U.S.** be reduced because production is being moved outside the U.S.
- Section 542 prohibits assistance to foreign governments that export lethal military equipment to countries supporting international **terrorism**.
- Section 544 prohibits any funds from being obligated for the **Palestine Liberation Organization** for the West Bank and Gaza unless the President provides proper certification.
- Section 586 prohibits any funds from being made available to **Uzbekistan** unless the Secretary of State makes a determination that this country is meeting its human rights commitments.
- Section 589 prohibits any funds from being made available to the **Russian Federation** if the President determines that it has implemented any statute that would discriminate against religious groups.

General

- Section 510 provides that, if the President determines it is in the national interest, **Israel, Egypt, NATO, and major non-NATO allies** may finance the lease of defense articles from U.S. commercial supplies (not including Major Defense Equipment).
- Section 523 provides that not less than \$931.4 million be made available for humanitarian and reconstruction assistance for **Afghanistan**.
- Section 526 provides that not less than \$11.0 million be available to support democracy activities in **Burma**.
- Section 535 provides a sense of Congress that the **Arab League boycott of Israel** and the secondary boycott of American firms that have commercial ties with Israel are impediments to peace in the region and to U.S. investment and trade in the Middle East and North Africa.
- Section 563 permits funds to be available to **Serbia** if the President certifies that Serbia and Montenegro are cooperating with the International Criminal Tribunal for the former Yugoslavia.
- Section 565 allows the President to forgive **foreign debt** owed to the United States, provided that certain conditions are met.

Notification

- Section 520 prohibits funds being obligated to **Liberia, Serbia, Sudan, Zimbabwe, Pakistan, or Cambodia**, except as provided through regular notification procedures of the Appropriations Committee.