

STATE, FOREIGN OPERATIONS, AND RELATED PROGRAMS  
APPROPRIATIONS BILL, 2008

JUNE 18, 2007.—Committed to the Committee of the Whole House on the State of  
the Union and ordered to be printed

Mrs. LOWEY, from the Committee on Appropriations,  
submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 2764]

The Committee on Appropriations submits the following report in  
explanation of the accompanying bill making appropriations for the  
Department of State, foreign operations, and related programs, for  
the fiscal year ending September 30, 2008, and for other purposes.

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## OVERVIEW

The fiscal year 2008 budget request for the activities under the jurisdiction of the Subcommittee on State, Foreign Operations, and Related Programs is \$34,943,720,000 in new discretionary budget authority. The Committee recommendation includes a total of \$34,243,000,000 in new discretionary budget authority, a decrease of \$700,720,000 from the President's request and an increase of \$2,858,947,000 over the fiscal year 2007 enacted level, excluding enacted supplemental appropriations. The Committee's recommendation, provided in this bill and detailed in the accompanying report, reflects the four priorities of the Committee:

1. Oversight of foreign assistance programs
2. Supporting our allies in the Global War on Terror
3. Improving Aid Effectiveness by strengthening Development Assistance
4. Responding to the global HIV/AIDS pandemic and other health challenges

### OVERSIGHT OF FOREIGN ASSISTANCE PROGRAMS

*Projects.*—Congress has made significant reforms in the way it reviews funding for the Federal Government's reforms which the Committee takes very seriously as it executes its constitutional authority. Earmarking or directed spending of Federal dollars does not begin with Congress. It begins with the Executive Branch. For example, in international affairs, the Administration has authority, in large measure, to determine grant/contract recipients of over \$16.9 billion. In addition, the cooperative relationship developed over the years between the Committee, the Department of State, and the United States Agency for International Development (USAID) has provided the Administration with broad discretion to make awards, so long as the agencies follow the Congressional Notification procedures outlined in the Foreign Assistance Act and appropriations Acts. The Administration determines these projects through a process that is the functional equivalent of earmarking. When the Committee reviews the budget request, it submits these projects to rigorous review and may alter or modify them to reflect additional priorities.

*Contractors.*—The Executive Branch also engages in another practice which steers or directs money to specific entities or purposes through a process of contracting out various activities and services. In all diplomatic platforms throughout the world, as well as at the various international affairs agencies in Washington, the Administration increasingly relies on personal service contractors and foreign nationals to such an extent that their number rivals that of Federal direct-hire employees in the service of diplomatic missions. Many of these positions, in fact, are non-competitive or sole-sourced. When added together, the Executive Branch directs far greater spending to specific projects or corporations than is directed or earmarked by Congress. The practice of non-competitive contracting has exploded in the past five years.

The Committee provides no recommendation at this time for specific projects contained in either the Administration's budget or proposed by Members of Congress. Individual project allocations will be considered comprehensively after the Committee has had an opportunity to appropriately scrutinize all relevant information.

#### SUPPORT TO OUR ALLIES IN THE GLOBAL WAR ON TERROR

The Committee's fiscal year 2008 recommendation includes a total of \$2,656,506,000 for Economic Support Fund (ESF) programs and \$4,509,236,000 for Foreign Military Financing (FMF) programs. The vast majority of the ESF and FMF programs support ongoing and new assistance for our allies in the Global War on Terror. These accounts support traditional methods of providing United States taxpayer assistance in the form of programs, projects, and activities to improve economic and social development, support of existing military systems such as radios and spare parts for aircraft and trucks, as well as the purchase of new systems such as aircraft and radar systems.

#### IMPROVING AID EFFECTIVENESS AND STRENGTHENING DEVELOPMENT ASSISTANCE

The Committee's fiscal year 2008 recommendation takes the first step in reversing a trend of diminishing resources appropriated directly to USAID. The President's budget request cut the operating budget of USAID and transferred more USAID resources to accounts managed by the Department of State. The Committee believes that USAID is the nation's primary international development agency and should play the leading role in shaping and implementing development policy and programs that address global poverty and promote economic growth. The Committee recommendation includes \$1,733,760,000 for the Development Assistance account, an increase of \$692,512,000 above the President's request. The increased resources will fund an initiative on basic education for developing countries as well an expansion of safe water and environment programs. Access to quality primary education not only improves an individual's chances for a better, more productive life, but also creates a more tolerant and informed citizenry. The Committee notes that operating costs for USAID have also been cut in the past several years and have resulted in the Agency proposing a scaled back plan for overseas presence. The Committee does not agree with this proposal to scale down

USAID's presence overseas by closing or consolidating missions. The Committee is further concerned that the Agency has lost much of its technical expertise over the years. The Committee provides additional resources for the Agency's operating budget to help increase recruitment and retention of technical staff at the Agency.

#### RESPONDING TO THE GLOBAL HIV/AIDS PANDEMIC AND OTHER HEALTH CHALLENGES

The Committee recommendation includes a total of \$6,517,650,000 for global health programs, including HIV/AIDS. The Committee believes that addressing global health problems, including tuberculosis, avian flu, and HIV/AIDS, in the developing world is one of the best preventive measures that Congress can take to protect United States citizens. To this end, the Committee recommendation includes \$100,000,000 to address avian influenza; \$263,500,000 to address tuberculosis and extremely-drug resistant tuberculosis; and \$352,000,000 to address malaria. In these programs, USAID will work with developing country public health departments to strengthen public health infrastructure and surveillance, detect cases of these and other deadly diseases, and provide treatment and care.

The Committee recommendation also recognizes the imperative of addressing the HIV/AIDS pandemic. The Committee is aware of the President's recent announcement calling for the extension of the Global HIV/AIDS Initiative for an additional 5 years at a funding level of \$30,000,000,000 over that time. The Committee lauds this commitment of additional resources but does not believe that this pledge is adequate to stem the toll of the pandemic in Africa and around the world. The Committee provides a total of \$5,082,000,000 for bilateral HIV/AIDS efforts, and for the Global Fund to Fight AIDS, Tuberculosis and Malaria. The Committee expects that the bill funding the Department of Health and Human Services will include an additional \$794,223,000, for total HIV/AIDS funding of \$5,876,223,000, \$550,000,000 above the President's fiscal year 2008 budget request.

The Committee notes that Congress has provided \$18,315,000,000 over the past five years for HIV/AIDS, including the fiscal year 2008 commitment. This is \$3,300,000,000 over the President's pledge over that same time period. The Committee expects that Congress will similarly be above the President's commitment for the next five years as necessary to meet the United States commitment to fighting the global HIV/AIDS pandemic.

#### FUNDING FOR IRAQ

The Committee recommendation does not include funding for Iraq operations and reconstruction. The President's budget requested \$456,000,000 in additional funding for these activities. However, the Committee notes that the emergency supplemental appropriations act for fiscal year 2007 (Public Law 110-28) included \$2,862,550,000 for Iraq diplomatic operations and reconstruction. In addition, Congress provided an extension of the authority to de-obligate and re-obligate prior year appropriations to the Iraq Relief and Reconstruction Fund (IRRF), which, as of May 1, 2007, had \$3,119,000,000 in unexpended balances. Furthermore,

the Committee notes that the President requested \$2,893,408,000 in additional fiscal year 2008 emergency appropriations for diplomatic operations and reconstruction in Iraq. Therefore, the Committee has deferred providing appropriations for Iraq at this time.

## TITLE I—DEPARTMENT OF STATE AND RELATED AGENCY

### DEPARTMENT OF STATE

The Committee's fiscal year 2008 recommendation for the Department of State strongly supports ongoing efforts to strengthen diplomatic, embassy and border security, and to institutionalize management reforms. The Committee recommends a total of \$9,977,192,000 for fiscal year 2008 for the Department of State. This amount is \$36,604,000 below the request and \$272,242,000 below the amount appropriated for fiscal year 2007. Of the total amount provided, \$9,818,292,000 is derived from general-purpose discretionary funds and \$158,900,000 is scored as mandatory spending.

The Committee recommendation includes a total of \$6,982,357,000 for the discretionary appropriations accounts under Administration of Foreign Affairs; \$2,656,400,000 for the accounts under International Organizations; \$82,875,000 for International Commissions; and \$96,750,000 for Other activities. The Committee's recommended priorities for the Department of State are detailed in the following paragraphs.

#### ADMINISTRATION OF FOREIGN AFFAIRS

##### DIPLOMATIC AND CONSULAR PROGRAMS

Fiscal year 2007 enacted level .....	\$4,338,513,000
Fiscal year 2008 request .....	4,942,700,000
Committee recommendation .....	4,784,778,000
Change from request .....	- 157,922,000
Change from enacted level .....	446,265,000

The Committee recommends \$4,784,778,000 for the Diplomatic and Consular Programs account, including \$964,760,000 to continue funding for worldwide security upgrades, and \$363,905,000 for public diplomacy international information programs.

This appropriation provides for the formulation and execution of United States foreign policy, including the conduct of diplomatic and consular relations with foreign countries, diplomatic relations with international organizations, and related activities. This account includes funding for the regional, program, and operations bureaus and offices of the Department of State and the Foreign Service.

The recommendation is \$157,922,000 below the request, and an increase of \$446,265,000 above the fiscal year 2007 level, excluding emergency supplemental appropriations. Within this total, the recommendation of \$964,760,000 for worldwide security upgrades, which is \$282,811,000 above the fiscal year 2007 level and the same amount as requested. Security funding increases are described under the "Worldwide Security Upgrades" section below.

*Border security program*

The recommendation includes \$1,305,715,000 for the Department's Border Security program, of which \$861,950,000 is funded through collection of Machine Readable Visa (MRV) fees, \$130,200,000 is funded through the collection of the Western Hemisphere Travel Surcharge, \$31,800,000 is funded through Fraud Prevention fees, and \$281,765,000 is to be funded through the Enhanced Border Security Program Fees and Visa Fraud Fees. The total amount is an increase of \$156,836,000 above the fiscal year 2007 level. This funding level includes a program increase of 122 new positions. The Committee understands these new positions are critically needed to handle the increased domestic passport workload as well as changes in the visa process, including more extensive interviewing of applicants and the implementation of biometric collection. The Committee directs the Department to continue its bimonthly reporting on MRV fee revenue as specified in the conference report accompanying the fiscal year 2003 Supplemental Appropriations Act (Public Law 108-11), and begin reporting on Western Hemisphere Travel Initiative fee revenue as provided through the Passport Security Enhancement Act of 2005 (Public Law 109-167).

The Committee urges the Department to continue to work on an interagency basis to strengthen the visa process to make it an effective anti-terrorism tool, while avoiding the creation of unnecessary barriers or delays to legitimate travel to the United States.

The Committee requests the Department prepare and submit a report to the Committees on Appropriations on visa issuing posts that take longer than 30 days to request a personal interview after a non-immigrant visa request was submitted. In addition, the report should include information from the last three years on: the number and type of visa applications submitted to the Department; the number of visas approved; the number of visa applications subject to a Security Advisory Opinion; the percentage of visa applications rejected by type of visa applied for; the number of consular officers processing visa applications; and any new programs and initiatives to improve both the security and efficiency of the visa process.

The Committee understands that the Department is examining the feasibility of conducting visa interviews by teleconference or similar electronic means. The Committee supports these efforts, including steps to conduct pilot demonstration projects.

*Russian, Eurasian and East European Research and Training*

The Committee recommendation includes \$5,000,000 for the Russian, Eurasian, and East European Research and Training Program (Title VIII). The programs are to be administered by the Bureau for International Intelligence and Research. The Committee encourages the use of Title VIII funds to include comparative research and language training concerning Eurasian countries critical to the war against terrorism.

*Fees and transfers*

The Committee has included language in the bill, similar to language in prior years, which: (1) permits not to exceed \$10,000,000 to be transferred to the Emergencies in the Diplomatic and Con-

sular Service account for emergency evacuations and terrorism rewards; (2) provides \$1,558,390 in fees collected from other Executive Branch agencies and \$490,000 from reserves for lease or use of facilities at the International Center Complex, as authorized by law; (3) provides not to exceed \$15,000 from reimbursements, surcharges, and fees for use of Blair House facilities in accordance with the State Department Basic Authorities Act of 1956; (4) requires notification of Congress before processing licenses for the export of satellites to China; and (5) makes not to exceed \$6,000,000 in fee collections available until expended for various activities.

*Interagency task force*

The recommendation continues base funding for costs associated with the operation of a United States Government interagency task force to monitor the United Nations headquarters renovation project.

*International cooperative administrative support services system (ICASS)*

The ICASS system was intended to empower all United States Government agencies located at an overseas post to more efficiently and economically provide administrative support services. The Committee expects that all overseas posts adopt the ICASS system.

*Intelligence and research*

The Committee recommendation includes the full request of \$58,175,000 for the Bureau of Intelligence and Research, which is \$6,300,000 and 8 positions above the fiscal year 2007 level. The increase is provided to augment the Bureau's analytic staff in key areas such as terrorism, China, and Iran, and will strengthen the Bureau's Humanitarian Information Unit, enhancing its ability to produce intelligence on critical humanitarian issues, such as food security, health, and migration issues. Funds also will be used to complete the initiative begun in fiscal year 2007 to provide electronic connectivity at the desktop in order to ensure the timely and efficient electronic dissemination of intelligence within the Department.

*Iraq base operations*

The Committee recommendation does not include the \$65,000,000 requested for Iraq base operations. It is the Committee's intent to consider these costs at the same time it considers the \$1,881,608,000 requested as fiscal year 2008 emergency appropriations for Iraq operations.

*Minority recruitment and hiring*

The Committee remains strongly supportive of the educational partnership with Hostos Community College and Columbia University and urges the Department to continue its support in fiscal year 2008. Similarly, the Committee urges the Department to continue support for the partnership with Howard University to recruit and prepare students from various institutions with large minority populations for positions in the United States Foreign Service. These programs assist the Department's ongoing efforts to increase minority hiring and diversity by facilitating the preparation of non-



traditional and minority students for careers in the Foreign Service and the Department of State.

*Overseas schools*

The Committee commends the consolidated Overseas Schools Assistance Program for its significant accomplishments in enhancing educational opportunities for children of American families living overseas and furthering mutual understanding between the people of the United States and the people of other countries. This program fulfills a dual purpose of providing a quality American-style education for children of United States citizens assigned overseas and demonstrating the best practices in American education to children and educators of other countries. The Committee also commends the Overseas Schools Advisory Council and its annual Program of Educational Assistance in generating United States corporate and foundation financial support and fostering volunteer activities for American-sponsored overseas schools.

*Passport Backlogs*

The Committee understands that the Department has taken several steps to address the dramatic rise in demand for passports, including the hiring of over 250 additional passport adjudicators in the past two years, expanding the hours of operation at all passport agencies, instituting mandatory overtime, and suspending all non-critical training and travel for passport staff. Unfortunately, these steps have proven insufficient to meet the increased demand for passports that resulted from implementation in January of this year of phase I of the Western Hemisphere Travel Initiative (WHTI). The Committee is deeply troubled by this persistent and growing backlog of passport applications. The recent announcement to address the immediate crisis by allowing alternate identification and paperwork for citizens traveling to Canada, Mexico, the Caribbean, and Bermuda who have yet to receive their passports likely will help. However, the announcement will not help those traveling to other regions of the world.

The lack of adequate preparedness to meet the projected passport demands associated with implementation of WHTI is of great concern. The Committee notes that Border Security fee revenue in fiscal years 2007 and 2008 is projected to rise by \$161,000,000 and \$157,000,000 respectively, or over 13 percent each year. The Committee expects the Department of State to devote a much larger percentage of fee revenue in the next fiscal year to passport operations to ensure that adequate human and physical resources are available to process applications in a timely fashion. The Committee encourages the Department to consider, if appropriate, increasing the number of expedited slots available to registered, hand-carried agents as a means of accelerating approvals and reducing agency workload. Finally, the Committee requests that the Department submit quarterly reports to the Committees on Appropriations on the number of passport applications received (by category of application), the number of applications that are pending approval (by category), and the average processing time per category of application received. The reports should also include data on the implementation of the passport processing operational plan during the period, including the number of passport adjudicators

and contract staff on board, the number of new adjudicators and contract staff hired and trained, and any significant infrastructure improvements.

*Public diplomacy programs*

The Committee remains concerned by negative perceptions about the United States among foreign publics. A Pew survey conducted in 1999 and 2000 found that more than 50 percent, and as high as 83 percent, of foreign populations around the world held favorable views of the United States. By January 2006, the favorability numbers had declined dramatically. A BBC World Service poll found that the United States was rated positively by respondents in only 39 percent of the 33 nations surveyed. Some of this decline was due to a lack of priority for public diplomacy activities that followed the end of the Cold War. But, much of the current disfavor the nation is experiencing is the result of unpopular policies of the United States. Still, the Committee believes that a robust public diplomacy program is an essential component for improving how America is perceived abroad and ultimately to strengthening our national security.

To that end, the Committee again has prioritized public diplomacy programs within the Diplomatic and Consular Programs account and has included bill language designating amounts specifically for public diplomacy efforts. For fiscal year 2008, the recommendation provides \$363,905,000 for Public Diplomacy programs under this account, an increase of \$34,171,000 above the fiscal year 2007 level. Within the amounts provided, \$272,609,000 is for the regional bureaus, \$50,131,000 is for the Bureau of International Information Programs, \$34,527,000 is for the functional bureaus/other support costs and payments, and \$5,000,000 is for an inter-agency public diplomacy centers.

Annual base funding for United States Government public diplomacy programs has increased by more than \$500,000,000, or 48 percent, since 2001. The Committee expects the Department to continue to lead the effort to expand these programs and adapt them to address the specific foreign policy challenges facing the Nation. To build on the progress to date, and to solidify the role of the Department in leading the national public diplomacy effort, the recommendation includes \$5,000,000 for the Secretary to establish and begin to operate a public/private interagency public diplomacy center which shall serve as a knowledge bank, and a program integration and coordination hub for United States public diplomacy programs. This center will improve interagency coordination, and better draw upon private sector knowledge and expertise to inform program strategies, to improve program results, and to apply existing resources in ways that are smarter, more innovative and more effective. The Committee notes the success of other interagency centers such as the National Counterterrorism Center, and expects the Department to promote the participation of all agencies whose mission areas include an international aspect. The recommended funding will support initial staffing and operational costs of establishing the center. The Committee expects the Department to submit a spending plan for this funding no later than sixty days after the enactment of this Act.

The budget request focus expands public diplomacy efforts primarily in the Arab and Muslim world. The Committee agrees with that view in large measure, but cautions the Department not to allow the focus on high priority areas to diminish ongoing public diplomacy efforts outside of these areas in order to maintain an effective worldwide public diplomacy program.

The Committee continues to believe that separately identifying public diplomacy resources will facilitate the Committee's ability to monitor funding levels and trends for these activities. The amount identified for public diplomacy programs includes the costs of personnel and programs throughout the Department. The Committee expects the Department to identify any impediments to optimal performance of public diplomacy programs and propose any necessary changes, including organizational changes, through the reprogramming process. The recommendation for public diplomacy will support the continuation of programs in the Arab and Muslim world, which have been expanded since fiscal year 2002. The Committee directs the Department to provide quarterly reports to the Committee, beginning three months after the enactment of this Act, on the steps taken to increase efforts to counter anti-American sentiments around the world.

The Committee supports the Department's initiative to encourage members of the Department of State to speak on the record; integrate public diplomacy into policy; strengthen the public diplomacy specialty; recognize public diplomacy skills as criteria for promotion for all Foreign Service; and implement a rigorous evaluation process of all public diplomacy programs.

The Committee directs the Secretary of State to submit to the Committees on Appropriations on an annual basis a report on any anti-American incitement sentiment promulgated by government agencies and officials, government-media sources, government-funded universities, government-sponsored religious institutions, or any other governmental organs of countries receiving assistance from the United States.

Further, the Committee commends the steps taken to increase efforts to counter disinformation and deliberate misinformation by monitoring hostile media and providing United States spokespersons and foreign media with factual information to respond to and to counter, malicious propaganda about the United States. The Department has greatly expanded United States media presence in Arab and regional media, and the number of media interviews by the Department in Arabic has increased more than four times over the number prior to 2005. The Committee strongly urges the Department to continue to improve United States efforts to communicate with the Arab and Muslim world in local languages.

The Committee continues to support international broadcasting in general and efforts to expand the audience of listeners and viewers in the Arab and Muslim world in particular. Since September 11, 2001, the Committee has made significant investments to expand international broadcasting efforts, primarily in the Arab and Muslim world. However, the Committee is concerned about allegations of the lack of oversight and transparency of Middle East Broadcasting Networks, which led to the December 2006 broadcast of live interviews with terrorist leaders and al Qaeda affiliates. The Committee expects the Secretary, as a member of the Board of the

Broadcasting Board of Governors, to ensure that United States broadcasting programs provide a balanced and comprehensive presentation of United States policy.

*Right-sizing the United States Government presence overseas*

The Committee continues to define right-sizing as the reconfiguration of overseas United States Government staff to the number necessary to achieve United States foreign policy goals. The Committee is convinced, and agrees with the recommendation of the Overseas Presence Advisory Panel, that rationalizing staffing and operations abroad has the potential for significant budgetary savings. It costs two to three times as much to maintain an employee outside of the United States as it does within the United States. The notion of right-sizing as a desirable means to improve security and gain efficiencies implies that the current number of overseas staff in some locations is greater than the minimum number necessary, and that the presence of a number greater than the minimum number presents an unnecessary and unacceptable financial and security burden.

The Committee is very concerned about the escalation in staffing and additional housing requirements resulting from much higher than projected staff requirements for the United States mission in Iraq. Presently, the Department reports that the 619 apartments included in the New Embassy Compound are over 260 beds short of the requirements for American staff assigned to critical programs in Iraq. In addition, the Department reports a need for housing to accommodate over 500 third country nationals and other operational and maintenance staff. This is well above the estimates originally provided to the Committee. The Committee understands that providing a safe and secure work and housing environment to all embassy staff is essential. The Committee strongly urges the Department to use the most stringent criteria for determining staffing levels for the United States mission in Iraq.

As part of the overall right-sizing function, the Committee encourages the Department to review the ICASS system and fully explore how ICASS can contribute to right-sizing efforts. The Committee has outlined its concern regarding the right-sizing of the United States Government presence overseas in report language since fiscal year 2001 and has included bill language designating funding for the Office of Right-Sizing the United States Government Overseas Presence since fiscal year 2004. The Committee remains frustrated by the lack of progress in meeting the intended results. Recognizing the difficulties inherent in changing world situations and conditions in specific host countries requiring movement of mission objectives, nevertheless, the Department has instances of overly optimistic staffing projections that have not been realized. These projections have led to new facilities with vacancies at the same time the Department is seeking ambitious growth in nearby posts. With increased security concerns and decreasing budgets, the Committee is steadfast in its belief that a more rigorous approach is necessary.

*Science fellowship programs*

The Committee commends the Secretary for sustaining a variety of science fellowship programs in the Department, including the

American Association for the Advancement of Science science-diplomacy fellows, the professional society fellows, and the recently established Jefferson Fellows Program. The Committee urges continued support for these valuable programs.

The Committee also applauds the Office of Science and Technology Advisor to the Secretary of State for continuing to promote the essential role of science and technology in diplomacy, and encourages the Department to continue to increase science and technology capacity and literacy within the Department and the role of science and technology in our nation's foreign policy. The Committee requests that the Secretary be prepared to report during the hearings on the fiscal year 2009 request on the progress made during fiscal year 2008 to increase science and technology capacity and literacy within the Department.

#### *Special envoy*

The Committee encourages the Secretary of State to establish, at an appropriate time, a location for which a Special Envoy for Middle East peace may operate on an ongoing basis.

#### *Staffing*

The Committee believes that diplomatic and development programs are our first line of defense. The cornerstone of a robust diplomatic program is a trained and ready workforce. To this end, the Committee has provided increases under the diplomatic and consular programs account to fund and train a total of 2,886 new positions above attrition for the Department of State from fiscal years 2001 to 2007, an increase of 19 percent.

The fiscal year 2008 budget proposes to add another 254 positions as part of a multi-year initiative to reposition and augment its diplomatic posture to transition states and other countries key to supporting the United States Government presence overseas, to improve language proficiency and enhance the professional skills, and increase the size of the Active Response Corps within the Office of the Coordinator for Reconstruction and Stabilization. While supportive of improving the diplomatic readiness of the Department, the fiscal constraints facing the Committee have limited the ability to fully support all the new positions requested.

The Committee reiterates its strong recommendation that the Department strengthen and utilize all of its diplomatic tools to ensure a peaceful resolution to the growing regional instability, outstanding conflicts and humanitarian crises of Central and East Africa. The Committee believes that more diplomatic resources should be directed towards resolving the region's conflicts and crises, particularly in Uganda, Somalia, Sudan, Chad, the Democratic Republic of Congo, the Central African Republic, and Eritrea/Ethiopia. This would include: assigning, as a part of Global Repositioning, more diplomats to the entire Central and East Africa region so as to increase staffing in African embassies and to appoint field staff to support current and future Presidential Special Envoys; increasing its public diplomacy and foreign assistance programs; and providing added attention by the Coordinator for Reconstruction and Stabilization, who has the responsibility of both helping failed states and intervening before nations fall into crisis.

*Stabilization and reconstruction*

The Committee recognizes the importance of improving the United States Government civilian capacity to conduct effective reconstruction and stabilization. The Committee understands that the Office of the Coordinator for Reconstruction and Stabilization will be the central entity to plan and coordinate United States Government civilian activities in pre- and post-conflict environments, and to coordinate the United States Government reaction to complex contingencies. Further, the Committee understands that this office would improve operational response time in the areas of reconstruction, stabilization, and humanitarian assistance.

Education of all participants in a stabilization and reconstruction environment is vital for effective operations. The Committee urges the Department and USAID to expand opportunities for Department and USAID employees to enhance their training in such environments, including opportunities to attend short course training at the Center for Stabilization and Reconstruction Studies at the Naval Postgraduate School.

*Tibet*

The Committee recognizes the important role played by the Special Coordinator for Tibetan Issues in implementing this Act. The Committee recommendation continues at not less than the current service level for salaries and expenses for an office to support the Coordinator in carrying out the broad responsibilities detailed in section 621(d) of Public Law 107-228, as well as for convening coordinating meetings for appropriate United States Government agencies, non-governmental organizations, and representatives of the Tibetan leadership.

*Trafficking in persons*

The Committee continues to be concerned about the serious problem of international trafficking in persons. The Committee is troubled by the long delays in the process of considering and awarding grants to combat trafficking in persons. The Committee believes that the Trafficking in Persons (TIP) Office at the Department of State should control the monies appropriated for TIP programs and not be subject to the decentralized influence of field posts and to the sequential process of grant approvals by the TIP Office and the subsequent apportionment of funds by the Office of Management and Budget. The Committee believes that the current collection, review and apportionment process is hampering the TIP Office's ability to respond quickly to anti-trafficking program requirements.

The Committee further believes that the Secretary should add six full-time equivalent (FTE) positions to the TIP office so that it can effectively monitor its anti-trafficking grants and can effectively fulfill the vital, Congressionally-assigned responsibility given to the Senior Policy Operating Group, which it chairs, of monitoring and coordinating the domestic and international anti-trafficking grants and policies of all U.S. agencies. The recommendation includes not less than \$4,215,000 for the Office to Monitor and Combat Trafficking in Persons. It is the Committee's firm belief that the practice of modern-day slavery must receive the full attention of the United States Government, and that the TIP Office is

uniquely positioned to offer the hope of freedom to trafficking victims.

The Committee is concerned about the lack of transparency in the awarding of grants to combat human trafficking at the Department of State and USAID, as well as the lack of reporting data by the grantees. The Committee directs the Department of State, in coordination with USAID, to prepare and submit a report to the Committees on Appropriations on grants to combat human trafficking including the following: the grant, contract, and cooperative agreement review process; the selection criteria, purpose, number of applicants received and approved; and a summary of problems or investigations of the performance of any of the grants, contracts and cooperative agreements. This report shall be submitted to the appropriate committees within 90 days of enactment of this Act.

*Victims of terrorism compensation*

The Committee shares the concern voiced by families victims of terrorism of the need for the United States Government to provide timely compensation. As a first step in addressing this concern, the Committee recommendation includes \$4,000,000, to be available until expended, for compensation to the families of members of the Foreign Service or other United States Government employees, or their dependents, who were killed in terrorist attacks since 1979. The Committee believes, however, that providing an appropriation for compensation in the absence of an authorization is not an advisable course. The eligibility, structure and amounts of a compensation program need to be carefully considered prior to the provision of funds. Therefore, the Committee has conditioned the obligation of these funds upon the enactment of subsequent authorizing legislation. The Committee directs the Department of State to develop a comprehensive legislative proposal and forward it to the committees of jurisdiction to provide just and equitable compensation for victims of international terrorism and their surviving family members, including United States foreign service, military, foreign service nationals, and civil servants. The Committee expects this proposal to be presented to the Congress within 60 days of enactment of this Act.

*Visa and passport security program*

The Committee remains highly interested in the Department's ongoing work to both detect terrorist travel and disrupt efforts to use fraudulent travel documents through strengthening the capabilities of the Diplomatic Security enforcement programs and enhancing their work with foreign partners through the Anti-Terrorism Assistance Program. The Committee understands that overseas program results since fiscal year 2004 have yielded 1,050 arrests for document fraud and related offenses and in excess of 3,500 visa refusals and revocations. The Committee is supportive of plans to add 17 new positions to enhance enforcement work overseas. The Committee also urges the Department to more aggressively implement the Visa and Passport Strategic Plan completed in December of 2006 during fiscal year 2008 and expects that the fiscal year 2009 request will more fully address the Plan's implementation requirements, both for personnel and resources.

*Worldwide security upgrades*

The Committee recommendation includes \$964,760,000 for worldwide security upgrades within the Diplomatic and Consular Programs account, which is \$282,811,000 above the fiscal year 2007 level and the same as the request. Within the amount provided: \$886,716,000 is for ongoing security activities, including guard services, physical security equipment, armored vehicles, chemical/biological program, personnel, training, and wireless communications; \$53,400,000 is for the protection of life and facilities, including creating secure environments for American Presence Posts, establishing an armored vehicle lifecycle replacement program for vehicles acquired with supplemental funding in fiscal years 2001 and 2002, and increasing regional security officer support; \$23,500,000 is for enhancing the protection of Americans under Chief of Mission authority outside the mission; and \$1,144,000 is to support the Foreign Service Modernization initiative.

The Worldwide Security Upgrade (WSU) program provides the core funding for the protection of life, property, and information of the Department of State. WSU funding supports a worldwide guard force protecting overseas diplomatic missions and residences and domestic facilities. Security staffing of more than 1,300 personnel are deployed worldwide to protect United States Government staff and facilities. In addition, the WSU program appropriation supports the protection of national security information and the integrity of the Department of State's network of information systems.

The Committee recommendation includes the increase requested for physical security/protective equipment. These funds are used to provide local guard vehicles and equipment, bulletproof vests, training equipment, and Chem-Bio protection. The Committee is aware of proposals to develop and validate a pilot Chem-Bio agent detection and decontamination system for facilities and embassies and encourages the Department to consider supporting these types of pilot projects.

Maintaining secure and efficient access to United States embassies requires continued vigilance. The development of new technology can play an important part in advancing both secure and timely access to diplomatic facilities worldwide. The Committee understands that an iris recognition-based identity system designed to provide a secure means of matching parents and their children has been successfully demonstrated in a public school system setting. The Committee encourages the Department to consider support for a demonstration project to create and test a similar iris recognition system to identify, track, and log visitors at select United States missions.

CAPITAL INVESTMENT FUND

Fiscal year 2007 enacted level .....	\$58,143,000
Fiscal year 2008 request .....	70,743,000
Committee recommendation .....	59,062,000
Change from request .....	- 11,681,000
Change from enacted level .....	919,000

The Committee recommends \$59,062,000 for the Capital Investment Fund, which is \$919,000 above the fiscal year 2007 level and \$11,681,000 below the request.



In addition, the budget request estimates that \$243,002,000 in expedited passport fees will be used to support the information technology modernization effort, for a total fiscal year 2008 spending availability of \$303,745,000.

The entire amount available under this heading, including fees, will support investments in new information technologies and infrastructure to improve the efficiency of Department of State operations.

Since 2001, the Committee has invested more than \$1,976,702,000 in the Department of State’s global information technology infrastructure to enable rapid and reliable communication between Washington and the more than 300 locations worldwide, while maintaining the highest possible standards of security of government information. The Committee expects the Department of State to maintain and protect this investment.

OFFICE OF INSPECTOR GENERAL

Fiscal year 2007 enacted level .....	\$29,914,000
Fiscal year 2008 request .....	32,508,000
Committee recommendation .....	32,508,000
Change from request .....	0
Change from enacted level .....	2,594,000

The Committee recommends \$32,508,000 for the Office of Inspector General (OIG), which is the same as the request, and \$2,594,000 above the fiscal year 2007 level excluding emergency supplemental appropriations. The Inspector General conducts oversight of the Department of State and the Broadcasting Board of Governors. The Committee continues to highlight the requirement for OIG oversight of the Department of State’s efforts to implement worldwide security upgrades.

The Committee recommendation includes language, as in previous years, waiving the statutory requirement that every post be inspected every five years, in order to provide greater flexibility to the Inspector General to use resources in the most critical areas.

*Middle East Broadcasting Networks, including Alhurra*

The Committee is concerned about recent reports regarding several Alhurra broadcasts during the period of November 2006 to March 2007. These reports involve allegations that Alhurra provided a platform for terrorists and those who support terrorists to broadcast in violation of the Middle East Broadcasting Networks’ policy and journalistic code of conduct. The Committee requests that the Inspector General immediately review and report not later than 120 days after enactment of this Act to the Committees on Appropriations on: the editorial policy in place in 2006 and 2007 regarding broadcasts involving terrorists or those who support them; whether any changes were made to that policy or to Alhurra’s journalistic code during the period; who was responsible for enforcing the policy; what action, if any, was taken against those who violated the policy; what management changes have been made to ensure the policy and journalistic code is monitored and enforced; and whether there are clear lines of authority at Alhurra to provide for accountability of journalistic decisions. The Committee requests the Inspector General to report on the findings within 120 days of enactment of this Act.

## EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

## [INCLUDING TRANSFER OF FUNDS]

Fiscal year 2007 enacted level .....	\$445,671,000
Fiscal year 2008 request .....	486,400,000
Committee recommendation .....	501,400,000
Change from request .....	15,000,000
Change from enacted level .....	55,729,000

The bill includes a total of \$501,400,000 for the Educational and Cultural Exchange Programs of the Department of State. This amount is \$55,729,000 above the fiscal year 2007 level excluding emergency supplemental appropriations, and \$15,000,000 above the request.

Funding provided under this heading supports international educational, professional, and cultural exchange programs, including the Fulbright student and scholar exchanges and the International Visitors Program, as well as related staff and administrative costs. These exchanges are a key critical investment in our nation's public diplomacy effort. They involve one-on-one contact between American citizens and foreign nationals and help foster understanding and appreciation of other peoples and cultures.

The following table displays the distribution of funds provided in the Committee recommendation:

## EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

## (BUDGET AUTHORITY IN THOUSANDS)

Program/Activity	FY2007 enacted	FY2008 request	Committee recommendation
Academic Exchanges			
Fulbright Program .....	\$198,757	\$222,645	\$218,757
Global Academic Exchanges .....	21,490	24,503	25,272
Special Academic Exchanges .....	32,510	33,934	35,934
Subtotal, Academic Exchanges .....	252,757	281,082	279,963
Professional and Cultural Exchanges			
International Visitor Program .....	71,275	74,255	82,255
Citizen Exchange Program .....	63,250	70,950	70,950
Special Professional and Cultural Programs .....	7,418	7,683	15,802
Subtotal, Professional and Cultural Exchanges .....	141,943	152,888	169,007
Program Evaluation and Performance .....	2,475	3,170	3,170
Program Support .....	48,496	49,260	49,260
Total, Educational and Cultural Exchanges .....	445,671	486,400	501,400

The Committee recommendation includes sufficient funds to support at not less than the amount requested: the Congress-Bundestag youth exchange program; the George Mitchell Fellowship program; the Benjamin A. Gilman International Scholarship program; South Pacific Exchanges, the Timor Leste Scholarship program; and the Ngwang Choephel Fellows program.

The Committee urges the Secretary to continue funding of the disability exchange clearinghouse; the University of Miami Hemispheric program; the Future Leaders Exchange programs; the American-Serbia and Montenegro Youth Leadership Exchange; the

Junior Faculty Development program; the Youth Exchange and Study—Afghanistan program; the Language, Technology, Math and Science Exchange; the Educational Advising Centers; and the Edmund Muskie Graduate Fellowship program.

The Committee recommendation includes a transfer of \$6,000,000, from within funds provided under this heading, to a Trust Fund established by section 313 of the Legislative Branch Appropriations Act, 2001. This fund supports professional exchanges with emerging political leaders from Russia, the independent states of the former Soviet Union and other eligible countries.

#### *Tibetan Programs*

The Tibetan Fulbright Scholarship Program has provided support to almost 300 Tibetan students and professionals seeking higher education and professional training at United States universities. The Committee strongly supports these exchanges with Tibet and recommends \$750,000 for the Tibetan Scholarship Program in fiscal year 2008. In addition, the Committee recommendation includes not less than \$600,000 for the Ngwang Choephel Fellows program, the same as the request and the fiscal year 2007 level.

#### *Engagement of Arab and Muslim Peoples*

The Committee recommendation continues support for programs to engage Arab and Muslim audiences through educational and cultural exchanges and concurs with the high programmatic priority placed on these programs within this account. The Committee is particularly interested in efforts to target promising individuals not naturally drawn to Western sources of information, who live outside the capital cities and do not attend elite institutions. The micro-scholarship program is one such way to reach this audience by providing English language training to non-elite audiences, with the hope that learning English will open a window to the English-speaking world, helping to dispel misinformation and misunderstandings that can breed resentment of the United States and its citizens. The Committee expects the Department of State to allocate adequate funding to continue and expand Fulbright Exchanges, English Language Programs, and International Visitor programs, (including cultural exchanges) for these critical audiences.

#### *United States Olympic Committee*

The Committee is aware that the Bureau of Educational and Cultural Affairs is working with the United States Olympic Committee (USOC) on multiple issues ranging from expanded exchanges to working with the newly formed Chicago Olympic bid committee. The Committee urges the Bureau to continue its work with USOC and, when possible, to assist the USOC in promoting its summer or winter Olympic bid to the International Olympic Committee as the eventual selection site of the Olympics.

#### *National Security Language Initiative*

The Committee supports the National Security Language Initiative, including the proposed expansion in fiscal year 2008 of programs to increase the number of American students and teachers

learning and mastering critical-need languages. These languages include Arabic, Chinese, Russian, Korean, Farsi and the Indic and Turkic languages. The Committee understands that this Initiative involves the expansion of programs supported by the Department of State, the Department of Education and the Department of Defense. Department of State programs supported through the Initiative include: the Intensive Language Summer Institutes; the Fulbright Language Teaching Assistants; the Teacher Exchange; the Fulbright Critical Language Scholarships; the Gilman Critical Language Scholarships, and the Citizen Exchange programs. The Committee recommendation includes sufficient funds to increase these critical language exchanges in fiscal year 2008.

*Paul Simon Study Abroad Foundation*

The Committee understands that legislation to authorize several of the recommendations of the Congressionally-chartered Commission on the Abraham Lincoln Study Abroad Fellowship Program passed the House of Representatives (Public Law 108–199). The Committee looks forward to reviewing any new authorities enacted into law as a result of this legislation, including authorities authorizing appropriations for the Senator Paul Simon Study Abroad Foundation.

*Public information*

Thousands of young Americans, including high school students, travel abroad to study. The families of these students often have difficulty determining the merits of private exchange programs. The Committee expects the Department of State to increase awareness of the resources available to assist families in the selection of exchange programs.

*Fee limitation*

The Committee recommendation includes a limitation of not to exceed \$5,000,000 on the use of fees or other payments received from or in connection with English teaching, educational advising and counseling, and exchange visitor programs as authorized by law.

*Spending plan*

The Committee expects that a proposal for the programmatic and geographic distribution of available resources (including unobligated balances and recoveries) will be submitted through the normal reprogramming process within 60 days from the date of enactment of this Act. The Committee expects that the overall funding distribution will conform to the programmatic guidance above.

*Special projects*

In addition to funding provided to support academic and cultural exchanges requested in the budget or those funded annually by the Committee, the Committee recommendation includes \$4,000,000 to support one-time special educational and cultural exchange projects that address an area, or areas, of mutual interest between the United States and the country of exchange. Exchange proposals should be for funding to support the actual exchange of people, and not for operational support of the organization or institution. Fund-

ing to support the development and expansion of critical language programs at colleges, universities, and institutes are supported through the United States Department of Education. The Department should review and award on a competitive basis up to \$500,000 for each award that meets appropriate guidelines and qualifications established by the Department of State and that are consistent with the underlying statutory authority. The Department of State should prepare and issue the solicitation for proposals within 60 days of enactment of this Act.

*Exchanges with the Caribbean*

The Committee recommends that the Department develop expanded cultural, educational, and professional exchanges between the United States and the Caribbean. The Committee recognizes that such people-to-people exchanges with the region are an important tool for developing understanding between communities and enhancing regional security.

REPRESENTATION ALLOWANCES

Fiscal year 2007 enacted level .....	\$8,175,000
Fiscal year 2008 request .....	8,175,000
Committee recommendation .....	8,175,000
Change from request .....	0
Change from enacted level .....	0

The Committee recommends \$8,175,000 for representation allowances authorized by section 905 of the Foreign Service Act of 1980, which is the same as the fiscal year 2007 level and the same as the request. These funds are used to reimburse Foreign Service Officers for expenditures incurred in their official capacities abroad in establishing and maintaining relations with officials of foreign governments and appropriate members of local communities. The Department shall submit a quarterly report to the Committees on Appropriations containing detailed information on the allotment and expenditure of this appropriation.

PROTECTION OF FOREIGN MISSIONS AND OFFICIALS

Fiscal year 2007 enacted level .....	\$9,270,000
Fiscal year 2008 request .....	18,000,000
Committee recommendation .....	28,000,000
Change from request .....	10,000,000
Change from enacted level .....	18,730,000

The Committee recommends a total of \$28,000,000 for the Protection of Foreign Missions and Officials account, which is \$18,730,000 above the fiscal year 2007 level and \$10,000,000 above the request.

This account reimburses local governments and communities for the extraordinary costs incurred in providing protection for international organizations, foreign missions and officials, and foreign dignitaries under certain circumstances. To be eligible for reimbursement under the regular program, the costs must be incurred in a city with 20 or more consular or diplomatic missions staffed by accredited personnel and all costs must be certified as eligible by the Department's Bureau of Diplomatic Security. In addition, funds may be used for reimbursement for an extraordinary event in a jurisdiction that does not meet the regular program eligibility

requirements, once funds are made available for that purpose. The Committee expects the Department to treat all submissions diligently and provide reimbursement to local jurisdictions on a timely basis if claims are fully justified.

The increase above the request is to provide reimbursement to jurisdictions with certifiable costs associated with the Organization of American States' (OAS) 35th General Assembly in June 2005. Funds also are available to reimburse eligible costs of providing security protection to diplomatic delegations to the United Nations and other international organizations that were incurred during 2002–2007 and where annual appropriations under this account were not sufficient to fully reimburse all certified expenses.

#### EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

Fiscal year 2007 enacted level .....	\$1,490,852,000
Fiscal year 2008 request .....	1,599,434,000
Committee recommendation .....	1,536,798,000
Change from request .....	– 62,636,000
Change from enacted level .....	45,946,000

The Committee recommends a total appropriation of \$1,536,798,000 for Embassy Security, Construction, and Maintenance, which is \$45,946,000 above the fiscal year 2007 level and \$62,636,000 below the request. The recommendation designates \$806,900,000 as available only for priority worldwide security upgrades, acquisition, and construction, the full amount requested for such activities. The recommendation includes \$729,898,000 for non-security related costs, which is \$137,621,000 above the fiscal year 2007 level and \$62,636,000 below the request.

This account provides funds to manage United States Government real property overseas and maintain Government-owned and long-term leased properties at approximately 260 posts, and to lease office and functional facilities and residential units, not only for the Department of State, but also for all United States employees overseas.

#### *Worldwide security upgrades*

The Committee recommendation includes \$806,900,000 for security projects, which is the same as the request and \$91,675,000 below the fiscal year 2007 level, to continue the capital security program of constructing new secure replacement facilities for the Department's most vulnerable embassies and consulates and providing additional security measures and upgrades. The Committee expects that projects undertaken under this program will address the security of the highest priority facilities. In previous fiscal years, the Department has proposed to reprogram funds under this activity for projects that do not address top priority security vulnerabilities and for projects that will not result, when complete, in a facility that meets existing security standards. The Committee expects that worldwide security funds will be used only for projects that meet these specifications.

By the end of fiscal year 2007, the Department projects that 41 new facilities will be completed and 36 additional buildings will be under design or construction. These 77 new facilities represent nearly 40 percent of the 195 identified for replacement due to security concerns following the Nairobi/Dar es Salaam bombings in

1998. The Committee recommendation will support the construction of an estimated eleven new embassy compounds in fiscal year 2008, and the acquisition of a number of secure sites for future embassy compound construction.

The Committee recommendation also includes \$99,722,000, which is the same as the request, to continue the compound security upgrade program. The Committee understands that this program includes the installation of forced entry/ballistic resistant roof hatches, vault doors and power-assisted vehicle barriers, and other similar measures. The Committee expects that this funding will also provide physical security improvements to residential compounds and other locations where American citizens gather. Priority should be given to residential and compound security. The Committee continues its expectation for proactive action to anticipate new emerging security threats.

The Committee expects that a proposed spending plan for the entire amount of available resources for worldwide security upgrades will be submitted through the normal reprogramming process within 60 days of enactment of this Act. The Department of State shall notify the Committees on Appropriations immediately if there are any facilities that the Department believes face serious security risks.

The Committee recommendation includes a provision (sec. 103) carried in prior years requiring all agencies and departments to fully meet their capital cost sharing obligations under subsection (e) of section 604 of the Secure Embassy Construction and Counterterrorism Act of 1999 in order to be allocated office space or other accommodations in newly constructed or renovated diplomatic facilities.

#### *Capital security cost sharing program*

The Committee continues to support the Capital Security Cost Sharing Program. Under this program, all agencies that have staff overseas under Chief of Mission authority pay a fair share of urgent, security-driven capital projects undertaken to replace embassies and consulates at the most vulnerable posts. The goals of this program are twofold. First, the program accelerates the replacement of unsafe, unsecured and outdated diplomatic facilities that are used overseas by United States Government agencies. This is planned as a 14-year, \$17,500,000,000 program to replace 150 vulnerable embassy and consulate facilities with new compounds that fully comply with statutory security requirements. Second, the program will create incentives within all government departments and agencies to scrutinize and "right-size" their overseas presence to avoid unnecessary costs and security risks. Each agency with staff overseas under Chief of Mission authority has, built into their fiscal year 2008 budget request, an annual contribution towards construction of new secure diplomatic facilities based on the number of positions overseas and the type of space occupied. These contributions do not take the place of Department of State contributions, which are also growing, but create a larger, shared funding pool to accelerate replacement.

The recommendation assumes a total program level of \$1,163,075,000 in fiscal year 2008 for Capital Security Construction, including \$692,178,000 under this account, \$109,239,000 from

other reimbursements, and \$361,658,000 from non-State agencies, based on positions worldwide. The Committee understands that the Capital Security Cost Sharing program will include agency involvement in setting priorities and in other aspects of the development of new embassy compounds. The Committee believes that the establishment of strong interagency coordination and cooperation will be critical to achievement of program goals and encourages the Department and the Administration to ensure that the management of this program is inclusive, cooperative and transparent.

#### *Operations*

The Committee recommendation provides \$729,898,000 for operations and maintenance activities, which is \$62,636,000 below the request, and \$137,621,000 above the fiscal year 2007 level. The Committee notes that the requested amount included \$99,456,000 in program increases. The Committee recommendation also includes \$11,328,000 for headquarters operations. The Committee directs the Department of State to prioritize requested funding increases and to specifically identify amounts above current services in a comprehensive spending plan to be submitted no later than 60 days after enactment of this Act.

#### *Assets management*

The budget request notes that the Department expects to realize \$57,000,000 in assets management funds over the fiscal year 2007 and 2008 period. The Committee expects that these funds will be used for opportunity purchases to replace uneconomical leases and for other priority capital acquisition purposes. In addition, as in previous years, the Committee expects that assets management funds will continue to be allocated in part to security construction needs. Any use of these or additional assets management funds in fiscal year 2008 is subject to reprogramming. In addition, with respect to the requirement that a reprogramming for any major new start be submitted, the Committees on Appropriations understands that requirement to mean that any rehabilitation or construction projects involving an ambassador's residence will be subject to the requirement. In addition to regular reporting provided to the Committee on acquisition and disposal of overseas property, the Department shall submit a report to the Committee by November 6, 2007, listing all properties disposed of, or in process for disposal, along with associated actual or anticipated proceeds of sale, at posts which have had funding approved for the construction of a new secure compound in, or after, fiscal year 1999.

The recommendation continues language carried in the bill in previous years that prohibits funds from being used for acquisition of furniture, furnishings and generators for other departments and agencies.

The Committee commends the Bureau of Overseas Buildings Operations (OBO) for continuing its internal management innovations to increase performance and accountability, to streamline operations, and to control costs. Recognizing that the increased complexity of a growing program of construction, real estate, operations/maintenance, and planning activities requires greater technological and information systems integration, the Committee encourages OBO to pursue development of integrated building man-



agement systems. Such technology upgrades to integrate disparate legacy systems will protect the large and continuing investment of taxpayer resources in overseas properties and those who occupy them. The Committee has provided sufficient resources to support this effort.

The Committee expects that new embassy projects advanced by the Department of State will have been properly planned and right-sized, with regional considerations, projecting anticipated needs and requirements by the date submitted to Congress.

*Right-sizing the United States Government overseas presence*

The Committee directs the Office of Overseas Buildings Operation to continue to work closely with the Office on Right-Sizing the United States Government Overseas Presence to ensure that projected staffing levels for new embassy compounds are prepared in a disciplined and realistic manner and that these estimates become the basis for determining the size, configuration and budget of new embassy compound construction projects. In addition, the Committee notes several instances of requests made to the Committee for new embassies predicated upon vacating dysfunctional and insecure facilities currently occupied, or upon the need to move to new capital cities, where the Department has not abided by its original commitment to vacate or limit the residual presence in formerly occupied posts and properties. The justification for all facilities projects funded under this account must include a full explanation of regional efficiency and security planning, and related staffing assumptions. Such projects will not be approved for funding absent evidence of the application of a uniform right-sizing methodology.

*Beijing embassy*

The Committee anticipates the construction of the Beijing New Embassy Compound (NEC) to be completed on time and on budget with occupancy scheduled for the spring of 2008. With the 2008 Summer Olympics scheduled to be held in Beijing, China, the Committee expects the Department to maintain existing facilities in Beijing through this time period. At that time, the Committee shall receive an update on the plans concerning the currently occupied buildings to achieve the best value for the government. The Committee understands that long-term growth projections demonstrate that the embassy's staffing needs will require more space than the current and new compounds combined. Therefore, the Committee encourages the Department to examine the possibility of maintaining a presence in the current compound.

*Energy conservation and sustainable design*

The Committee commends the Bureau of Overseas Buildings Operations (OBO) for its innovative work in the area of energy conservation and sustainable design, including being one of the finalists for the Platts Global Energy Awards competition. The Committee is aware of the work of the National Institute of Sustainable Energy in the area of "zero-energy" innovations and encourages OBO to consider partnering with the Institute to further develop energy concepts and products that are critical to the self-sustainability, security, and efficiency of diplomatic facilities worldwide.

## EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

## [INCLUDING TRANSFER OF FUNDS]

Fiscal year 2007 enacted level .....	\$4,940,000
Fiscal year 2008 request .....	19,000,000
Committee recommendation .....	14,000,000
Change from request .....	-5,000,000
Change from enacted level .....	9,060,000

The Committee recommends \$14,000,000 to enable the Secretary of State to meet unforeseen emergencies arising in the Diplomatic and Consular Service. This amount is \$9,060,000 above the fiscal year 2007 level and \$5,000,000 below the request. Funding provided in this account is available until expended.

The Committee has included a provision in the bill that permits up to \$1,000,000 to be transferred from this account to the Repatriation Loans Program Account, as requested in the budget. This provision will ensure an adequate level of resources for loans to American citizens through the Repatriation Loans Program Account should that account require additional funds in fiscal year 2008 due to an unanticipated increase in the number of loans.

This appropriation provides resources for the Department of State to meet emergency requirements in the conduct of foreign affairs. The Committee recommendation provides funds for: (1) travel and subsistence expenses for relocation of American employees of the United States Government and their families from troubled areas to the United States and/or safe-haven posts; (2) allowances granted to Department of State employees and their dependents evacuated to the United States for the convenience of the Government; and (3) payment of rewards for information concerning terrorist activities.

## REPATRIATION LOANS PROGRAM ACCOUNT

## [INCLUDING TRANSFER OF FUNDS]

Fiscal year 2007 enacted level .....	\$1,302,000
Fiscal year 2008 request .....	1,285,000
Committee recommendation .....	1,285,000
Change from request .....	0
Change from enacted level .....	-17,000

The Committee recommendation includes \$678,000 for the subsidy cost of repatriation loans and \$607,000 for administrative costs of the program as authorized by 22 U.S.C. 2671, which is a combined \$17,000 below the fiscal year 2007 level and the same as the request.

This account provides emergency loans to assist destitute Americans abroad who have no other source of funds to return to the United States.

## PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Fiscal year 2007 enacted level .....	\$15,826,000
Fiscal year 2008 request .....	16,351,000
Committee recommendation .....	16,351,000
Change from request .....	0
Change from enacted level .....	525,000

The Committee recommendation includes \$16,351,000 for the Payment to the American Institute in Taiwan, which is \$525,000

above the fiscal year 2007 level and the same as the request. The recommendation, combined with an estimated \$18,000,000 derived from visa fee revenues, will continue the amount available in the current year. The Institute is authorized to collect Machine Readable Visa fees, as well as reimbursements from agencies and user fees from trade show exhibitors.

The Committee expects that the American Institute in Taiwan (AIT) will cover anticipated operating expenses in fiscal year 2008 through a combination of appropriations and visa fee revenues. The Committee expects the Department to submit by November 1, 2007, an AIT spending plan for fiscal year 2008, indicating the total amount of estimated fee collections, the amount of such fee collections allocated for operating expenses, and the total amount planned for operating expenses from all funding sources.

The Taiwan Relations Act requires that programs concerning Taiwan be carried out by the American Institute in Taiwan and authorizes funds to be appropriated to the Secretary of State to carry out the provisions of the Act. The Institute administers programs in the areas of economic and commercial services, cultural affairs, travel services, and logistics. The Department of State contracts with the American Institute in Taiwan to carry out these activities.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY  
FUND

Fiscal year 2007 enacted level .....	\$125,000,000
Fiscal year 2008 request .....	122,500,000
Committee recommendation .....	158,900,000
Change from request .....	36,400,000
Change from enacted level .....	33,900,000

The Committee recommends \$158,900,000 for the Payment to the Foreign Service Retirement and Disability Fund, which is \$36,400,000 above the request and \$33,900,000 above the fiscal year 2007 level. The Committee recommendation consolidates in one account funding for this mandatory program. The combined account provides the same amount requested for this program in fiscal year 2008. The amount provided in the Committee recommendation is required to amortize the unfunded liability in the system, as documented by the annual evaluation of Fund balances.

This appropriation, which is considered mandatory for budget scorekeeping purposes, is authorized by the Foreign Service Act of 1980, which provides for an appropriation to the Fund in 30 equal annual installments of the amount required for the unfunded liability created by new benefits, new groups of beneficiaries, or increased salaries on which benefits are computed. The Retirement Fund is maintained through contributions made by participants, matching government contributions, special government contributions (including this account), interest on investments, and voluntary contributions.

## INTERNATIONAL ORGANIZATIONS

## CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Fiscal year 2007 enacted level .....	\$1,151,318,000
Fiscal year 2008 request .....	1,354,400,000
Committee recommendation .....	1,354,400,000
Change from request .....	0
Change from enacted level .....	203,082,000

The Committee recommendation includes \$1,354,400,000 for Contributions to International Organizations, which is \$203,082,000 above the fiscal year 2007 level, excluding emergency supplemental appropriations and the same as the request.

The Committee recommendation does not include \$53,000,000 which was requested to pay United States assessments of the costs for UN Assistance Missions in Afghanistan and Iraq. The Administration requested these funds as part of fiscal year 2008 emergency funding; therefore the Committee recommendation for the United Nations Regular Budget is reduced by the same amount for a total of \$442,778,000.

The amount provided in the bill is intended for payment of obligations incurred as a result of United States membership in international organizations as authorized by conventions, treaties, or specific Acts of Congress for fiscal year 2008, to include payment of assessments for the United Nations (UN). The Committee continues the practice of providing funding in the bill consistent with a policy of zero nominal growth for the United Nations budget.

The amount provides funding for the assessed costs of the 48 international organizations, which includes the North Atlantic Treaty Organization and the related North Atlantic Assembly, the World Health Organization, the International Atomic Energy Agency, the Organization for Economic Cooperation and Development, the World Trade Organization, the Organization for the Prohibition of Chemical Weapons, the International War Crimes Tribunals for Rwanda and the former Yugoslavia, the Organization of American States, and the Pan American Health Organization.

Estimates of the amount required to cover fiscal year 2008 assessments have varied based on the most recent foreign currency exchange rates for the dollar, which has fluctuated since the budget request was formulated. The Committee expects that these exchange rate fluctuations may result in losses. The Department may propose to offset these by reprogrammings from other accounts, or deferring some activities included in the request that do not require funding in fiscal year 2008.

*Accumulation of United States arrears to international organizations*

The Committee would like to acknowledge its support for the statement of the United States Ambassador to the UN, Zalmay Khalilzad, during his confirmation hearing in which he said that he believes the "United States should pay its dues in full and on time".

The Committee notes that past funding shortfalls in the Contributions to International Organizations (CIO) account, including those accrued due to last year's continuing resolution, are forcing the Department of State into arrears. The fiscal year 2007 supple-

mental Appropriations Act, 2007 (Public Law 110–28) provided, on an emergency basis, \$50,000,000 to pay arrears to organizations that are involved in global efforts to combat international terrorism and to prevent the spread of avian influenza, leaving \$80,000,000 in arrears in the CIO account.

The Committee continues to support the comprehensive reassessment of United States membership in each of the 48 international organizations for which funding is requested under this account, and continues to insist that the Department take the necessary measures to operate within the amount of funds provided under this account. The Committee expects the Department to take immediate action to evaluate and prioritize United States participation in, and funding for, international organizations. In a climate of limited resources the Committee continues to insist that the Department prioritize among organizations according to policy goals, and refrain from entering into new commitments without a commensurate increase in resources.

#### *Reform and budget discipline*

The Committee continues to insist on reform and budget discipline as a priority for all of the international organizations, including the development of processes to evaluate, prioritize and terminate programs. The Committee believes that the onus is on each international organization and the Department of State representatives to those organizations to reduce overall budgets and eliminate duplicative activities, excessive administrative costs, and inefficient operations.

#### *United Nations reform*

The Committee notes with approval a number of significant institutional and management reforms that have been carried forward, approved or initiated by the new Secretary General to include: a new ethics office; a new financial disclosure policy; establishment of a new whistleblower protection policy, which allows UN employees to report instances of waste, fraud, and abuse; establishment of a new peace-building commission to bring all key donors and recipients together to facilitate transition from conflict to development; and the creation of a central emergency response fund which allows UN humanitarian aid to begin to flow within hours of a natural disaster.

The Committee continues to insist on improving accountability within UN organizations. Comprehensive reform of the UN is a very important issue for the Committee and must be a top priority for the Department in fiscal year 2008. Secretary General Ban Ki-Moon in a speech in 2007 at the Center for Strategic and International Studies stated that, “there is a need to change the working culture of the organization [UN] itself. We must build a staff that is truly mobile, multi-functional and accountable. We must hold all UN employees to the highest standards of integrity and ethical behavior.” The Committee strongly endorses this assertion and encourages the Department of State to advance a multifaceted effort to address a wide range of activities, such as management reform, personnel reform, and budget and program prioritization at the UN. The Committee encourages the Department to revive long-stalled talks on a review of the UN mandate in order to remove

overlapping and duplicative mandates. The Committee continues to support efforts toward a more effective and efficient organization that works within budgetary constraints and further encourages the Department of State to pursue a reform agenda, which includes continued administrative and management reform, including improved internal oversight and accountability, identification of cost savings, and the allocation of resources to high priority programs and offices.

*Office of Internal Oversight Services*

The Committee continues to believe the UN must be a more transparent organization. One way of increasing transparency is to strengthen the role of the Office of Internal Oversight Services (OIOS). The Committee directs the Department of State to work to ensure the OIOS has both the resources and the authority to provide appropriate oversight to all activities managed by UN personnel.

*United Nations regular budget*

The Committee continues to support the United States policy of zero nominal growth budgets for international organizations. Toward this end, the Committee expects the Department of State to insist on the evaluation and prioritization of ongoing UN programs and activities, so that in the event of unanticipated requirements, budget offsets may be taken from activities and programs that have already been determined to be lower-priority by the organization. The Committee continues its direction to find appropriate offsets to accommodate such increases within a zero nominal growth budget. The UN Regular Budget biennium 2008–2009 budget totals \$4,173,895,900 of which the United States is assessed at 22 percent.

Language is included to require that any proposal that would result in the 2008–2009 UN biennial budget exceeding the budget level of \$4,173,895,900 for 2008–2009 be communicated to the Committee in advance of the formal notification, consideration, and adoption of such a proposal in the General Assembly. The Committee expects the Secretary to notify the Committee in advance of any UN action to increase funding for any UN program without identifying an offsetting decrease elsewhere in the UN budget.

Overall, the Committee requires more detailed information prior to the United States agreeing to such increases without identifying offsetting decreases and management reforms. Further, the Department of State must actively pursue a streamlined budget that reflects the true priorities of the organization, without duplicative and ineffective programs.

*Americans working in the United Nations*

The Committee encourages the Department of State to continue efforts to increase the number of qualified Americans employed by the UN and other international organizations. The Committee recognizes that Americans provide many skills that can contribute to making the UN more efficient, effective and accountable. The Committee remains dismayed that the representation of Americans in UN posts, in relation to geographic distribution, has remained relatively flat since 2001.

*North Atlantic Treaty Organization (NATO)*

The Committee notes, with approval, the efforts of the Department and the United States delegation to establish a cap on the cost of the NATO Headquarters project, and insists on the completion of an agreement between the Department of Defense and the Department of State as to the allocation of costs of the United States contribution to the project. To date, the Committee has provided \$41,000,000 for the NATO Headquarters project. The Committee continues its direction to the Department to control the costs of this facility and to ensure the facility meets the necessary security requirements. The Department of State shall keep the Committee apprised of progress on this matter.

*International Atomic Energy Agency (IAEA)*

The Committee notes, with approval, the IAEA's efforts to increase safeguards and efforts to provide essential assurance that nuclear materials used in peaceful nuclear programs are not diverted and misused for nuclear explosive purposes or by terrorists. The Committee recommendation includes full requested funding for the United States assessment for IAEA in fiscal year 2008.

*Pan American Health Organization (PAHO)*

The Committee continues to support the work done by PAHO. PAHO has taken the lead in health issues in the Western Hemisphere, including border health concerns, diabetes, emerging diseases, and other health issues that have an impact on citizens of the United States and all citizens of the Americas. The Committee recommendation includes full requested funding for the United States assessment for PAHO in fiscal year 2008.

*World Health Organization (WHO)*

The Committee continues to support WHO. The Committee applauds WHO for its leadership in managing pandemic influenza preparation. The Committee recommendation includes the full requested funding for the United States assessment for WHO in fiscal year 2008.

*UN Educational, Scientific, and Cultural Organization (UNESCO)*

The Committee understands that the Department and the Administration are making good progress in working with UNESCO on areas of joint priority, including education and literacy, teacher training particularly in sub-Saharan Africa, clean water, natural disaster preparedness, including tsunami warning systems, civic education particularly in the Broader Middle East and North African countries, and press freedom. The Committee supports providing the necessary resources to assure continued progress in carrying out worthwhile programs in these areas. The Committee is particularly interested in UNESCO's work related to the quality of basic education, in particular the evaluation of learning outcomes and the development of globally acceptable standards. The Committee assumes that within the funding provided, sufficient resources will be provided for the United States assessment for UNESCO.

*Voting practices of United Nations*

The Committee directs the Department of State to report to the Committees on Appropriations on the voting practices of United Nation member states for the current and past 3 years on matters regarding the reform of the United Nations, Israel, and Darfur, Sudan. The Committee expects this report no later than August 15, 2007.

## CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

Fiscal year 2007 enacted level .....	\$1,135,275,000
Fiscal year 2008 request .....	1,107,000,000
Committee recommendation .....	1,302,000,000
Change from request .....	195,000,000
Change from enacted level .....	166,725,000

The Committee recommendation includes \$1,302,000,000 for Contributions for International Peacekeeping Activities (CIPA), which is \$166,725,000 above the fiscal year 2007 level, excluding emergency supplemental appropriations and \$195,000,000 above the request.

The Committee acknowledges that the number of peacekeeping operations throughout the world continues to grow, increasing the need for the international community to respond. Currently, the United States provides military observers and UN police for eight peacekeeping missions: Liberia (UNMIL), the Democratic Republic of the Congo (MONUC), Sudan (UNMIS), Ethiopia/Eritrea (UNMEE), Haiti (MINUSTAH), Timor-Leste (UNMIT), the Middle East (UNTSO), and Kosovo (UNMIK). UN peacekeeping operations are expanding to include more missions in more locations, and a significant increase in personnel necessary to facilitate such operations.

The Committee understands that there are currently 15 UN peacekeeping operations with a total of approximately 100,000 peacekeeping personnel, including military observers and troops, UN police, and civilian personnel. The Committee notes that the United States is the largest contributor to the UN peacekeeping budget—providing roughly a quarter of the total cost to operate all peacekeeping missions. In addition, the United States provides military training and logistical support for some peacekeeping operations. The Committee encourages the Department of State to work closely with other UN Member States to ensure peacekeeping mission mandates are clear, credible, limited to what is achievable, and that peacekeeping personnel are properly prepared, able to defend themselves, and able to fulfill their mandate. The Committee continues to support efforts to improve the performance and efficiency of UN peacekeeping missions through structural and procedural reforms. The Committee also supports efforts to better limit and focus the goals of such missions, and to set specific benchmarks for performance and mission termination.

The Committee notes that the United States is providing an additional \$293,200,000 in bilateral funding for peacekeeping efforts in the Peacekeeping Operations account in title IV.

The Committee remains concerned about disturbing allegations of sexual abuse of minors by UN peacekeepers and civilian personnel. The Committee recognizes that the Department of State



has taken a leading role in urging the UN to take preventive measures in response to reports of sexual exploitation and abuse involving UN peacekeeping personnel. The Committee commends the Department for these efforts. The Committee notes that these efforts have led to significant reform in the planning and conduct of peacekeeping missions. The Committee continues to strongly urge the Administration, including the Department of State, to persist in pressing for further implementation of the recommendations contained in the Prince Zeid report, including personal accountability, and improvements in the systems of justice in troop contributing countries as a means to restore confidence in peacekeeping missions. Further, the Committee directs the United States to work to ensure adequate training is provided to peacekeeping personnel prior to deployment.

The Committee is concerned that the Administration has not adequately planned for funding International Peacekeeping activities. Committee analysis has concluded that the Administration's budget request in fiscal year 2008 for CIPA is a cut of 3 percent below the fiscal year 2007 level and that all missions except UNMIS are taking a reduction in the President's request. The Committee continues to inquire as to the rationale used by the Secretary of State when requesting \$28,275,000 below the fiscal year 2007 level in the CIPA account. The Committee is concerned that peacekeeping missions could be adversely affected if the requested fiscal year 2008 funding level is enacted. The Committee notes that in the last year the Administration has voted for: a seven-fold expansion of the UN's peacekeeping mission in Lebanon; the expansion of the UN's peacekeeping mission in Darfur; reauthorization of the UN's peacekeeping mission in Haiti; and a renewed peacekeeping mission in East Timor.

The Committee further notes that some non-governmental organizations have concluded that the Administration's budget request for fiscal year 2008 for CIPA could add \$450,000,000 to the United States peacekeeping debt at the UN based upon expected billings for existing UN peacekeeping missions. Moreover, if the proposed UN missions in Chad/Central African Republic and Somalia are undertaken, outside experts estimate that the arrears would grow by another \$300,000,000. This would bring United States debt to UN peacekeeping activities to approximately \$1,000,000,000. The Committee is concerned that these debts are preventing the UN from paying the countries that provide troops for UN peacekeeping missions and will likely significantly impact India, Pakistan, and Bangladesh.

The bill retains language carried in previous years requiring 15-day advance notice of any new or expanded mission, together with a statement of cost, duration, exit strategy, national interest, and source of funds to pay the cost. In addition, the bill continues language requiring an additional notification that the UN has taken appropriate measures to prevent UN employees, contractor personnel, and peacekeeping forces serving in any UN peacekeeping mission from trafficking in persons, exploiting victims of trafficking, or committing acts of illegal sexual exploitation and to hold accountable any such individuals who engage in any such acts while participating in the peacekeeping mission.

The bill also retains language requiring certification that American manufacturers and suppliers are provided equal procurement opportunities, and language making a portion of appropriations under this account available for two fiscal years.

The Committee continues to support the efforts of the UN's Office of Internal Oversight Services (OIOS) to identify waste, fraud and abuse, including sexual abuse in peacekeeping operations, and to recommend specific reforms to ensure that such practices are brought to an end. The Committee directs the Department of State to provide the necessary support to ensure that OIOS oversight is systematically brought to bear on every UN peacekeeping mission, including through the presence of resident auditors. The Committee directs the Department to request a performance report on the efforts of this Office to root out the causes of such waste, fraud and abuse.

#### *Western Sahara*

The Committee remains concerned about the continuing lack of progress in resolving the dispute over the Western Sahara, despite an enormous investment of funds in the UN Mission for the Referendum in Western Sahara (MINURSO) peacekeeping mission. The Committee urges the Department of State to encourage a negotiated settlement to the dispute.

#### *Peacekeeping cap*

The Committee recognizes that the Administration has requested an adjustment to the cap noted above for assessment made during calendar years 2005, 2006, 2007, and 2008, to 27.1 percent. The Committee notes that in 1993, the United States recognized a lower peacekeeping assessment level than that applied by the UN, and since October 1, 1995, has limited through United States law (sec. 404 of Public Law 103-236) to a level of not more than 25 percent for assessments to Contributions for International Peacekeeping Activities.

The Committee wishes to emphasize that UN peacekeeping is a cost-effective and important force multiplier and that the use of multilateral organizations saves the lives of our men and women in the Armed Forces and wear and tear as well as substantial cost to equipment. For example, the Committee notes that the United States share of UN's operations in Haiti are eight times cheaper than sending United States troops. Unfortunately, the Committee was unable to address the full scope of the legislative remedy requested by the President and consequently was only able to include a legislative provision addressing the adjustment of fiscal year 2008 peacekeeping cap.

#### *Cyprus*

The Committee encourages the Department of State to continue the United States support for the UN peacekeeping operation in Cyprus (UNFICYP) at an amount no less than that made available to meet obligations in fiscal year 2007.

#### *Haiti*

The Committee urges the Secretary of State to provide significantly greater support for the hiring of Haitian-American and other

Creole- or French-speaking police officers than it presently does to enhance the 50 Americans currently serving within the UN police contingent of the United Nations Stabilization Mission in Haiti (MINUSTAH). The Committee also urges the Secretary of State to dispatch an additional 100 United States security professionals, up to the authorized level of 150, for the UN civilian police with emphasis on expertise in counter narcotics, vetting tactics and other areas that are compatible with Haiti's specific needs and MINUSTAH's efforts in Haiti.

INTERNATIONAL COMMISSIONS

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

Fiscal year 2007 enacted level .....	\$32,950,000
Fiscal year 2008 request .....	102,155,000
Committee recommendation .....	46,155,000
Change from request .....	- 56,000,000
Change from enacted level .....	13,205,000

The Committee recommendation includes a total of \$46,155,000 for the International Boundary and Water Commission, United States and Mexico (IBWC), which is \$13,205,000 above the fiscal year 2007 level and \$56,000,000 below the request. The amount provided includes \$30,430,000 for Salaries and Expenses and \$15,725,000 for construction. The recommendation includes language authorizing not to exceed \$6,000 for representation expenses, as requested.

SALARIES AND EXPENSES

The Committee recommendation for the Salaries and Expenses account is \$30,430,000, which is \$2,712,000 above the fiscal year 2007 level and the same as the request. The amount recommended by the Committee provides additional resources for requested wage and price increases, and to fund the renegotiated contracts for continued operation and maintenance of several wastewater treatment plants.

CONSTRUCTION

The Committee recommendation for IBWC construction provides \$15,725,000, which is \$10,493,000 above the fiscal year 2007 level and \$56,000,000 below the request.

The recommendation provides funding for ongoing projects as follows: Boundary-wide construction—\$175,000; and Water Quantity Program—\$15,550,000, including funding above the request for Rio Grande Flood Control System Rehabilitation. The Committee expects that carryover funding may be available to supplement fiscal year 2008 appropriations. Any allocation of funding, including carryover funding, shall be subject to reprogramming procedures set forth in section 615 of this Act.

AMERICAN SECTIONS, INTERNATIONAL COMMISSIONS

Fiscal year 2007 enacted level .....	\$9,962,000
Fiscal year 2008 request .....	10,395,000
Committee recommendation .....	10,630,000
Change from request .....	235,000
Change from enacted level .....	668,000

The Committee recommendation includes \$10,630,000 for American Sections, International Commissions, which is \$668,000 above the fiscal year 2007 level and \$235,000 above the request. Funds will support the United States share of expenses of the International Boundary Commission, the International Joint Commission, United States and Canada, and the Border Environment Cooperation Commission for fiscal year 2008. Of the amount provided, \$1,530,000 is for the International Boundary Commission, \$7,000,000 is for the International Joint Commission and \$2,100,000 is for the Border Environment Cooperation Commission to improve the health and environmental conditions for the United States-Mexico border region.

#### INTERNATIONAL FISHERIES COMMISSIONS

Fiscal year 2007 enacted level .....	\$23,694,000
Fiscal year 2008 request .....	21,000,000
Committee recommendation .....	26,000,000
Change from request .....	5,000,000
Change from enacted level .....	2,306,000

The Committee recommendation includes \$26,000,000 for International Fisheries Commissions, which is \$2,306,000 above the fiscal year 2007 level and \$5,000,000 above the request. Funds support the United States share of the expenses of International Fisheries Commissions or related organizations, as well as the travel expenses of the United States commissioners. Within the total, not less than \$16,325,000 is for the Great Lakes Fishery Commission.

The Committee directs the Department of State to submit a proposed spending plan for the total amount provided under this heading no later than 60 days after the enactment of this Act.

#### OTHER

##### PAYMENT TO THE ASIA FOUNDATION

Fiscal year 2007 enacted level .....	\$13,821,000
Fiscal year 2008 request .....	10,000,000
Committee recommendation .....	15,000,000
Change from request .....	5,000,000
Change from enacted level .....	1,179,000

The Committee recommendation includes \$15,000,000 for payment to the Asia Foundation, which is \$1,179,000 above the fiscal year 2007 level and \$5,000,000 above the request.

The Asia Foundation is a private, nonprofit institution, established to stimulate Asian democratic development and assist the peoples of Asian countries to shape their own destinies. The Committee continues to support Foundation programs on human rights, higher education, democratic governance, ethnic harmony, religious tolerance and legal/judicial reform in Afghanistan, Pakistan and Indonesia. Further, the Committee supports the efforts of Foundation programs in Cambodia.

##### CENTER FOR MIDDLE EASTERN-WESTERN DIALOGUE

Fiscal year 2007 enacted level .....	\$750,000
Fiscal year 2008 request .....	875,000
Committee recommendation .....	875,000
Change from request .....	0
Change from enacted level .....	125,000

The Committee recommends an appropriation for fiscal year 2008 of interest and earnings from the Center for Middle Eastern-Western Dialogue, expected to total \$875,000.

#### EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

Fiscal year 2007 enacted level .....	\$494,000
Fiscal year 2008 request .....	500,000
Committee recommendation .....	500,000
Change from request .....	0
Change from enacted level .....	6,000

The Committee recommends an appropriation for fiscal year 2008 of interest and earnings from the Eisenhower Exchange Fellowship Program Trust Fund, expected to total \$500,000. The Committee has urged the Eisenhower Exchange Fellowships, Incorporated (EEF) to fashion its exchange programs to reflect the priority within all public diplomacy programs of building mutual understanding with Arab and Muslim populations worldwide. In this regard, the Committee continues to expect that the selection of foreign and United States fellows will reflect this priority. In addition, the Committee supports a nation-wide, merit-based recruitment and selection process for United States Fellows. The Committee expects EEF and the Department to submit a report to the Committees on Appropriations by November 30, 2008, describing its achievements in these areas.

The Eisenhower Exchange Fellowship Act of 1990 authorized a permanent endowment for the Eisenhower Exchange Fellowship Program to increase educational opportunities for young leaders in preparation for and enhancement of their professional careers and to advance peace through international understanding. The Act established the Eisenhower Exchange Fellowship Program Trust Fund in the United States Treasury for these purposes.

#### ISRAELI ARAB SCHOLARSHIP PROGRAM

Fiscal year 2007 enacted level .....	\$370,000
Fiscal year 2008 request .....	375,000
Committee recommendation .....	375,000
Change from request .....	0
Change from enacted level .....	5,000

The Committee recommends an appropriation for fiscal year 2008 of interest and earnings from the Israeli Arab Scholarship Endowment Fund, expected to total \$375,000. A permanent endowment of \$4,978,500 for the Fund was established in fiscal year 1992 with funds made available to the United States Information Agency under section 556(b) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, as amended. The income from the endowment is to be used for a program of scholarships for Israeli Arabs to attend institutions of higher education in the United States.

#### EAST-WEST CENTER

Fiscal year 2007 enacted level .....	\$18,994,000
Fiscal year 2008 request .....	10,000,000
Committee recommendation .....	0
Change from request .....	-10,000,000
Change from enacted level .....	-18,994,000

The Committee recommendation does not include funding for the East-West Center, which is \$18,994,000 below the fiscal year 2007 level and \$10,000,000 below the request.

The Committee notes that the Center can solicit contributions and can compete for other Federal grants to support its research and training activities. The Center started receiving a direct grant from the Federal government in fiscal year 1961.

#### NATIONAL ENDOWMENT FOR DEMOCRACY

Fiscal year 2007 enacted level .....	\$74,042,000
Fiscal year 2008 request .....	80,000,000
Committee recommendation .....	80,000,000
Change from request .....	0
Change from enacted level .....	5,958,000

The Committee recommendation includes \$80,000,000 for the National Endowment for Democracy (NED), which is \$5,958,000 above the fiscal year 2007 level and the same as the request.

The NED is a private, non-profit corporation established to encourage and strengthen the development of democratic institutions and processes internationally through private-sector initiatives, training, and other activities, including those which promote pluralism, democratic governance, civic education, human rights, and respect for the rule of law. The NED provides funding for projects which are determined to be in the national interest of the United States and which are administered by private organizations and groups.

#### RELATED AGENCIES

##### BROADCASTING BOARD OF GOVERNORS

Fiscal year 2007 enacted level .....	\$646,750,000
Fiscal year 2008 request .....	668,225,000
Committee recommendation .....	682,380,000
Change from request .....	14,155,000
Change from enacted level .....	35,630,000

The Committee recommendation includes \$682,380,000 for the Broadcasting Board of Governors, which is \$35,630,000 above the fiscal year 2007 level, excluding emergency appropriations and \$14,155,000 above the request. The appropriation accounts under this heading provide operational funding for the United States non-military, international broadcasting programs—including the Voice of America (VOA), Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), Radio and Television Marti, the Middle East Broadcasting Networks, Inc. (MBN), including Radio Sawa—and the associated facilities, engineering and support activities.

##### INTERNATIONAL BROADCASTING OPERATIONS

The Committee recommendation includes \$671,632,000 to carry out United States International Broadcasting Operations, which is \$32,506,000 above the fiscal year 2007 level and \$14,155,000 above the request, after factoring in the separate request for Cuba broadcasting. This account funds the operating and engineering costs of Voice of America, Radio Free Europe/Radio Liberty, Radio Free Asia, the Middle East Broadcasting Networks and the Broadcasting Board of Governors (BBG). The recommendation also includes

funding for Broadcasting to Cuba under this account. In the request, this funding was proposed under a separate account.

*Middle East Broadcasting Networks, including Alhurra*

The United States continues to face an enormous challenge to provide the people of Arab and Muslim countries with accurate information about United States policies and values. The Committee continues to support efforts to expand the audience of listeners and viewers in the Arab and Muslim world. The Committee recommendation includes \$88,362,000 for television and radio broadcasting in Arabic, including Middle East Television and Radio Sawa, which is \$5,412,000 above the fiscal year 2007 level, excluding emergency appropriations, and \$13,402,000 below the request. The resources will provide for continued news capability of 24/7 coverage, including breaking news.

The Committee is deeply troubled by several programming decisions at Alhurra television during the period November 2006 through March 2007. On more than one occasion, the network aired live, and without opposing comment, statements by Hezbollah and Hamas leaders that were hateful, anti-American, and anti-Israel. The Network's coverage of the Holocaust Denial Conference also evidenced a lack of journalistic judgment and sensitivity. While just a portion of the overall broadcast program, these incidents call into question the management and overall journalistic philosophy of the Network's leadership.

Accordingly, the Committee recommendation has deferred providing the funds requested to enhance Alhurra's programming in fiscal year 2008. In addition, the Committee recommendation includes up to \$2,200,000 to provide for 24/7 streaming and 60-day archiving on the station's website of all original programs for the Alhurra stream. The recommendation also includes up to \$2,080,000 for the random translation of 20 hours per week of Alhurra's original programming by an independent entity. All transcripts should be publicly available on the station's website in a timely fashion. The Committee believes that these steps should enhance the transparency and accountability of Alhurra.

The Committee also has requested that the Inspector General of the Department of State and the Broadcasting Board of Governors immediately review and report to the Committees on Appropriations on: the editorial policy in place in 2006 and 2007 regarding broadcasts involving terrorists or those who support them; whether any changes were made to that policy or the Alhurra's journalistic code during the period; who was responsible for enforcing the policy; what action, if any, was taken against those who violated the policy; what management changes have been made to ensure the policy and journalistic code is monitored and enforced; and whether there are clear lines of authority at Alhurra to provide for accountability of journalistic decisions.

*Anti-jamming efforts*

The Committee continues to support initiatives by the BBG to defeat jamming and reach a wider audience for Radio Free Asia and Voice of America broadcasts to China, Tibet, Vietnam, and North Korea. The Committee is aware that new technologies may allow the VOA and RFA to more effectively defeat jamming efforts.

The Committee encourages the Board to evaluate the usefulness of these technologies. The Committee expects the BBG to expand such efforts in fiscal year 2008. Further, the Committee supports efforts to counter internet censorship imposed by China and Iran.

*Voice of America (VOA)*

The Committee recommendation includes \$194,093,000 for VOA, which is \$22,561,000 above the fiscal year 2007 level and \$15,747,000 above the request. The Committee recognizes VOA for its essential contribution to United States public diplomacy.

The VOA's English-language radio programming is especially important since it provides accurate, objective and comprehensive news to a potential English-speaking audience of 1.6 billion people worldwide. The Committee recommendation includes \$8,000,000 for VOA English, which is \$798,000 above the fiscal year 2007 level and \$5,005,000 above the request.

The Committee recommendation includes sufficient funding to fully restore the reductions proposed in the fiscal year 2008 request in the following VOA language services: Albanian; Bosnian; Croatian; Greek; Macedonian; Serbian; Ukrainian; Georgian; Uzbek; Hindi; Cantonese; Thai; and Tibetan.

The recommendation for VOA includes the increase requested for broadcasting to North Korea in accordance with the North Korea Human Rights Act of 2004 (Public Law 108-333).

*Radio Free Europe/Radio Liberty (RFE/RL)*

The Committee recommendation provides \$80,471,000 for RFE/RL, which is \$5,420,000 above the fiscal year 2007 level and \$5,326,000 above the request. Within these amounts, \$4,635,000 is for Radio Farda, \$3,980,000 is for Radio Free Afghanistan, \$1,988,000 is for Radio Free Iraq. The Committee recommendation includes sufficient funds to fully restore the reductions proposed in the fiscal year 2008 request for the following language services: South Slavic; Romanian; Kazakh; Russian; and Ukrainian.

*Radio Free Asia (RFA)*

The Committee recommendation includes \$35,220,000 for RFA, which is \$3,636,000 above the fiscal year 2007 level and \$3,763,000 above the request. The Committee strongly supports increased broadcasting efforts to China, Tibet, Burma, Vietnam, North Korea, Laos, and Cambodia. The Committee recommendation includes sufficient funding to fully restore the reductions proposed in the fiscal year 2008 request in the Tibetan and Cantonese language services. In addition, the recommendation includes the increased funding proposed for broadcasting to North Korea to pursue objectives outlined in the North Korea Human Rights Act of 2004 (Public Law 108-333).

*Broadcasting to Cuba*

The Committee recommendation includes \$33,681,000 for radio and television broadcasting to Cuba, which is the same as the fiscal year 2007 level and \$5,019,000 below the request.



## BROADCASTING CAPITAL IMPROVEMENTS

The Committee recommendation includes \$10,748,000 in new budget authority for broadcasting capital improvements, which is \$3,124,000 above the fiscal year 2007 level and the same as the request. The recommendation will provide for the continuation of base costs for maintenance, improvements, replacements and repairs, digital production capability development, and security upgrades at transmitting stations overseas. In addition, the recommendation will support the replacement of obsolete servers and computers in order to better safeguard the Agency's internal communications systems and enhance the capabilities of Voice of America broadcasts.

COMMISSION FOR THE PRESERVATION OF AMERICA'S HERITAGE  
ABROAD

## SALARIES AND EXPENSES

Fiscal year 2007 enacted level .....	\$493,000
Fiscal year 2008 request .....	499,000
Committee recommendation .....	499,000
Change from request .....	0
Change from enacted level .....	6,000

The recommendation includes \$499,000 for the Commission for the Preservation of America's Heritage Abroad, which is \$6,000 above the fiscal year 2007 level and the same as the request. The recommendation will allow the Commission to fund its administrative expenses through appropriated funds while relying on other sources of funding for actual purchase and restoration of property.

The Commission protects and preserves endangered cultural sites in Eastern and Central Europe important to the heritage of United States citizens, including cemeteries, monuments, and historic buildings. One of its primary tasks is to obtain protection and preservation assurances from the governments of the region.

The Committee directs the Commission to submit its Congressional Budget Justification within not less than 30 days from the submission date of the President's budget recommendations for fiscal year 2009. All submissions shall include at minimum a five year history of appropriations, the appropriations language requested, and a summary of both the built-in and programmatic changes recommended in the request.

## COMMISSION ON INTERNATIONAL RELIGIOUS FREEDOM

## SALARIES AND EXPENSES

Fiscal year 2007 enacted level .....	\$3,000,000
Fiscal year 2008 request .....	3,300,000
Committee recommendation .....	3,400,000
Change from request .....	100,000
Change from enacted level .....	400,000

The recommendation includes \$3,400,000 for the Commission on International Religious Freedom, which is \$400,000 above the fiscal year 2007 level, excluding emergency supplemental appropriations and \$100,000 above the request. The Committee recommendation includes funding to allow the Commission to increase data develop-

ment, hearings, analysis of policy, outreach and overall operations required to fulfill the Commission’s mandated responsibilities.

The Committee commends the Commission on its efforts to promote international religious freedom in consultation with the Department of State, independent human rights groups, and other non-governmental organizations, religious leaders, academics, policy experts, the Intelligence Community, and government agencies.

The Commission, established pursuant to the International Religious Freedom Act of 1998, conducts independent reviews and reporting of facts and circumstances of violations of religious freedom abroad and recommends options for United States policies with respect to foreign countries engaging in or tolerating violations of religious freedom.

The Committee commends the Commission for its work related to Saudi Arabia and urges the Commission to closely monitor and report on steps taken by the Saudi Government to implement the religious freedom reforms announced by the Department of State in July, 2006 following bilateral discussions between the two countries.

The Committee directs the Commission to submit its Congressional Budget Justification within not less than 30 days from the submission date of the President’s budget recommendations for fiscal year 2009. All submissions shall include at minimum a five year history of appropriations, the appropriations language requested, and a summary of both the built-in and programmatic changes recommended in the request.

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

SALARIES AND EXPENSES

Fiscal year 2007 enacted level .....	\$2,004,000
Fiscal year 2008 request .....	2,037,000
Committee recommendation .....	2,037,000
Change from request .....	0
Change from enacted level .....	33,000

The recommendation includes \$2,037,000 for the Commission on Security and Cooperation in Europe, which is \$33,000 above the fiscal year 2007 level and the same as the request. The Commission was established in 1976 to monitor compliance with the Final Act of the Conference on Security and Cooperation in Europe, with particular regard to provisions dealing with humanitarian affairs.

The Committee directs the Commission to submit its Congressional Budget Justification within not less than 30 days from the submission date of the President’s budget recommendations for fiscal year 2009. All submissions shall include at minimum a five year history of appropriations, the appropriations language requested, and a summary of both the built-in and programmatic changes recommended in the request.

CONGRESSIONAL-EXECUTIVE COMMISSION ON THE PEOPLE'S  
REPUBLIC OF CHINA

SALARIES AND EXPENSES

Fiscal year 2007 enacted level .....	\$1,876,000
Fiscal year 2008 request .....	2,000,000
Committee recommendation .....	2,000,000
Change from request .....	0
Change from enacted level .....	124,000

The recommendation includes \$2,000,000 for the Congressional-Executive Commission on the People's Republic of China, which is \$124,000 above the fiscal year 2007 level and the same as the request.

The Committee commends the Commission for its ongoing efforts to monitor China's compliance with international human rights agreements and standards and for its development and implementation of the Political Prisoner Database (PPD) project in accordance with section 302(b) of Public Law 106-286. The Committee understands that this database was globally accessible via the Internet beginning in November 2004 and serves as a unique and powerful resource for individuals, educational institutions, non-governmental organizations, and governments that wish to research political and religious imprisonment in China or advocate on behalf of prisoners.

The Committee directs the Commission to submit its Congressional Budget Justification within not less than 30 days from the submission date of the President's budget recommendations for fiscal year 2009. All submissions shall include at minimum a five year history of appropriations, the appropriations language requested, and a summary of both the built-in and programmatic changes recommended in the request.

UNITED STATES-CHINA ECONOMIC AND SECURITY REVIEW  
COMMISSION

SALARIES AND EXPENSES

Fiscal year 2007 enacted level .....	\$2,962,000
Fiscal year 2008 request .....	4,000,000
Committee recommendation .....	4,000,000
Change from request .....	0
Change from enacted level .....	1,038,000

The Committee recommendation includes \$4,000,000 for the necessary expenses of the United States-China Economic and Security Review Commission, which is \$1,038,000 above the fiscal year 2007 level and the same as the request. The recommendation includes a limitation of not more than \$5,000 for the purpose of official representation, the same as the fiscal year 2007 level. The recommendation includes language, as requested, regarding the responsibilities of the Commission. The Committee commends the Commission for its efforts to monitor the evolving U.S.-China relationship.

The Committee directs the Commission to submit its Congressional Budget Justification within not less than 30 days from the submission date of the President's budget recommendations for fiscal year 2009. All submissions shall include at minimum a five

year history of appropriations, the appropriations language requested, and a summary of both the built-in and programmatic changes recommended in the request.

#### UNITED STATES INSTITUTE OF PEACE

##### OPERATING EXPENSES

Fiscal year 2007 enacted level .....	\$22,064,000
Fiscal year 2008 request .....	30,000,000
Committee recommendation .....	25,000,000
Change from request .....	- 5,000,000
Change from enacted level .....	2,936,000

The recommendation includes \$25,000,000 for the United States Institute of Peace, which is \$2,936,000 above the fiscal year 2007 level and \$5,000,000 below the request. The recommended funding level will support initiatives by the Institute to help prevent sectarian violence, train democratic leaders, establish the rule of law, and disseminate best practices in conflict management that will assist in confronting some of the most complex foreign policy challenges facing our nation.

#### GENERAL PROVISIONS—DEPARTMENT OF STATE AND RELATED AGENCIES

The Committee recommends 9 of the general provisions carried in the fiscal year 2007 Act be deleted. These provisions (sections 406, 408, 409, 410, 617, 625, 634, 635, 638) are either addressed elsewhere in permanent law, have been considered by the appropriate authorizing committee, or are no longer necessary.

The Committee recommends the following general provisions for the Department of State.

Sec. 101 of the bill includes language carried in prior years that permits funds appropriated in this title for the Department of State to be available for allowances and differentials as authorized by subchapter 59 of title 5 of the United States Code; for services as authorized by 5 U.S.C. 3109; and for hire of passenger transportation pursuant to 5 U.S.C. 1343(b).

Sec. 102 of the bill includes language carried in prior years that requires the Department of State and the Broadcasting Board of Governors to submit quarterly reports on cumulative balances and unobligated funds.

Sec. 103 of the bill includes language carried in prior years that provides certain conditions related to the construction of diplomatic facilities.

Sec. 104 of the bill includes language carried in prior years that prohibits the use of funds for any UN peacekeeping mission that involves United States Armed Forces under the command or operational control of a foreign national unless the President certifies that the involvement is in the national interest.

Sec. 105 of the bill includes language carried in prior years that extends the prohibition on the use of funds to issue a visa to any alien involved in extrajudicial or political killings in Haiti, including exemption and reporting requirements.

Sec. 106 of the bill includes language carried in prior years that clarifies the responsibilities of the Senior Policy Operating Group on Trafficking in Persons. The Committee understands that the

Operating Group is coordinating agency activities outlined in the Trafficking Victims Reauthorization Act of 2005. The Committee expects that all anti-trafficking policies, grants and grant policies are defined by this Act. The Operating Group is, and was intended to serve as, the forum for interagency coordination of anti-trafficking policies, even as final decisions regarding any such policies are necessarily vested with the President and the senior officials who comprise the Task Force. The Committee understands that the Senior Operating Group and its chair have successfully performed the coordinating functions assigned to them.

Sec. 107 of the bill includes language carried in prior years regarding United States citizens born in the city of Jerusalem.

Sec. 108 of the bill includes language carried in prior years requiring that any funding used to implement E-Government Initiatives shall be subject to section 615 of this Act.

Sec. 109 of the bill includes language carried in prior years regarding certain consulting services.

Sec. 110 of the bill includes language carried in prior years that prohibits the use of funds to expand the United States diplomatic presence in Vietnam beyond the level in effect July 11, 1995, unless the President makes a certification that several conditions have been met regarding Vietnam's cooperation with the United States on POW/MIA issues.

Sec. 111 of the bill includes language carried in prior years extending certain Broadcasting Board of Governors and Department of State basic authorities during fiscal year 2008.

Sec. 112 of the bill includes language carried in prior years that restricts the availability of funds for contribution to the United Nations if the United Nations imposes any taxation on any United States persons.

Sec. 113 of the bill includes language carried in prior years regarding certain transfers of funds.

Sec. 114 of the bill includes language carried in prior years regarding certain restrictions on United States delegations to any specialized agency, body or commission of the United Nations.

TITLE II—EXPORT AND INVESTMENT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES

INSPECTOR GENERAL

Fiscal year 2007 enacted level .....	\$990,000
Fiscal year 2008 request .....	1,000,000
Committee recommendation .....	1,000,000
Change from request .....	0
Change from enacted level .....	10,000

The Committee recommends \$1,000,000 for the Inspector General of the Export-Import Bank of the United States, which is the same as the request and \$10,000 above the fiscal year 2007 level.

SUBSIDY APPROPRIATION

Fiscal year 2007 enacted level .....	\$26,382,000
Fiscal year 2008 request .....	68,000,000
Committee recommendation .....	68,000,000
Change from request .....	0
Change from enacted level .....	41,618,000

The Committee recommends \$68,000,000 for the Subsidy Appropriation of the Export-Import Bank of the United States, which is the same as the request and \$41,618,000 above the fiscal year 2007 level.

#### ADMINISTRATIVE EXPENSES

Fiscal year 2007 enacted level .....	\$72,468,000
Fiscal year 2008 request .....	78,000,000
Committee recommendation .....	78,000,000
Change from request .....	0
Change from enacted level .....	5,532,000

The Committee recommends \$78,000,000 for the administrative expenses appropriation of the Export-Import Bank of the United States, which is the same as the request and \$5,532,000 above the fiscal year 2007 level.

As in prior years, the Committee directs the President of the Export-Import Bank to report quarterly to the Committee on the level of authorizations, subsidy used, and subsidy balances from current and prior years.

The Committee commends the efforts of the Export-Import Bank to encourage the use of small businesses and recognizes the significant progress made. The Committee believes the Export-Import Bank also has a role to help increase the export of U.S. produced renewable energy and other environmentally beneficial exports. The Committee is encouraged by the forthcoming establishment of the Office of Renewable Energy Promotion, as outlined in Public Law 109-438, and looks forward to improvements in the Export-Import Bank's ability to proactively identify new opportunities for renewable energy financing and to promote the export of renewable energy technologies. The Committee directs that no later than 90 days following the enactment of this Act, the Export-Import Bank shall submit to the Committees on Appropriations, a comprehensive strategy to increase exports in renewable energy and environmentally beneficial products.

Of the aggregate loan, guarantee and insurance authority available to it, not less than 10 percent should be in the area of renewable energy and environmentally beneficial products and services.

The Committee directs further that no later than 90 days following the end of fiscal year 2008, the Export-Import Bank shall submit a report detailing all work carried out in fiscal year 2008 related to renewable energy and environmentally beneficial products and services.

The Committee supports in principle the drive for the Export-Import Bank to finance its administrative and credit subsidy costs with its collections. However, the Committee would like to evaluate the accuracy of the revised subsidy requirements and overall performance in 2008 prior to making a determination on self-sufficiency.

OVERSEAS PRIVATE INVESTMENT CORPORATION  
NONCREDIT ACCOUNT

Fiscal year 2007 enacted level .....	\$41,851,000
Fiscal year 2008 request .....	47,500,000
Committee recommendation .....	47,500,000
Change from request .....	0
Change from enacted level .....	5,649,000

The Committee recommends \$47,500,000 for the Noncredit Account of the Overseas Private Investment Corporation (OPIC) for administrative expenses, which is the same as the request and \$5,649,000 above the fiscal year 2007 level.

As in prior years, the Committee directs OPIC to continue to provide on a semi-annual basis written reports including the following information for each investment fund: the identity, selection process, and professional background of current and past managers; the fees and compensation currently provided to senior management; the amount of OPIC guarantees and actual investments made at the end of the previous six months; and any additional observations that OPIC may want to include. The Committee commends OPIC for its judicious management of its investment fund portfolio.

The Committee commends the managers of OPIC for exploring new ways of meeting OPIC's development mandate, but during times of high political risk and instability in some countries, OPIC also must fulfill its mandate of facilitating increased United States direct investment abroad and increase exports from the United States. The Committee is aware of OPIC's policy that it only provides insurance for a project after a company has attempted to access the private market, and this policy has solidified OPIC's role as insurer of last resort. With global risk remaining high for foreign direct investment, and investment's primary role in creating jobs and raising income levels in the developing world, the Committee expects OPIC to retain its strong role as insurer of last resort for political risk insurance, including terrorism insurance, for United States companies.

The Committee directs OPIC to consult with the Committee before exercising local currency loan guaranty authority, and to provide to the Committee, prior to the consultation, justification for the need to exercise such authority, the use of OPIC subsidy required, the degree to which the United States would be exposed to additional risk as a result of such transactions, and which other United States Government agencies have been consulted.

The Committee directs the President of OPIC to continue current policy and consult with the Committee on Appropriations before any future financing for nongovernmental organizations or private and voluntary organizations is approved.

*Coordination with other United States Agencies that operate overseas*

The Committee acknowledges OPIC's efforts to improve coordination with other United States Government agencies that operate overseas but believes improvements are still required. The Committee directs OPIC to reach out and closely coordinate with USAID, the Millennium Challenge Corporation, the Department of the Treasury and other agencies of the United States Government

to ensure that there is no duplication of effort with providing assistance and that foreign assistance and credit is not provided to countries on different terms by different agencies (including financing that could be considered debt by the Paris Club). Specifically, the Committee requests that any OPIC loan guarantee program should not compete with or displace any other ongoing United States Government loan guarantee program in the same country.

*Renewable energy and environmental beneficial investments*

The Committee believes the Overseas Private Investment Corporation has a role in helping to increase overall investment in renewable energy and other environmentally beneficial products and services and encourages OPIC to increase work in this area.

The Committee directs that no later than 90 days following the end of fiscal year 2008, the Overseas Private Investment Corporation shall submit a report detailing all work carried out in fiscal year 2008 related to renewable energy and environmentally beneficial products and services.

PROGRAM ACCOUNT

Fiscal year 2007 enacted level .....	\$20,073,000
Fiscal year 2008 request .....	29,000,000
Committee recommendation .....	20,000,000
Change from request .....	-9,000,000
Change from enacted level .....	-73,000

The Committee recommends \$20,000,000 for the subsidy appropriation for OPIC's direct and guaranteed loan credit programs, which is \$9,000,000 below the request and \$73,000 below the fiscal year 2007 level.

The Committee continues prior year language required by the Federal Credit Reform Act that addresses representation expenses and availability of funds.

TRADE AND DEVELOPMENT AGENCY

Fiscal year 2007 enacted level .....	\$50,391,000
Fiscal year 2008 request .....	50,400,000
Committee recommendation .....	50,400,000
Change from request .....	0
Change from enacted level .....	9,000

The Committee recommends \$50,400,000 for the Trade and Development Agency (TDA), which is the same as the request and \$9,000 above the fiscal year 2007 level.

The Committee believes TDA has a role in helping to promote the use of renewable energy and other environmentally beneficial products and services. The Committee commends the recent progress in this area and encourages TDA to further strengthen outreach efforts.

The Committee directs that no later than 90 days following the end of fiscal year 2008, the United States Trade and Development Agency shall submit a report detailing all work carried out in fiscal year 2008 related to renewable energy and environmentally beneficial products and services.



TITLE III—BILATERAL ECONOMIC ASSISTANCE  
FUNDS APPROPRIATED TO THE PRESIDENT  
UNITED STATES AGENCY FOR INTERNATIONAL  
DEVELOPMENT

CHILD SURVIVAL AND HEALTH PROGRAMS FUND

(INCLUDING TRANSFER OF FUNDS)

Fiscal year 2007 enacted level .....	\$1,718,150,000
Fiscal year 2008 request .....	1,564,279,000
Committee recommendation .....	1,955,150,000
Change from request .....	390,871,000
Change from enacted level .....	237,000,000

The Committee recommendation includes \$1,955,150,000 for the “Child Survival and Health Programs Fund” account, which is \$237,000,000 above the fiscal year 2007 level excluding emergency supplemental appropriations and \$390,871,000 above the request.

The Committee has made available a total of \$5,082,000,000 in this Act for HIV/AIDS of which \$600,000,000 is funded through the “Child Survival and Health Programs Fund” account, \$4,450,000,000 is funded under the “Global HIV/AIDS Initiative” account, and \$32,000,000 is provided from the Economic Support Fund, and regional accounts.

The Committee has also made available a total of \$263,500,000 for tuberculosis of which \$103,000,000 is funded through the “Child Survival and Health Programs Fund” account, at least \$150,000,000 is funded under the “Global HIV/AIDS Initiative” account, and \$10,500,000 is provided from other accounts.

*Allocation of child survival and health programs fund*

Fiscal year 2008 appropriations for the “Child Survival and Health Programs Fund” account are deemed to be allocated as follows:

*Global health funding*

<i>Category</i>	<i>Allocation</i>
Child Survival and Health Programs Fund:	
Child Survival and Maternal Health .....	\$374,150,000
Vulnerable Children .....	15,000,000
HIV/AIDS (bilateral) .....	350,000,000
Global Fund to Fight AIDS, Tuberculosis, and Malaria .....	250,000,000
Reproductive Health/Voluntary Family Planning .....	375,000,000
Other Infectious Diseases .....	591,000,000
Subtotal, Child Survival and Health Programs Fund .....	1,955,150,000
Other Global Health:	
Global HIV/AIDS Initiative .....	4,450,000,000
Economic Support Fund .....	57,900,000
Regional Accounts .....	54,600,000
Total, Global Health Funding .....	6,517,650,000

The Committee continues to concur with the program category definitions and their components that can be found on pages 9 through 11 of House Report 107–142 and under the heading “Family Planning/Reproductive Health” on page 12 of Senate Report 107–58. The Committee directs USAID to issue program guidance to the field on this matter in fiscal year 2008.

The Committee continues prior year language that prohibits the use of certain funds in this account for non-project assistance, or cash grants to governments. The provision of cash grants as general budget support for governments is no longer an appropriate development tool, given current funding constraints. To the extent that cash grants are necessary for countries in transition or for specific foreign policy goals, funds are available through the "Economic Support Fund" account.

The Committee directs that USAID resume publication of its annual report on programs and activities carried out with funding from the "Child Survival and Health Programs Fund" account. This report should include a thorough description of the health programs funded by this account by country and describe the impact and outcomes of these programs.

The Committee recommendation includes a total of \$4,562,500,000 from other accounts, including regional accounts for child survival and other health programs. Of this total, 4,450,000,000 is provided in the Global HIV/AIDS Initiative account; \$57,900,000 is provided in the "Economic Support Fund" account; \$52,200,000 is found in the "Assistance for the Independent States of the Former Soviet Union" account; and \$2,400,000 is found in the "Assistance for Eastern Europe and the Baltic States" account.

#### *Africa and Latin America*

The Committee is concerned that the proposed fiscal year 2008 budget shifts funds away from Africa and Latin America. The Committee is aware that these regions are receiving significant funding due to the expansion of the Global AIDS Initiative. The Committee does not believe that this should result in a reduced level of funding for child survival and other health programs. The Committee directs USAID to program fiscal year 2008 resources for these regions only after consultation with the Committees on Appropriations.

#### *Child survival*

The Committee recommendation includes \$374,150,000 for child survival and maternal health programs, which is \$28,557,000 above the request.

Since 2005, most developing country governments have committed themselves to work toward the goal of reducing child mortality for children under five by two thirds and they are working together to reach these goals by increasing resources and overall technical assistance. The Committee believes that the United States should take a leadership role in this effort and directs USAID to examine its current child survival and maternal health portfolio to ensure that the Agency's work is complementary to the efforts of others and that these efforts focus on this specific goal. The Committee further directs that no later than 180 days after enactment of this Act, USAID report to the Committees on Appropriations how its child survival programs are working toward the goal of reducing child mortality by two thirds. The report should provide specific information about how the funding supports country efforts to reduce child mortality as well as how USAID funding complements the work of other private and public donors. The re-

port should include information about the results and impact of United States government funding by country in terms of lives saved, morbidity averted and improvements in child survival outcomes.

#### *Maternal health*

The Committee remains concerned that nearly 500,000 women die during pregnancy and childbirth every year. The Committee commends USAID for its pioneering work and encourages it to continue this work.

The Committee continues to be concerned about the impact of obstetric fistula, which affects an estimated three million women in the developing world. The Committee instructs USAID to consult with the Committees on Appropriations on the programming of fistula program funds no later than 60 days following enactment of this Act. In addition, the Committee notes Ethiopia's leading role in this area and encourages USAID to consider proposals from the Ethiopian North American Health Professionals Association for the Safe Motherhood project in Awassa, Ethiopia and the Fistula Foundation at the Addis Ababa Fistula Hospital in fiscal year 2008.

The Committee encourages USAID to consider providing funding in fiscal year 2008 to rebuild JFK Women's Hospital in Liberia.

#### *Micronutrients*

The Committee recommendation includes not less than \$30,000,000 overall for USAID's micronutrient program, which is \$30,000,000 above the request. The Committee continues to be supportive of USAID efforts to reduce Vitamin A deficiency, a cause of death for more than 2.8 million children annually.

The Committee continues to be concerned about and supportive of programs that address iodine deficiency disorder (IDD), which is the leading preventable cause of mental retardation in children. The Committee is aware of the Kiwanis/UNICEF partnership and encourages USAID to consider such work in fiscal year 2008.

#### *Polio eradication*

Since 1988, the number of polio cases has fallen from an estimated 350,000 to less than 1,997 in 2006. The global partnership to eradicate polio has had significant success, but some of the most difficult work remains. The Committee recommendation includes 32,000,000 for global polio eradication efforts.

The Committee directs USAID to provide not later than the submission of the 653(a) report for fiscal year 2008 an operating plan for funds provided for polio control and eradication. This description will include allocations and outcome objectives for each bilateral and central program. USAID will collaborate with its partner organizations, including Rotary International, to develop this plan.

#### *Vaccines and immunizations*

Vaccinations and immunizations are highly effective interventions to reduce child deaths in the developing world. Since 2000, the GAVI Fund has worked to close the immunization gap in the developing world, saving over one million premature childhood deaths. The Committee recommendation includes \$70,000,000 in fiscal year 2008 for the GAVI Fund.

In addition, the Committee is pleased to see that research on a meningitis vaccine is progressing. The Committee is aware of efforts to distribute the meningitis vaccine in the “meningitis belt” and encourages USAID to consider such programs in fiscal year 2008.

*Other child survival activities*

The Committee is aware of the important work of the Hospital Bienfaisance de Pignon in Pignon, Haiti and urges USAID to continue providing support in fiscal year 2008. The Committee also encourages USAID to resume funding for Mission Out Reach Haiti.

The Committee recognizes the work of Gift of Life International to expand its programs to assist Iraqi children, Operation Smile for a Global Standard of Care Initiative, and Creative Wellness Institute and encourages USAID to consider support for such efforts.

*Vulnerable children*

The Committee recommendation includes \$15,000,000 for displaced children, orphans, and blind children, which is \$15,000,000 above the request. As in previous years, assistance for children affected by HIV/AIDS is addressed elsewhere in the bill.

*Childhood blindness*

The Committee remains concerned that 1.5 million children are currently blind, and another 7 million suffer from poor vision. The Committee recommendation includes not less than \$1,800,000 for childhood blindness programs in fiscal year 2008.

*HIV/AIDS*

The Committee recommendation includes \$350,000,000 for HIV/AIDS from this account, which is \$35,722,000 above the request. The Committee supports the allocation of \$31,000,000 from other accounts, in addition to funds provided under the Global HIV/AIDS Initiative account. Additional language regarding United States bilateral HIV/AIDS funding is found under the “Global HIV/AIDS Initiative” account heading.

The President’s HIV/AIDS Initiative is making strides in addressing HIV/AIDS in the fifteen focus countries. This USAID funding is provided to support HIV/AIDS prevention, treatment and care programs in non-focus countries. The Committee is pleased to see the integration of non-focus countries into the country operating plan process and encourages USAID to continue this important process.

*Second wave countries*

The Committee is aware that the second wave of the HIV/AIDS pandemic is occurring in countries such as India, China, Ukraine, and Russia. USAID is a global leader in HIV/AIDS treatment, care and prevention research and implementation and the Committee expects that it is providing support to these countries both through country-level programs as well as through regional efforts. In addition, the Committee encourages USAID to provide technical assistance, where appropriate through the World Health Organization and UNAIDS, to assist these countries in the development and implementation of their national HIV/AIDS plans.

*Regional programs*

The Committee understands that HIV/AIDS knows no borders and regional efforts are key to the overall effort. The Committee urges USAID, in coordination with the Global HIV/AIDS Coordinator to expand support for regional programs, including supporting the work of TREAT Asia, a regional collaborative research, education, and training network in the Asia and Pacific region. TREAT Asia currently serves as the Secretariat for a number of USAID-supported HIV prevention projects in the Mekong Delta and the Committee believes that these efforts should be expanded into other areas in the region.

The Committee recognizes the emerging HIV/AIDS epidemics in Central Asia and Eastern Europe that are being fueled by the increase in intravenous drug use, including heroin. Emerging injecting drug epidemics have also been documented in South Africa, Kenya, and Nigeria. The Committee encourages USAID and the Global HIV/AIDS Coordinator to compile best practices from our program in Vietnam and scale up programs that provide HIV/AIDS and drug treatment for injecting drug users.

*Media*

The Committee understands that local and national media can provide an effective tool for combating HIV/AIDS. The Committee recommends that USAID, in collaboration with the Office of the Global HIV/AIDS Coordinator, at a minimum sustain its current media programs in Kenya, Nigeria, Ethiopia, and India and consider expanding activities to other countries in Africa. The Committee is aware of the work of Global Communications International, Local Voices, and Madagascar World Voice and encourages USAID to consider such programs in fiscal year 2008.

*Voluntary contribution to the Global Fund to Fight AIDS, TB, and Malaria*

The Committee recommendation includes \$250,000,000 from the "Child Survival and Health Programs Fund" account to support the Global Fund to Fight AIDS, Tuberculosis, and Malaria (Global Fund), which is \$250,000,000 above the request. Further information and direction about the Committee's recommendation is found under the heading "Global HIV/AIDS Initiative".

The Committee appreciates that USAID continues to provide technical assistance to support Global Fund recipients and applicants. This work has strengthened Country Coordinating Mechanisms and has led to improved outcomes. The Committee notes that the bill language shifts technical assistance authority from the "Child Survival and Health Programs Fund" account to the "Global HIV/AIDS Initiative" account.

*Other infectious diseases, including tuberculosis and malaria*

The Committee recommendation includes \$591,000,000 for other infectious diseases, including tuberculosis (TB) and malaria, which is \$11,500,000 below the request.

*Malaria*

The Committee recommendation includes \$350,000,000 for malaria programs from this account. The Committee supports the allo-

cation of an additional \$2,500,000 from the Economic Support Fund. Overall, the Committee recommendation includes an estimated \$352,500,000 from all accounts for malaria programs, of which \$270,000,000 is for the President's Malaria Initiative.

The Committee is pleased to see the expansion of the United States Government's commitment to addressing malaria through the establishment of the President's Malaria Initiative. This comprehensive treatment, care, and prevention program has provided approximately one million insecticide treated bed-nets and has protected over two million people through indoor residual spraying campaigns. The Committee recognizes the need for increased technical assistance to improve country-level malaria programs and encourages USAID to work with the World Health Organization, where appropriate, to provide this assistance.

#### *Tuberculosis (TB)*

Each year, more than 8.9 million people develop active TB, and at least 2.4 million die of the disease annually. The Committee's recommendation includes \$103,000,000 for the prevention, care, and treatment of TB from this account, which is \$23,760,000 above the request. The Committee supports the allocation of an additional \$10,500,000 from other accounts, including regional accounts and at least \$150,000,000 from the "Global HIV/AIDS Initiative" account for TB/HIV activities. Overall, the Committee recommendation includes an estimated \$263,500,000 from all accounts for TB programs. The Committee continues to support the Global TB Drug Facility, which expands access to, and availability of, high-quality TB drugs to facilitate expanded treatment against the disease.

The Committee is concerned about the emergence of drug resistant strains of tuberculosis, including extensively drug resistant-TB (XDR-TB), which threatens to undermine progress in AIDS treatment scale-up and progress in TB control globally. The Committee urges USAID, when appropriate, to work with the Office of the Global HIV/AIDS Coordinator to strengthen overall treatment efforts and elsewhere to slow the emergence of this strain. The Committee recognizes the leadership role that USAID, along with the World Health Organization, plays in the global effort and has increased the global TB appropriation to combat this threat.

#### *Neglected diseases and other infectious diseases*

The Committee provides an additional \$38,000,000 for other infectious disease priorities. This Committee believes that a portion of this funding should be used to continue to support an initiative, started in fiscal year 2007, to test an integrated approach to the control of neglected diseases. The Committee is pleased with progress on this program. The Committee is also aware that this program must be targeted to those countries where these neglected diseases are endemic and urges the Agency to ensure that resources for this initiative are being used most appropriately.

The Committee intends that these funds also be used to support improved surveillance, expanded efforts to address antimicrobial resistance, and for other emerging infectious disease issues.

*Avian influenza*

The Committee recommendation includes \$100,000,000 to combat avian influenza, which is the same as the request. The Committee remains supportive of USAID's work to assist developing nations to improve their capability to prevent, detect, and respond to a possible avian influenza pandemic. Over the past three years, the Committee has appropriated \$184,000,000 to support programs to contain or prevent an avian influenza pandemic. In addition, the Committee included \$161,000,000 in the fiscal year 2007 Supplemental Appropriations Act (Public Law 110-28).

*Reproductive health/voluntary family planning*

The Committee recognizes the important role that voluntary family planning programs play in a comprehensive global health effort. The Committee recommendation includes \$441,000,000 for reproductive health and voluntary family planning, which is \$116,200,000 above the request. The Committee directs that not less than \$375,000,000 of this total be from the "Child Survival and Health Programs Fund" account, and \$66,000,000 be from other accounts, including regional accounts.

The Committee acknowledges USAID's technical leadership in addressing the impact of population growth on ecologically sensitive areas. The Committee urges USAID to build upon its past investments in population-health-environment programs by expanding and scaling up projects in communities inhabiting areas rich in biodiversity, particularly in Africa and Asia.

*Reproductive health/voluntary family planning restrictions*

The Committee has continued prior year language that requires that none of the funds appropriated in this Act, or any un-obligated balances, be made available to any organization or program, which as determined by the President, supports and participates in the management of a program of coercive abortion or involuntary sterilization. The Committee has included a new provision that requires the Department of State to prepare a comprehensive analysis of the evidence and criteria used if the Department should determine that an organization or program supports and participates in the management of a program of coercive abortion or involuntary sterilization. The language also states that funds cannot be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortion. Further, the language indicates that population funds shall be available only to voluntary family planning projects that offer, either directly or through referral, information about access to a broad range of family planning methods and services. An additional provision requires that in awarding grants for natural family planning under section 104 of the Foreign Assistance Act, no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning.

The Committee also has continued prior year language that states that nothing in the Act is to alter any existing statutory prohibitions against abortion that are included under section 104 of the Foreign Assistance Act. Further, the Committee has continued prior year language, which states that project service providers or referral agents cannot implement or be subject to quotas or other

numerical targets. The Committee has continued prior year language requiring that information on condom use shall be medically accurate and shall include the public health benefits and failure rates of such use.

*Research and development*

The Committee believes that USAID's support for research and development on diseases and conditions that impact the developing world is important. These investments will leverage additional resources from foundations, private corporations and other country governments, including European donors.

The Committee is aware of PATH's HealthTech partnership and the work of the Seattle Biomedical Research Institute and encourages USAID to consider support for such programs in fiscal year 2008. The Committee commends USAID for the research portfolio reports it has developed. The Committee requests that USAID continue to provide this annual report to the Committees on Appropriations no later than September 30, 2007. The Committee also requests USAID, after consultation with the Office of the Global HIV/AIDS Coordinator, and other partners, to include abbreviated research plan information in its congressional budget justification for fiscal year 2009, including a spending table similar to that found on page 57 of the May 2006 Report. The table should include funding by health issue and product for fiscal years 2007, 2008 and estimates for 2009.

*Malaria and TB research*

Research on new vaccines and medicines for infectious diseases continues to be a priority for the Committee. The Committee encourages the continuation of a comprehensive malaria program at USAID that includes funding for operational research as well as treatment, care and prevention. The Committee urges USAID to continue to include drug and vaccine development and applied research in their global TB efforts in fiscal year 2008.

*HIV/AIDS and microbicides research*

The Committee recognizes the disproportionate impact of HIV/AIDS on women and supports continued USAID investment in microbicides development at not less than \$45,000,000. The Committee is aware of the work of the International Partnership for Microbicides and urges USAID to consider its work. Since 2001, USAID has supported applied research into all phases of HIV vaccine development. The Committee believes that a continued commitment to HIV/AIDS vaccine research is critical to the global HIV/AIDS effort. The Committee is aware of the work of the International AIDS Vaccine Initiative and urges USAID to consider its work. The Committee further requests the development of strategies by USAID and the Global HIV/AIDS Coordinator to support product introduction, distribution, and use once a safe and effective microbicide and HIV vaccine have been developed. The Committee requests that this report be provided to the Committees on Appropriations within 180 days of enactment of this Act.



## DEVELOPMENT ASSISTANCE

Fiscal year 2007 enacted level .....	\$1,508,760,000
Fiscal year 2008 request .....	1,041,248,000
Committee recommendation .....	1,733,760,000
Change from request .....	692,512,000
Change from enacted level .....	225,000,000

The Committee recommendation includes \$1,733,760,000 for the “Development Assistance” account, which is \$225,000,000 above the fiscal year 2007 level and \$692,512,000 above the request.

Funding in this account includes agriculture and rural development; literacy and basic education for children and adults; environment and clean energy; safe water; trade capacity building; economic growth; democracy; conflict mitigation; science and technology; and other programs related to long-term development.

The Committee commends USAID for the work it is doing to expand opportunities in the developing world. The Committee believes that USAID should focus on establishing and expanding institutional and human resource capacities of developing countries in order to promote long-term development and build institutional capacity.

*Development assistance funding*

The funding assumptions included in the Committee’s recommendation for the funds in this account are as follows:

Agriculture and Natural Resources .....	\$165,000,000
Economic Growth .....	400,000,000
Education and Training .....	662,510,000
Basic Education .....	519,900,000
Higher Education .....	142,610,000
Biodiversity and Environment .....	175,000,000
Safe Water and Water Management .....	150,000,000
Democracy and Conflict Management .....	209,000,000
Women’s Leadership Capacity Training .....	35,000,000

The Committee recommendation includes \$365,000,000 in the “Development Assistance” account, that was requested in the “Economic Support Fund” account. The Committee directs that this funding be provided to the following countries and that it be in addition to the requested amounts from this account.

<i>Country</i>	<i>Additional Funding</i>
Afghanistan .....	\$150,000,000
Democratic Republic of Congo .....	10,000,000
Liberia .....	30,000,000
Pakistan .....	30,000,000
Sudan .....	145,000,000
Total .....	365,000,000

*Basic education*

Education is a key building block for sustained economic growth and the strengthening of democratic institutions. For that reason, the Committee increased basic education funding from \$126,000,000 in fiscal year 2001 to \$550,000,000 in fiscal year 2007.

This year, the Committee directs \$519,900,000 for basic education in the Development Assistance account and \$230,100,000 from other accounts for a total of \$750,000,000. Of this total, the Committee directs that \$265,000,000 should be used to implement assistance for developing countries for basic education consistent

with H.R. 2092, the Education for All Act of 2007, as introduced on May 1, 2007. This designation of funds is a continuation of the program included in the fiscal year 2006 report, which set aside \$65,000,000 to support Fast Track Initiative programs. The Committee includes additional language regarding this program in the basic education general provision (sec. 667).

The Committee recognizes that USAID's education programs can be an important element in the United States Government's overall strategy to counter extremist teachings in education settings. This is critically important in countries such as Pakistan, where the Committee encourages USAID to consider supporting organizations such as Dosti and the LibforAll Foundation.

The Committee is aware of the work of Books for Africa and the SABRE Foundation, and encourages USAID to consider it in fiscal year 2008.

#### *Higher education*

The Committee is concerned that over the past 20 years USAID long-term training has declined. While these graduates have formed the basis for progress and economic growth in many developing countries, they are now at retirement age. The Committee supports beginning to restore long-term training to previous levels and directs USAID to expand this program up to 3,000 trainees in fiscal year 2008.

The Committee recognizes the barriers that women face throughout Asia and the Middle East in their quest for higher education and encourages USAID to consider supporting the Asian University for Women in Bangladesh.

The Committee is aware of the work of the African Methodist University and encourages USAID to consider its work in fiscal year 2008.

#### *Scholarship program in Latin America*

The Committee believes that the Cooperative Association of States for Scholarships (CASS) program continues to show success and is a very important investment. The Committee encourages USAID to consider the work of the Center for Intercultural Education and Development in fiscal year 2008 and to consider expanding this program in East and North Africa in the coming year.

#### *American schools and hospitals abroad*

The Committee provides up to \$23,000,000 for the American Schools and Hospitals Abroad (ASHA) program in fiscal year 2008. The Committee recognizes the important contributions made by institutions funded by the American Schools and Hospitals Abroad program.

The Committee expects continued support for traditional recipients in the Middle East. The Committee also continues to be impressed with the results of programs at the American University of Beirut; Johns Hopkins University's Centers in Nanjing, China, and Bologna, Italy; Hadassah Medical Organization; Shaare Zedek Hospital in Jerusalem; Feinberg Graduate School of the Weizmann Institute of Science, Tel Aviv University, and Lebanese American University. The Committee is aware of the proposed work of EARTH University in Costa Rica; the American University in Ar-

menia; the American University in Kosovo; and the James Jordan Foundation. The Committee encourages USAID to consider supporting these organizations in fiscal year 2008.

#### *Women's leadership training*

The Committee continues to support the Women in Development office and believes that it should be empowered to monitor, assess, and make recommendations regarding gender integration at USAID. The Committee continues to support an appropriation of \$15,000,000 for women's leadership training. The Committee is aware of the work of Global POWER and encourages USAID to consider such work in fiscal year 2008.

The Committee recommendation includes up to \$20,000,000 to support the establishment of the GROWTH Fund, which is intended to enhance economic opportunities for very poor, poor, and low-income women in developing countries. Programs supported by the Fund should increase women-owned enterprise development; property rights for women; women's access to financial services; women in organizational leadership positions; women's ability to benefit from global trade; and improve women's employment benefits and conditions. The Committee includes additional language regarding this program under title VI general provisions (sec. 683).

#### *Urban programs*

The Committee is aware that urban populations in developing countries are growing rapidly, threatening the quality of life for billions of people. Within less than ten years, more people will be living in the world's cities than in the world's rural areas. The Committee is concerned that USAID staff and technical expertise on this issue has been declining sharply while urban problems globally are growing.

#### *Trade*

The Committee recommendation includes \$214,000,000 for trade capacity building, which is \$127,000,000 above the request. The Committee recognizes the importance that trade plays in economic growth of countries. The Committee directs that no less than the fiscal year 2007 level be provided to support implementation of free trade agreements. The Committee encourages USAID to continue its important work in providing trade capacity building assistance to help poor and marginalized communities adapt to and benefit from bilateral and multilateral trade agreements in order to ensure that our foreign assistance continues to be transformative.

The committee is aware of the work of Light Years IP, World Vision, and Volunteers for Economic Growth Alliance Ethiopia and encourages USAID to consider supporting such work in fiscal year 2008.

#### *Microfinance*

The Committee recognizes the ability of micro-enterprise programs to fundamentally change the economic framework of a country. The Committee expects USAID's programs to reach the largest possible number of micro-enterprises, whether through grants to private, non-governmental organizations that on-lend to micro-enterprises or by sponsoring economic policy reforms that directly

stimulate such enterprises. The Committee recommends \$225,000,000 for micro-enterprise programs in fiscal year 2008. The Committee is aware of the work of Opportunity International, Esperanza International Foundation, Student in Free Enterprise's Africa Entrepreneurship Program, and the EHC Microcredit Program in Bangladesh and encourages USAID to consider their work in fiscal year 2008.

The Committee is concerned that many of these programs are managed through large contracting mechanisms that may not reach those most in need. The Committee encourages USAID to work as often as possible with civil society organizations that have indigenous networks to reach those most in need, including those infected and affected by HIV/AIDS.

#### *Agriculture*

The Committee believes that the agricultural sector in developing countries is critical to economic growth, the alleviation of hunger and poverty, and political and environmental stability. The Committee has provided up to \$165,000,000 for these programs and encourages the Agency to continue to make this a priority.

The Committee encourages USAID to collaborate with the Department of Agriculture to promote agricultural reform efforts that support the needs of private small-holder farms, including those run by women.

The Committee is aware of the work of the International Fertilizer Development Center, the Global Crop Diversity Trust, and Women's Campaign International and encourages USAID to consider such work in fiscal year 2008.

#### *Dairy development*

The Committee remains concerned about the decline in overall agricultural funding, particularly for livestock and dairy activities, which reach large numbers of rural people. The Committee directs USAID to dedicate no less than \$30,000,000 in fiscal year 2008 to dairy and livestock development. The Committee further encourages USAID to place greater emphasis on these activities whenever possible in Afghanistan, Sudan, and Haiti.

#### *Collaborative research support programs*

The Committee believes the Collaborative Research Support Programs (CRSPs) are good investments and urges USAID to support efforts by CRSPs to expand their activities in Africa and South Asia. The Committee recommends that USAID fund CRSPs in fiscal year 2008 at \$28,000,000. The Committee directs USAID to expand CRSP programs to include water, horticulture, climate change, or other pressing needs as determined by Congress and USAID.

#### *Access to clean water and water management*

Competition for scarce fresh water is predicted to be a major source of international conflict during the twenty-first century in Africa, as it is now within the Middle East. Lack of access to safe drinking water and adequate sanitation is the leading preventable cause of death in the world and causes global losses of up to \$380 billion in economic activity annually.

The Committee provides a bill-wide total of \$300,000,000 for safe water and water management programs. The Committee has designated \$150,000,000 from this account to be used for long-term safe water and water management programs in Africa and the Middle East. This funding should be provided to high priority countries that are chosen based on the criteria laid out in the Senator Paul Simon Water for the Poor Act (Public Law 109–121) and the activities carries out with this funding should reflect the law. The Committee directs USAID to develop a strategy, as required in the Act, that includes the designation of high-priority countries based on need as well as country interest and potential to improve water safety and management. This strategy should be provided to the Committees on Appropriations no later than 180 days after enactment of this Act. The Committee directs USAID to consult with the Committee prior to obligation of these funds.

The Committee is aware of the work of the Millennium Water Alliance and encourages USAID to consider supporting such programs in fiscal year 2008.

#### *Environmental programs*

The Committee is aware that much can be done through our foreign assistance programs to address environmental issues. As is described below, the Committee recommendation includes not less than \$355,000,000 in the Development Assistance account for environment and clean energy programs.

The Committee recommendation also includes in title II a provision that encourages the Export-Import Bank to encourage exports in renewable energy and other environmentally beneficial products. This initiative could result in an estimated \$1,000,000,000 in additional green exports in 2008. The Committee recommendation also includes direction to the Overseas Private Investment Corporation and the United States Trade and Development Agency urging them to increase investments in this area.

The Committee requests a report from the Department of State no later than 90 days of enactment of this Act that outlines the current actions, in all accounts that the Department is undertaking to improve the environment, to promote clean energy, and to address global climate change.

#### *Biodiversity and environment*

The Committee strongly endorses continued USAID investment in conservation, biodiversity, and environmental programs, and directs USAID to provide \$175,000,000 in fiscal year 2008. The Committee urges USAID to continue its important work for the Amazon Basin Initiative, national resource management work in Afghanistan, Russia, and Lebanon. In addition, the Committee encourages USAID to consider carrying out conservation efforts in marine areas, where the preservation of coral and tropical fish is essential. The Committee is aware of the work being done in the Congo Basin Forest Partnership, including programs to protect great apes in West and Central Africa, and urges the Agency to continue this work in fiscal year 2008. The Committee remains concerned with the destruction of orangutan habitat in Sumatra and Borneo and encourages USAID to consider work in these countries in fiscal year 2008. The Committee is concerned about reports that USAID

directly and indirectly supports recreational, sport and trophy hunting in its assistance programs in Africa. The Committee directs USAID to provide no funds to programs that support or promote recreational, sport, or trophy hunting as a conservation tool.

*Clean energy and climate change*

The Committee notes with concern recent reports regarding atmospheric brown clouds (ABCs, visible areas of brown colored atmosphere) impact on the environment and climate, particularly in Asia. The Committee encourages USAID to fund programs that increase regional cooperation in addressing climate issues, and build local science and policy capacity to address these difficult issues. The Committee is especially interested in USAID's plans to incorporate research showing a link between atmospheric pollution and agriculture yields into USAID's Famine Early Warning System.

The Committee is aware of concern that USAID initiatives aimed at reducing global carbon emissions and providing reliable power at rural HIV/AIDS clinics may be having the unintended consequence of increasing lead poisoning in developing countries due to unsafe recycling of lead batteries and encourages USAID to support work to address this issue in fiscal year 2008.

*Property rights*

Property rights, sound regulation of commercial activity and other components of the rule of law are adversely affected by inefficient, lengthy, and often corrupt systems of registering small business and land titles. The Committee supports programs that promote property rights and create private real estate markets in select countries. The Committee is aware of the work of the Institute for Liberty and Democracy and the International Real Property Foundation Program and encourages USAID to consider such work in fiscal year 2008.

*Credit unions, cooperatives, and partnerships*

The Committee supports the essential role of credit unions and cooperatives working to alleviate poverty, and to promote economic development and democracy building in the areas of agriculture, financial systems, rural electricity, telecommunications infrastructure, housing, and health. The Committee expects USAID to continue its programs in fiscal year 2008.

*Western Hemisphere programs*

The Committee is concerned that the President's proposed budget recommended a significant cut to country programs in the Western Hemisphere. The Committee recommendation therefore includes an increase of \$56,000,000 in order to restore country program funding levels in this region to at least the fiscal year 2006 levels.

*India*

The Committee is concerned that the fiscal year 2008 request significantly reduced development assistance to India. The Committee directs the Agency to provide a total of \$10,000,000 for clean energy development, water and sanitation programs, women's rights programs, and basic education programs in India. The Com-

mittee directs USAID to consult with the Committees on Appropriations prior to programming these fiscal year 2008 funds.

### *Sudan*

The Committee recommendation includes a total of \$558,300,000 for Sudan, which is \$104,100,000 above the request.

[Amount in thousands]

	Fiscal year 2008 request	Committee recommenda- tion
<b>Darfur:</b>		
International Disaster and Famine Assistance .....	\$88,500,000	\$88,500,000
Transition Initiatives .....	2,000,000	2,000,000
Economic Support Fund .....	20,000,000	20,000,000
Peacekeeping Operations .....	0	100,000,000
Subtotal, Darfur .....	110,500,000	210,500,000
<b>North/South:</b>		
Child Survival and Health Programs Fund .....	0	23,300,000
Development Assistance .....	0	145,000,000
Economic Support Fund .....	245,900,000	81,700,000
International Disaster and Famine Assistance .....	25,000,000	25,000,000
Non-proliferation, Anti-terrorism, Demining and Related Programs .....	4,000,000	4,000,000
Transition Initiatives .....	3,000,000	3,000,000
Peacekeeping Operations .....	41,400,000	41,400,000
Foreign Military Financing .....	100,000	0
International Military Education and Training .....	300,000	300,000
International Narcotics Control and Law Enforcement .....	24,000,000	24,000,000
Subtotal, North/South .....	343,700,000	347,700,000
Total, Sudan For Ops .....	454,200,000	558,200,000

The Committee is interested in expanding health and development activities in South Sudan. In particular, the Committee urges USAID to consider establishing an institute for agriculture, science and technology in southern Sudan. The Committee believes that this would be an opportunity to harness local capacity and direct it toward the reconstruction and development of southern Sudan by bringing the region out of decades of economic isolation, and to provide training and technical expertise from donor countries. The Committee urges the Agency to begin efforts to establish this Institute in southern Sudan and report to the Committees on Appropriations within 60 days of enactment of this Act as to plans for the fiscal year.

The Committee encourages USAID to establish a program to encourage the return of the Sudanese Lost Boys and Lost Girls to southern Sudan for a period of no less than five years to contribute to post-conflict revitalization there. Many of those who survived were resettled in the United States. Those individuals who apply for and are accepted into this program shall retain their immigration status in the United States. The Lost Boys and Girls of Sudan are a group of young refugees, displaced during Sudan's 21-year civil war, who trekked hundreds of miles to escape the violence in their homeland. This program should provide the resources needed for them to return to southern Sudan. The Committee directs USAID to consult with the Committee prior to beginning this program.

The Committee notes that funding for several programs in Sudan is provided in other accounts. The Committee remains concerned about the personal protective security of the President of Southern Sudan and Vice President of the Government of National Unity,

Salva Kiir. The fiscal year 2007 Supplemental Appropriations Act (P.L. 110–28) required a report and the Committee reiterates its interest in that report. The Committee supports the President’s request for funding for security sector reform in Southern Sudan, including transforming and professionalizing the Southern People’s Liberation Army (SPLA), and providing training and infrastructure development to the police, justice and corrections systems. The Committee also supports efforts to promote disarmament, demobilization and reintegration (DDR) of ex-combatants, with particular attention placed on the psycho-social needs of former child soldiers.

Language related to peacekeeping, the on-going genocide in Darfur and diplomacy efforts related to Darfur is found in the “Peacekeeping Operations” account report language.

The Committee has again included a general provision, section 669, conditioning funds for the Government of Sudan on its efforts to bring stability and security to Darfur. The Committee has modified the section from previous years to note the new definition of

*Cooperation with AFRICOM*

The Committee is encouraged by ongoing cooperation between USAID, the Department of State and the Department of Defense to address the underlying factors that give rise to radicalism and terrorism. The Committee expects that this cooperation will grow with the establishment of AFRICOM and requests regular updates on joint planning and programming.

*United States university support for developing countries*

The Committee encourages working with American institutions of higher education. The Committee expects that competitive procedures will be applied with regard to proposals. The Committee also expects USAID to give priority to proposals that have sound technical merit, well-planned budgets, and concrete and realistic objectives.

No later than March 1, 2008, the Administrator of USAID shall submit a report to the Committee on the status of activities undertaken with universities (including competitive as well as non-competitive awards,). Such a report shall include: (1) the status of funding proposals by the organization associated with each activity; (2) the degree to which each proposal is consistent with United States development assistance and foreign policy goals for the country or region in which the activity would take place; (3) the degree to which matching or other funds would be provided by the organization to complement the Federal contribution; (4) to the extent known at the time, any decision by USAID or the Department of State on funding the activity, including the proposed funding level; and (5) any other relevant information deemed important by USAID or the Department of State. In addition, the Committee requests that USAID identify an office or organization within USAID, or within the Department of State if appropriate, to which inquiries can be directed on the status of university programs.



## INTERNATIONAL DISASTER AND FAMINE ASSISTANCE

Fiscal year 2007 enacted level .....	\$361,350,000
Fiscal year 2008 request .....	297,300,000
Committee recommendation .....	322,350,000
Change from request .....	25,050,000
Change from enacted level .....	- 39,000,000

The Committee recommendation includes \$322,350,000 for the International Disaster Assistance and Famine Assistance account, which is \$39,000,000 below the fiscal year 2007 level and \$25,050,000 above the request, excluding emergency supplemental appropriations. The reduction below fiscal year 2007 is due to a \$51,500,000 shift from this account to the “Development Assistance” account for fiscal year 2008 to better support development activities in Sudan. As a result, the Committee recommendation provides \$12,500,000 above the fiscal year 2007 level for ongoing and emerging humanitarian assistance.

The Committee encourages the Office of Foreign Disaster Assistance (OFDA) to coordinate with the Office of Conflict Response and Stabilization (CRS) at the Department of State as CRS develops its Active Response Corps and Civilian Reserve Corps. Any such corps should take into account the existing capacity of OFDA to respond to both man-made and natural emergencies and not be duplicative. The Committee requests that OFDA consult with the Committee regarding opportunities to strengthen OFDA’s response capacity if the Civilian Reserve Corps is established, including the development of a database of civilian responders.

*Famine prevention and relief pilot program*

The Committee recommendation includes \$20,000,000 for famine prevention and relief, which is \$20,000,000 above the request. The Committee directs USAID to implement a pilot study designed to evaluate the relative advantages of purchasing local food commodities and shipping commodities from abroad with the additional funding. The study should identify both benefits and drawbacks of local commodity purchase programs and strategies for maximizing the effectiveness of local purchases. USAID should consult with the Committees on Appropriations as it designs the study. The Committee expects that the results of the study will inform the fiscal year 2009 budget process and request.

*Sudan*

The Committee recommendation includes not less than \$113,500,000 for humanitarian assistance under this heading for Sudan. The Committee notes that \$51,500,000 previously provided in this account for assistance to south Sudan is included within the “Development Assistance” account. It is the Committee’s intent that this shift of funds will assist in the transition in south Sudan from a state of crisis to one of reconstruction. The budget request also proposed shifting these funds, but the shift was to the “Economic Support Fund” account.

## TRANSITION INITIATIVES

Fiscal year 2007 enacted level .....	\$39,600,000
Fiscal year 2008 request .....	37,200,000
Committee recommendation .....	40,000,000
Change from request .....	2,800,000
Change from enacted level .....	400,000

The Committee recommendation includes \$40,000,000 for the Office of Transition Initiatives (OTI), which is \$400,000 above the fiscal year 2007 level and \$2,800,000 above the request.

The Committee requests that USAID report on a semi-annual basis the expenditures and specific use of OTI funds, by country, including organizations implementing the program.

## DEVELOPMENT CREDIT AUTHORITY

[INCLUDING TRANSFER OF FUNDS]

Program Account:	
Fiscal year 2007 enacted level .....	\$20,790,000
Fiscal year 2008 request .....	21,000,000
Committee recommendation .....	21,000,000
Change from request .....	0
Change from enacted level .....	210,000
Administrative Expenses:	
Fiscal year 2007 enacted level .....	\$7,920,000
Fiscal year 2008 request .....	7,400,000
Committee recommendation .....	7,400,000
Change from request .....	0
Change from enacted level .....	- 520,000

The Committee recommendation includes a ceiling of \$21,000,000, on the amount that may be transferred from bilateral economic assistance accounts for the subsidy cost of loan guarantees under the Development Credit Authority program, which is \$210,000 above the fiscal year 2007 level and the same as the request.

The Committee recommendation includes \$7,400,000 for administrative expenses, which is \$520,000 below the fiscal year 2007 level and the same as the request.

## PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

Fiscal year 2007 enacted level .....	\$38,700,000
Fiscal year 2008 request .....	36,400,000
Committee recommendation .....	0
Change from request .....	- 36,400,000
Change from enacted level .....	- 38,700,000

The Committee recommendation does not include funding for the mandatory Payment to the Foreign Service Retirement and Disability Fund within title III. Instead, all funding requested for the Payment to the Foreign Service Retirement and Disability Fund is provided within title I of this Act.

OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR  
INTERNATIONAL DEVELOPMENT

[INCLUDING TRANSFER OF FUNDS]

Fiscal year 2007 enacted level .....	\$626,832,000
Fiscal year 2008 request .....	609,000,000
Committee recommendation .....	625,700,000
Change from request .....	16,700,000
Change from enacted level .....	-1,132,000

The Committee recommends a total of \$625,700,000 for Operating Expenses of the United States Agency for International Development, which is \$16,700,000 above the request and \$1,132,000 below the fiscal year 2007 level excluding emergency appropriations.

*Workforce model*

The Committee is encouraged by the Agency's use of the workforce model, which is an important tool towards "rationalizing" staffing decisions. The model predicts future workload and staffing demands and attempts to identify workforce gaps and develop solutions to fill those gaps. The Committee expects the Agency to place greater emphasis on analyzing the proper mix between Headquarters vs. Overseas staff and direct hires vs. non-direct hires. The Committee also expects the Agency to increase its efforts to attract and retain expert technical staff and improve the ability to re-direct staff in a timely fashion to areas of strategic importance. The Committee expects to see a rapid increase in the Agency's ability to attract, retain, and promote high performing staff.

*Contract notification*

The Committee is concerned about sole source contract awards and the use of Indefinite Quantity Contracts (IQC) by USAID. The Committee directs USAID to notify the Committees on Appropriations fifteen days prior to: awarding any sole source contract in excess of \$30,000,000; raising the ceiling on any IQC in an amount greater than \$50,000,000; issuing a Task Order within an IQC in excess of \$100,000,000.

CAPITAL INVESTMENT FUND

Fiscal year 2007 enacted level .....	\$69,300,000
Fiscal year 2008 request .....	126,000,000
Committee recommendation .....	87,300,000
Change from request .....	-38,700,000
Change from enacted level .....	18,000,000

The Committee recommendation includes \$87,300,000 for the Capital Investment Fund, which is \$38,700,000 below the request and \$18,000,000 above the fiscal year 2007 level. In total, the Committee recommendation includes \$75,144,500 for USAID participation in the Capital Security Cost-Sharing Program, under which all agencies with overseas staff operating under Chief of Mission authority contribute toward the costs of constructing secure embassy compounds, and \$12,155,500 for information technology.

All funds made available under the Capital Investment Fund, including the obligation of offsetting collections, and the capital appropriation in the Economic Support Fund, are subject to the reg-

ular notification procedures of the Committees on Appropriations. The Committee also has included bill language under Operating Expenses of USAID that requires congressional notification before USAID commits to open or close overseas missions.

*Capital security cost-sharing program*

The President's request includes a significant increase over fiscal year 2007 for this program and while the Committee supports the concept of Capital Security Cost-Sharing (CSCS), such a large increase is not possible. In future Congressional Budget Justifications, the Committee expects the Agency to provide specific detail on the criteria used to assess its contribution to the CSCS program and the amounts, by mission, assumed in the request. As with all budget justifications, an explanation of change from the prior year level should also be included. In order to continue progress in this area, the Committee recommendation includes \$75,144,500, which is \$24,855,000 below the request.

*Information technology*

The Committee recommendation includes \$12,155,500 for information technology improvements, which is \$13,845,000 below the request. Within that amount, the Committee recommends that these resources be used to support the Joint Assistance Management System, the Joint Financial Management System, and the Global Acquisition System.

OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR  
INTERNATIONAL DEVELOPMENT, OFFICE OF THE INSPECTOR GENERAL

Fiscal year 2007 enacted level .....	\$35,640,000
Fiscal year 2008 request .....	38,000,000
Committee recommendation .....	38,000,000
Change from request .....	0
Change from enacted level .....	2,360,000

The Committee recommendation includes \$38,000,000 for USAID, Office of the Inspector General, which is \$2,360,000 above the fiscal year 2007 level excluding emergency supplemental appropriations and the same as the request.

The Committee requests that the Office of the Inspector General provide a report to the Committees on Appropriations within 45 days of enactment of this Act that summarizes the oversight work the Office will be undertaking in fiscal year 2008. The Committee is particularly interested in the plans in Afghanistan, Iraq and those related to the Global HIV/AIDS Initiative.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

(INCLUDING TRANSFER OF FUNDS)

Fiscal year 2007 enacted level .....	\$2,455,010,000
Fiscal year 2008 request .....	3,319,567,000
Committee recommendation .....	2,656,506,000
Change from request .....	-663,061,000
Change from enacted level .....	-201,496,000

The Committee recommendation includes a total of \$2,656,506,000 for the Economic Support Fund (ESF), which is \$201,496,000 below the fiscal year 2007 level and \$663,061,000 below the request, excluding emergency supplemental appropriations.

## ECONOMIC SUPPORT FUND

[In thousands]

	Fiscal year 2008 request	Committee recommenda- tion
Africa:		
Burundi .....	\$0	\$3,000
Democratic Republic of Congo .....	29,000	19,000
Ethiopia .....	5,000	3,000
Kenya .....	0	4,000
Liberia .....	73,545	43,545
Sierra Leone (Special Court) .....	0	13,000
South Africa .....	10,000	5,000
Sudan .....	245,900	101,700
Tanzania .....	3,600	3,000
Africa Regional .....	7,250	6,000
Subtotal—Africa .....	374,295	201,245
East Asia and the Pacific:		
Burma .....	2,790	6,000
Cambodia .....	12,170	12,170
East Timor .....	8,640	18,000
Indonesia .....	60,000	55,000
Laos .....	470	500
Mongolia .....	6,200	6,200
North Korea .....	2,000	0
Philippines .....	25,996	20,000
Taiwan .....	200	0
Tibet .....	2,000	5,000
Vietnam .....	5,700	5,000
Other Asia .....	26,560	18,000
Subtotal—East Asia and the Pacific .....	152,726	145,870
Europe and Eurasia:		
Cyprus .....	11,000	11,000
Irish Visa Program .....	1,000	1,000
Turkey .....	850	0
Subtotal—Europe and Eurasia .....	12,850	12,000
Near East:		
Algeria .....	1,165	0
Bahrain .....	1,100	0
Egypt .....	415,000	415,000
Iran .....	75,000	25,000
Iraq .....	298,000	0
Jordan .....	263,547	263,547
Kuwait .....	470	0
Lebanon .....	42,100	45,000
Libya .....	500	0
Morocco .....	15,500	16,500
Tunisia .....	200	2,000
West Bank/Gaza .....	63,500	63,500
Yemen .....	8,450	8,450
Middle East Partnership Initiative .....	75,000	55,000
Middle East Regional Cooperation .....	3,800	5,000
Other Near East .....	0	5,000
Subtotal—Near East .....	1,263,332	903,997
South Asia:		
Afghanistan .....	693,000	543,000

## ECONOMIC SUPPORT FUND—Continued

[In thousands]

	Fiscal year 2008 request	Committee recommenda- tion
India .....		3,000
Pakistan .....	382,900	350,000
South Asia Regional .....	720	1,500
Subtotal—South Asia .....	1,076,620	897,500
Western Hemisphere:		
Bolivia .....	17,000	17,000
Colombia .....	139,500	218,500
Cuba .....	45,700	9,000
Dominican Republic .....	10,000	8,000
Ecuador .....	6,000	6,000
Guatemala .....	10,000	12,000
Haiti .....	63,394	63,394
Mexico .....	14,000	12,000
Peru .....	30,000	30,000
Trade Capacity Building .....	0	10,000
Other Western Hemisphere .....	28,150	20,000
Subtotal—Western Hemisphere .....	363,744	405,894
Global:		
Asia-Pacific Partnership .....	26,500	5,000
Human Rights and Democracy Fund .....	35,000	40,000
OES Initiative .....	7,800	0
Wheelchairs .....	0	5,000
Reconciliation Programs .....	0	23,000
Trafficking in Persons .....	6,700	14,000
Extractive Industries Transparency .....	0	1,000
House Democracy Assistance Program .....	0	2,000
Subtotal—Global .....	76,000	90,000
Total ESF: .....	3,319,567	2,656,506

*Israel*

The Committee recommendation includes no funding for programs in Israel in this account, which is the same as the request. In 1998, Israel and the United States reached an agreement to increase Foreign Military Financing assistance to Israel by \$60,000,000 per year for ten years and to decrease Economic Support Fund assistance by \$120,000,000 per year for ten years. Fiscal year 2008 marks the end of Economic Support Fund assistance for Israel under that agreement. The Committee recommendation includes \$2,400,000,000 for Israel under the Foreign Military Financing program.

The Committee is aware of negotiations between the Government of Israel and the Department of State on a new bilateral aid agreement between the United States and Israel. The Committee expects to consider the new framework for assistance to Israel in the fiscal year 2009 appropriations cycle. The committee is also aware of the success of the Binational Research and Development Funds that were established in the mid 1970s to foster science and technology cooperation between the United States and Israel and encourages the Administration to request additional funds in the future to increase the endowments for these funds through a multi-year process.

*Economic boycott of Israel*

The Committee has continued a general provision (section 634) from previous years that addresses the Arab League boycott of Israel. The Committee strongly opposes this boycott and believes that the Department of State must take strong action to combat this practice.

*Egypt*

The Committee recommendation includes \$415,000,000 for programs in Egypt, which is the same as the request. Within the amount provided for project assistance, not less than \$50,000,000 shall be made available for democracy, governance and human rights programs and \$50,000,000 shall be used for education programs.

The Committee recommends that not less than 50 percent of the funds provided for Egypt for democracy, governance, and human rights be provided through nongovernmental organizations for the purpose of strengthening Egyptian civil society organizations, enhancing their participation in the political process, and enhancing their ability to promote and monitor human rights. The Committee further recommends that not less than 50 percent of the funds provided for Egypt for education be used to improve access to basic education. The remainder of the funds provided for education shall be used to strengthen institutions of higher education, promote academic freedom, and fund educational and cultural exchange programs.

*Religious freedom in Egypt*

The Committee remains concerned about the problems faced by Egypt's Coptic Christian community and believes that the Government of Egypt needs to do everything possible to provide full opportunity for Coptic Christians in employment and education. The Committee expects the Department of State to make every effort to reinforce the importance of actively enforcing the religious freedoms that are, in fact, provided for in the Egyptian Constitution. The Committee further directs the Department of State to fund programs that advance civic participation and human rights in the Coptic Community.

*Jordan*

The Committee recommendation includes \$263,547,000 for programs in Jordan, which is the same as the request.

The Committee notes, with appreciation, Jordan's strong support for the United States, most especially in the Global War on Terror and recognizes the added economic and security impact on Jordan, including the hardships to communities in Jordan resulting from the influx of refugees from Iraq. Furthermore, Jordan has played a leadership role in facilitating efforts to bring peace between Israelis and Palestinians. The Committee believes the amount provided for ESF assistance will help Jordan accommodate economic issues as it continues to implement economic reforms. The Committee expresses its continued support for Jordan and notes that in the fiscal year 2007 Supplemental Appropriations Act (Public Law 110-28), Congress provided \$75,000,000 in security assistance for Jordan, \$45,000,000 for assistance to Iraqi refugees, and an ad-

ditional \$10,300,000 in economic assistance for Jordanian communities hosting large refugee populations.

*Morocco*

The Committee recommendation includes \$16,500,000 for programs in Morocco, which is \$1,000,000 above the request.

*West Bank and Gaza*

The Committee recommendation includes \$63,500,000 for programs in the West Bank and Gaza territories, which is the same as the request. However, the Committee recommendation does not provide any of the requested amounts under the Child Survival and Health Program Fund account or the Non-proliferation, Anti-terrorism, Demining and Related Programs account. The Committee intends that programs requested under the Child Survival and Health Programs Fund account be supported by funding from the ESF account. The Committee further directs the Secretary of State to submit a report to the Committee on Appropriations, no later than 90 days after enactment of this Act, outlining a short and long term strategy for providing visible social service projects to the Palestinians by moderate and effective forces in the West Bank and Gaza to counter the forces of radicalism.

*Iraq programs*

The Committee recommendation includes no funding in this account for programs in Iraq, which is \$298,000,000 below the request. The Committee feels that the Government of Iraq should be assuming increasing responsibility for the reconstruction of Iraqi infrastructure and the provision of essential services. Furthermore, the Committee expects funds provided in the fiscal year 2007 Supplemental Appropriations Act (Public Law 110–28), to be fully obligated before considering requests for additional funds. The Committee is concerned about the plight of religious minorities in Iraq and intends that from within the unobligated amounts provided in previous years under the heading “Economic Support Fund” for Iraq, not less than \$10,000,000 should be provided to assist religious minorities in the Nineveh Plain region of Iraq, of which \$8,000,000 should be provided for internally-displaced families and \$2,000,000 should be provided for microfinance programs.

*Africa programs*

The Committee recommendation includes \$201,245,000 for programs in Africa, which is \$173,050,000 below the request. The Committee recommendation includes an additional \$184,200,000, which was requested under the Economic Support Fund for Sudan, Liberia and Congo, in the Development Assistance account. If this transfer is taken into account, the Committee recommendation is \$11,150,000 above the request.

*Liberia*

The Committee recommendation includes \$43,545,000 for programs in Liberia, which is \$30,000,000 below the request. The Committee recommendation includes an additional \$30,000,000 in the Development Assistance account. The Committee notes that Congress provided an additional \$45,000,000 for security assistance



to Liberia in the fiscal year 2007 Supplemental Appropriations Act (Public Law 110–28).

The Committee is concerned about the lack of functional legal structures and the inaccessibility of justice in Liberia. The Committee directs the Department of State and USAID to develop policies and programs to promote and strengthen the rule of law in Liberia. Additionally, the Committee urges USAID to work with the Government of Liberia to establish a program to provide legal information services to indigent persons, and support national institutions and groups providing legal assistance. The Committee also expects United States assistance programs to advance human rights, including through the establishment of rights-based training for members of the judiciary, justice ministry, police, traditional leaders, and communities experiencing high levels of rights violations.

#### *Sudan*

The Committee recommendation includes \$101,700,000 for Sudan, which is \$144,200,000 below the request. The Committee recommendation includes an additional \$145,000,000 under the Development Assistance account.

#### *Democratic Republic of Congo*

The Committee recommendation includes \$19,000,000 for programs in the Democratic Republic of Congo, which is \$10,000,000 below the request. The Committee recommendation includes an additional \$10,000,000 in the Development Assistance account. The Committee notes that Congress provided an additional \$15,000,000 for ESF programs in the Democratic Republic of Congo in the fiscal year 2007 Supplemental Appropriations Act (Public Law 110–28). The Committee intends for funds provided in this account to address post-conflict needs including demobilization, disarmament and reintegration of militias and armed forces, particularly child soldiers, reform of the justice and security sector reform, promoting human rights and strengthening democratic governance.

#### *Afghanistan programs*

The Committee recommendation includes \$543,000,000 for programs in Afghanistan, which is \$150,000,000 below the request. The Committee recommendation includes an additional \$150,000,000 for Afghanistan in the Development Assistance account.

The Committee has included language that limits the expenditure of these funds to not more than \$225,000,000 until the Secretary of State certifies to the Committees on Appropriations that the Government of Afghanistan at both the national and provincial level is cooperating fully with United States funded eradication and interdiction efforts in Afghanistan. Understanding the certification may include sensitive or classified information, the Department of State may submit the certification to the Committee in the form of a classified report.

The Committee is greatly concerned that a few provincial governments are not fully supporting efforts to eradicate poppy growth and interdict the heroin byproduct of these poppies. Without full cooperation and support of the government, especially the provin-

cial governments, for eradication and interdiction programs, the Committee believes the illegal drug trade with Afghanistan will flourish. The Committee cannot condone increasing assistance for Afghanistan if the government is not willing to fully participate in ending the growth and trade of an illegal drug that tears apart the fabric of society and has the potential to undermine the legitimacy of the government.

Within available funds, the Committee urges USAID to continue support for the refurbishment of the existing Wazir Akbar Kahn Hospital and the management of health care delivery in Kabul. The Committee understands that this hospital has been a tremendous success and is ably serving the residents of Kabul.

The Committee supports the work of the Turquoise Mountain Foundation in Kabul's historic city center to rebuild and restore the cultural heritage of Afghanistan. The Kabul Revitalization Project aims to help the process of restoring stability to the capital of Afghanistan and acts as an economic catalyst for Kabul and other Afghan communities. The Committee urges USAID to consider these activities.

#### *Afghan Women and Girls*

The Committee recommendation directs that \$15,000,000 of the funds made available for Afghanistan be provided as grants to support training and equipment to improve the capacity of women-led Afghan nongovernmental organizations and to support the activities of such organizations.

#### *Independent Human Rights Commission*

The Committee believes that the work of the Afghan Independent Human Rights Commission has been indispensable in advancing the rights of women and promoting human rights through out Afghanistan. The Committee strongly urges continued support for the Afghan Independent Human Rights Commission and other Afghan human rights organizations.

#### *Afghanistan Crop Substitution Pilot Program*

The Committee is interested in determining if there are alternative approaches to encourage farmers ensnared in illicit crop production to pursue other crops. To this end, the Committee directs the Department of State and USAID to establish a pilot program to test the effectiveness of crop substitution, combined with an appropriate offset to encourage legitimate alternatives to poppy production for Afghan poppy farmers within an area in which poppy production is prevalent, such as in the Helmand or Nangarhar provinces. The Committee encourages the pilot program to provide seeds for alternative crops (for which there is internal market demand) and in areas in which there is adequate infrastructure for access to market; technical assistance to such Afghan poppy farmers on how to best plant, grow, and harvest the alternative crops; and an appropriate offset that would significantly address the difference in income that such Afghan poppy farmers would otherwise earn had they continued to grow and sell poppy.

*Indonesia*

The Committee recommendation includes \$55,000,000 for programs in Indonesia, which is \$5,000,000 below the request. The Committee notes Indonesia's strong and continued support in the Global War on Terror and recognizes the progress made by the Government of Indonesia to advance democracy and the rule of law.

*Irish Visa program*

The Committee recommendation includes \$1,000,000 for the Walsh Irish Visa program, which is the same as the request. This program, authorized since 1998, assists young people who are residents of Northern Ireland and the border counties of Ireland with developing job skills and conflict resolution abilities. Eligible youth receive non-immigrant visas that enable them to work for up to three years in the United States.

*Middle East regional programs*

The need for fresh water is a reality for all parties in the Middle East. Fresh water is essential for economic development, agriculture, health, and improving the quality of life for everyone in the region. Therefore, the Committee strongly supports the continued efforts of the International Arid Lands Consortium in addressing the critical issues of water, energy, and agriculture and land use in the Middle East and Central Asia, and urges USAID to continue such work. This support should be allocated from bilateral, centrally managed or regional programs either in this account or in other accounts funded by this Act.

*Lebanon*

The Committee recommendation includes \$45,000,000 for programs in Lebanon, which is \$2,900,000 above the request. The Committee directs that not less than \$10,000,000 should be used for scholarships and other direct support of the American educational institutions in Lebanon. Providing an American education to the young people of Lebanon and the region makes a unique contribution to the long term development of political and economic stability in that country. Broadening understanding of American values in the Middle East is particularly important to the efforts of the United States to counter violence and terrorism.

*Iran*

The Committee recommendation includes \$25,000,000 for programs in Iran, which is \$50,000,000 below the request. The Committee is concerned that of the \$25,000,000 appropriated for democracy programs in Iran in fiscal year 2006, less than \$2,000,000 had been expended as of the end of May 2007. The Committee is further concerned at the lack of adequate justification for the funds that have been requested in fiscal year 2008. The Committee urges that within the amount provided, \$5,000,000 be provided for women's rights and support programs with a particular focus on minority communities. The Committee is aware of the work of the National Endowment for Democracy on these issues and encourages support for such programs.

The Committee encourages the Department of State to assess and report back within 90 days of enactment of this Act on the feasibility, the cost and impact of implementing efforts to restrict the supply of refined gasoline to Iran to prevent the acquisition of nuclear weapons by Iran under cover of its nuclear program and provide a plan to implement such actions if deemed necessary by the Executive branch with approval from Congress.

*Middle East partnership initiative*

The Committee recommendation includes \$55,000,000 for the Middle East Partnership Initiative (MEPI), which is \$20,000,000 below the request.

The Committee directs that within the funds provided for MEPI, up to \$6,000,000 be for a scholarship program to educate students from countries with significant Muslim populations at the American educational institutions in those countries. The American educational institutions are uniquely positioned to improve understanding and strengthen shared values with the Muslim world. The Committee notes the work of the Middle East Media Research Institute (MEMRI) in providing timely translations of Arabic, Farsi, and Turkish media, as well as original analysis of political, ideological, intellectual, social, cultural, and religious trends in the Middle East. The Committee urges support for the work of organizations which provide accurate translations and balanced analysis.

The Committee urges consideration of programs in the higher education sector that engage scientists in the Middle East to establish new international partnerships through cooperative research and development activities, provide former weapons scientists the opportunity to participate in scientific research with their civilian counterparts and to develop the skills for sustainable success in the civilian scientific world. The United States Civilian Research and Development Foundation has a proven track record in this arena and the Committee urges consideration of their work under MEPI.

The Committee recognizes the importance of efforts to promote democratic governance and civic participation in the Arab world, and commends the Department of State for supporting “Street Law” in its creation of an Arab-language curriculum, “Islam and Democracy: Toward Effective Citizenship.” The Committee urges the Department of State, through the Middle East Partnership Initiative, the Bureau of Democracy, Human Rights, and Labor, or another appropriate program, to support the establishment of a Global Center for Education about Democracy and Islam to adopt and disseminate the curriculum in various countries throughout the Arab world.

The Committee is aware of the work of the Education for Employment Foundation and the Sesame Workshop and encourages consideration of their work in fiscal year 2008.

*Middle East Regional Cooperation Program*

The Committee believes that the Middle East Regional Cooperation Program, a peer-reviewed competitive grants program that is specifically focused on promoting technical cooperation between Arab and Israeli scientists, students, and communities on topics relevant to development in the Middle East, plays an important role in fostering Arab-Israeli cooperation. The Committee rec-

ommendation includes \$5,000,000, which is \$1,200,000 above the request.

*East Timor*

The Committee recommendation includes \$18,000,000 for programs in East Timor, which is \$9,360,000 above the request, to support income producing projects and other reconstruction activities.

*Tibet*

The Committee recommendation includes not less than \$5,000,000 in assistance for programs that preserve cultural traditions, and promote economic development and environmental conservation in Tibetan communities. The Committee encourages the Special Coordinator for Tibetan Issues to take a leadership role in allocating and monitoring these activities.

The Committee is aware of the valuable assistance the Bridge Fund has provided to promote Tibetan-owned and operated businesses and educational, cultural and natural resource conservation projects in Tibet and recommends continued funding for this program.

The Committee recommendation includes \$250,000 to be made available through a nongovernmental organization for the purpose of providing training and education of Tibetans in democracy activities, and monitoring the human rights situation in Tibet. The Committee supports the use of a greater portion of the funds made available, for activities that have a primary impact inside Tibet, to the extent practicable. The Committee encourages USAID to work closely with the Office of the Special Coordinator on Tibetan Issues in carrying out these programs. The Committee is aware of the work of the National Endowment for Democracy on these issues and encourages support for such programs.

The Committee encourages organizations involved in China rule of law programs to seek out opportunities to conduct programs that can improve the human rights situation and the administration of justice in Tibetan areas, including Tibetan areas outside the Tibetan Autonomous Region (TAR).

The Committee is also aware of a proposal by the China Aid Association to train human rights defenders and democracy activists in Chinese society and produce necessary tools, including books, DVDs, and website materials to raise awareness of basic freedoms and rights and encourages its consideration. The project would also conduct training seminars on the issue of democracy, free and fair elections, and rule of law for key activists.

*Cyprus*

The Committee recommendation includes \$11,000,000 for Cyprus, which is the same as the request. The Committee is concerned that funds used for programs on Cyprus have been obligated without appropriate advanced consultation with the Government of the Republic of Cyprus. The Committee intends that United States funds support measures aimed at reunification of the island and the Committee expects the Administration to consult with the Government of the Republic of Cyprus on the obligation of funds and to assure maximum transparency in their allocation.

The Committee requires that the Department of State submit to the Committee on Appropriations a report on the obligation and expenditure of all bilateral funds made available for Cyprus in this Act including the recipients of funds, the uses to which they are being put, and their role in helping achieve the reunification of the island.

*Human Rights and Democracy Fund*

The Committee recommendation includes \$40,000,000 for the Human Rights and Democracy Fund, which is \$5,000,000 above the request. The Committee further directs that up to \$5,000,000 of this amount be provided for the promotion of international religious freedom through groups that are able to develop legal protections and promote cultural and societal understanding of international norms of religious freedom. The Committee further directs that up to \$2,000,000 of funds under this heading should be made available for democracy programs in Syria. The Committee is aware of the work of the Center for International Media Assistance of the National Endowment for Democracy and encourages the Department of State to consider support for such programs.

*Democracy programs*

The Committee is concerned about the effectiveness of the democracy programs funded in this Act and the continued fragmentation of the administration of such programs across United States Government entities. The Committee therefore directs the Government Accountability Office to initiate a comprehensive assessment of the capacity of the United States Government to effectively administer democracy programs worldwide. This shall include a review of the respective capacities of the following entities with respect to their ability to effectively administer grants and/or contracts and provide effective strategic direction and support to such programs: the Bureau of Democracy, Conflict, and Humanitarian Assistance at USAID; the Bureau of Democracy, Human Rights, and Labor at the Department of State; the Middle East Partnership Initiative at the Department of State; and the National Endowment for Democracy. The report should be delivered to the Committees on Appropriations no later than 180 days following enactment of this Act.

*Trade Capacity Building Program*

The Committee recommendation includes \$10,000,000 for Trade Capacity Building in this account, which is \$10,000,000 above the request.

*Labor programs*

The Committee recognizes the important role of labor programs, including trade union strengthening programs, in the promotion of democracy, the rule of law, economic development, poverty reduction, and international trade programs overseas. The Committee requests that the Office of the Director of Foreign Assistance integrate labor programs into the transformational development framework and provide a report to the Committees on Appropriations on this effort within 180 days of passage of this Act.

The Committee is concerned about the potential loss of capacity of current programs prior to them being fully integrated into global, regional, or country-based strategies. The Committee is aware of the work of the American Center for International Labor Solidarity and encourages USAID to consider such work in fiscal year 2008.

#### *Internet freedom*

The Committee believes that ensuring the freedom of Internet communication in dictatorships and autocracies throughout the world is a high and critical national interest priority of the United States. In this regard, the Committee notes that Chinese president Hu Jintao recently announced the establishment of an urgent initiative to “purify” the Internet via further monitoring and censorship of Internet use and further punishment of persons engaged in uncensored Internet communication, and further notes that similar initiatives have recently been mounted by the Governments of Cuba and Russia. The Committee anticipates that USAID will underake the Internet freedom initiative established by this section as among its highest priorities, and anticipates that the funds provided for the initiative will be obligated with all deliberate speed to those that best meet the standards established by the section. The Committee further anticipates that reports and regular briefings will be provided by senior USAID officials to Members and staff of the Committee on the progress made by the Agency in fulfilling the above objectives commencing with an initial briefing 30 days from the date of enactment of this Act.

#### *Kimberley Process*

To strengthen the Kimberley Process (KP) and tighten restrictions blocking conflict diamonds from the world market, KP signatory countries require sustained assistance to implement enforcement of the certification scheme within their own borders. The Committee has provided adequate funds to handle the increasing problems in Africa and Latin American including massive fraud in Brazil and Guyana, conflict diamonds entering the world market from Côte d’Ivoire via Mali and Ghana, and credible reports of smuggling from Zimbabwe through South Africa and DRC. The Committee has also provided funding for implementation of the Clean Diamond Trade Act (CDTA) based on GAO recommendations submitted in 2006 to correct poor enforcement, inadequate resources, better statistics, and the need for independent audits of the KP here in the United States.

#### *Foundation for Environmental Security and Sustainability*

The Committee continues to support the work of the Foundation for Environmental Security and Sustainability (FESS) in its critical efforts at safeguarding U.S. national security interests through a focus on the environmental components of security in pursuit of transformational development in rebuilding and developing countries. The Committee recognizes the achievements of FESS in promoting peace and security, democracy and just governance, and economic growth to mitigate problems in some of the most troubled and conflicted areas of the world before they become intractable to intervention.

*Pakistan program*

The Committee recommendation includes \$350,000,000 for programs in Pakistan, which is \$32,900,000 below the request. This reduction shall be applied to the request designated as budget support.

The Committee acknowledges the strong support that the Government of Pakistan has provided in the Global War on Terror and notes the toll that terrorism has exacted on the Pakistani people. The robust levels of aid contained in this and prior Acts for Pakistan are an indication of the importance of Pakistan as an ally to the United States.

However, the Committee is concerned about human rights in Pakistan, especially women's rights, and the pace of reform on democratic governance and rule of law. The Committee also notes the importance of the upcoming elections and international expectations for a free and fair process. The Committee therefore directs that from within the recommended funding level, \$15,000,000 be provided through local and international NGOs working on human rights, independent and free media, women's empowerment, political party development and justice sector reform issues in Pakistan.

The Committee further notes the importance of education in creating a more prosperous and tolerant society and urges that funding for primary and secondary education, particularly for girls and focused in rural areas, be a primary objective of bilateral United States assistance to Pakistan.

The Committee notes that the Administration's request includes \$90,000,000 for assistance to the Federally Administered Tribal Areas (FATA). The Committee notes that Congress provided authority to transfer up to \$110,000,000 from the Department of Defense for this purpose in the fiscal year 2007 Supplemental Appropriations Act (Public Law 110-28). The Committee expects that performance benchmarks, oversight mechanisms and implementation processes required of that assistance shall also apply to funds in this Act for FATA territories. The Committee urges that \$20,000,000 of the funds designated for FATA be provided for rural access, health and education needs in South and North Waziristan Provinces.

*Western Hemisphere programs*

The Committee continues to be concerned about falling assistance levels to Latin America. The fiscal year 2008 budget request for foreign operations to Latin America decreases by 8.9 percent. The administration shifted funding from one account to another and placed an emphasis on free trade, to the exclusion of social issues and policies that would help solve the region's widespread poverty and unequal distribution of wealth. The Committee believes that USAID must make a concerted effort to attack the underlying and pervasive poverty that is the root of the problems in the region.

*Colombia*

The Committee acknowledges that Colombia is a vital partner and ally of the United States. The Committee recognizes the strategic importance of Colombia, and therefore the Committee has taken the significant step to "restructure" the way it provides as-



sistance to Colombia. The Committee recommendation includes \$218,500,000 for ESF programs in Colombia, which is \$79,000,000 above the request. The Committee includes language in the Colombia general provision (section 649) that these funds be apportioned directly to USAID for continued support of new and ongoing development programs, with permissive language under the ESF heading allowing funds to be transferred to the Development Assistance (DA) account as necessary to accomplish programs designed for specific assistance programs. The Committee directs USAID to develop a plan to bring a more comprehensive rural development strategy that extends the reach of government, services and livelihoods into the rural areas.

The Committee believes that USAID should provide support for alternative crop programs such as cocoa diversification projects, coffee, hearts of palm and other high value crops in Colombia and strengthen the ability of farmers to form cooperatives and improve their access to markets.

The Committee expects that the increased resources provided for Colombia will result in an increase of funding for internally displaced persons (IDP) organizations such as civil society organization, and for such organizations in municipalities and departments that have a high IDP population.

#### *Guatemala*

The Committee recommendation includes \$12,000,000 for ESF programs in Guatemala which is \$2,000,000 above the request. The Committee is gravely concerned with reports detailing the frequency of human rights abuses against girls and women. According to human rights groups following this issue, more than 2500 women and girls have been killed since 2001. The Committee notes that the Guatemalan legal system has been slow to proceed and bring the responsible parties to justice. The Committee recommends that \$1,000,000 be made available for programs and activities to combat crimes of violence specifically targeting women and girls, and to support initiatives for legal reform to bring domestic Guatemalan law in line with international standards on violence and discrimination against women.

#### *Bolivia*

The Committee recommendation includes \$17,000,000 for ESF programs in Bolivia, which is equal to the request. The Committee notes that the Administration has shifted alternative development assistance, formerly funded within the Andean Counterdrug Initiative (ACI), to ESF. The Committee further notes that the shifting of accounts was not accompanied with a comparable increase in the request. The Committee expects that these funds will be allocated to USAID for continued support of ongoing programs.

#### *Ecuador*

The Committee recommendation includes \$6,000,000 for ESF programs in Ecuador, which is the same as the request. The Committee notes that the Administration has shifted alternative development assistance, formerly funded within the Andean Counterdrug Initiative (ACI), to ESF. The Committee further notes that the shifting of accounts was not accompanied with a com-

parable increase in the request. The Committee expects that these funds will be allocated to USAID for continued support of ongoing programs.

#### *Peru*

The Committee recommendation includes \$30,000,000 for ESF programs in Peru, which is the same as to the request. The Committee notes that the Administration has shifted alternative development assistance, formerly funded within the Andean Counterdrug Initiative (ACI), to ESF. The Committee further notes that the shifting of accounts was not accompanied with a comparable increase in the request. The Committee expects that these funds will be allocated to USAID for continued support of ongoing programs.

#### *Haiti*

The Committee believes that the development of an effective, autonomous legislative branch of government in Haiti is critical to that country's democratization and stability. The Committee is encouraged by the free and fair elections of the Haitian Parliament in April 2006 and by the Parliament's work on critical issues such as justice sector reform. However, the Committee is concerned by the lack of basic infrastructure needed to enable the Parliament to effectively carry out its work, most notably the lack of space within which to hold public hearings, house professional staff, and establish key legislative resources such as a legislative library and archives. While the Committee typically prefers to direct U.S. foreign assistance to supporting the development of capabilities and institutions rather than the procurement of physical space, the Committee finds that, in this case, physical space appears to be the singularly pressing need to enable the development of the Parliament as an institution. The Committee directs the Secretary to review the Parliament's current facility needs and to consider granting an exception to current Department policy and allow a portion of the \$23,900,000 requested for activities to improve governance in Haiti to be used by the Government of Haiti to purchase the U.S. Embassy property adjacent to the Haitian Parliament for transfer to, and ownership by, the Haitian Parliament.

#### *Cuba*

The Committee recognizes the challenges to implementing, monitoring, and evaluating democracy assistance programs in Cuba. The Committee notes with great concern the November, 2006 GAO report (GAO-07-147) which identifies problems with internal controls—both over the awarding of Cuba program grants and oversight of grantees—and that grant funds are being used properly and that grantees are in compliance with applicable laws and regulations. The Committee is concerned with the efficacy of this program and therefore provides not more than \$9,000,000 for ESF programs in Cuba, which is \$36,700,000 below the request and requires a spending plan and strategy for how these funds will be utilized prior to obligation of any funds. Furthermore, the Committee is concerned that communication between the Department of State and USAID is ineffective and lacking with regard to grantees' in-country activities. The Committee encourages the Secretary

of State and USAID Administrator to work jointly to improve communication between responsible State and USAID bureaus and offices and urges the USAID Administrator to work to improve USAID's management and oversight of grantees.

*Burma programs*

The Committee recommendation includes \$6,000,000 for programs in Burma, which is \$3,210,000 above the request. These funds are critical to supporting democracy activities in Burma, including continuation of newspapers, publications and media activities, programs along the Burma-Thailand border, activities of Burmese student groups and other organizations located outside Burma.

*Conflict resolution and reconciliation programs*

The Committee recommendation includes \$12,000,000 for Conflict Resolution and Reconciliation Programs. In addition, the Committee recommendation indicates that not less than \$11,000,000 be used to establish a new reconciliation program, the Middle East People-to-People Coexistence Program. All funds for the Middle East People-to-People Coexistence Program shall be distributed through a competitive grant program organized by the Department of State. The Department of State shall develop application and evaluation procedures for selecting NGO entities for grants as well as for reviewing program accomplishments.

The Committee recognizes the importance of conflict resolution and reconciliation programs as a tool for creating a climate of peace in regions of conflict. The Conflict Resolution and Reconciliation Programs bring together individuals of different ethnic, religious, and political backgrounds from areas of civil conflict and war. Within the amounts provided for these programs, funding should be made available through an established process for organizations that provide such programming.

With the establishment of the Middle East People-to-People Coexistence Program, the Committee recognizes that the historical application of funds for Conflict Resolution and Reconciliation Programs will change. Therefore, the Committee requests the Department of State devise an equitable funding distribution of these funds to ensure that the grant application and award process recognizes projects that fall into the category of Middle East People-to-People Coexistence Program and other areas of conflict.

The Committee requests that the Department of State initiate an annual report on the status of applications and funding for these and other organizations supported through this program. Such report should be provided to the Committee not later than May 1 of each year.

*Child survival, reproductive health, HIV/AIDS, and other infectious diseases funding*

The Committee notes the strong support of the Administration for programs to address adverse child, maternal, reproductive, and environmental health and the increasing incidence of tuberculosis and HIV/AIDS co-infection. The Committee has included not less than \$57,900,000 for health and child survival activities in the Economic Support Fund.

*Trafficking in persons program*

The Committee recommendation includes \$14,000,000 for the Trafficking in Persons program, which is \$5,300,000 above the request.

*Asia-Pacific Partnership Program*

The Committee recommendation includes not more than \$5,000,000 for the Asia-Pacific Partnership Program, which is \$21,500,000 below the request.

*Energy partnerships*

The Committee directs the Secretary of State to pursue strategic energy partnerships with major energy-producing and energy-consuming nations in an effort to increase international energy security and decrease the United States current energy dependence on volatile regions. Whereas the Secretary of State, or his/her designee, in conjunction with the Secretary of Energy, or his/her designee, is required to report back to the Committee, within 120 days of enactment the status of fostered relationships among international energy organizations, whether they be state or privately owned. This report shall include, though is not limited to, the amount of energy dependence the United States has on said region, as well as the amount of international aid provided by the United States to the region. Within the report, the Secretary is required to outline any possible security threats to the energy relationship between the United States and the identified region or regions. The report shall include, but is not limited to, the Middle East region, the African region, and the Southeast Asian region.

*Parliamentary exchanges*

The Committee recommendation includes \$2,000,000 for the House Democracy Assistance Commission, which is \$2,000,000 above the request.

The Committee notes that this program is not included in the fiscal year 2008 justification material and is therefore subject to the notification requirements of section 615.

## INTERNATIONAL FUND FOR IRELAND

Fiscal year 2007 enacted level .....	\$13,365,000
Fiscal year 2008 request .....	0
Committee recommendation .....	15,000,000
Change from request .....	15,000,000
Change from enacted level .....	1,635,000

The Committee recommends a total of \$15,000,000 for the International Fund for Ireland in support of the Anglo-Irish Accord, which is \$15,000,000 above the request and \$1,635,000 below the 2007 level. The Committee encourages the Fund to address the important issue of social reintegration by promoting long-term development and education.

## ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

Fiscal year 2007 enacted level .....	\$273,900,000
Fiscal year 2008 request .....	289,322,000
Committee recommendation .....	297,332,000
Change from request .....	8,010,000
Change from enacted level .....	23,432,000

The Committee recommends a total of \$297,332,000 for Assistance for Eastern Europe and the Baltic States, which is \$8,010,000 above the request and \$23,432,000 above the fiscal year 2007 level.

The Committee notes that funds provided from this account shall be used for assistance and for related programs for Eastern Europe and the Baltic States. Programs which predominantly benefit other regions of the world shall not be funded from this account.

The Committee has recommended the same bill language as in previous Acts that authorizes the President to withhold funds for economic revitalization for Bosnia if he determines that Bosnia is not in compliance with the Dayton Accord regarding the presence of foreign forces and has not terminated intelligence cooperation with Iranian officials. All funds are subject to the provisions of section 628 of this Act.

The following table compares fiscal year 2008 funding for the programs covered by this account, as well as the President's request for fiscal year 2008 and the Committee recommendation:

## ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES (SEED)

[\$ in thousands]

	FY 2008 re- quest	Committee recommenda- tion
Albania .....	\$16,200	\$20,200
Bosnia and Herzegovina .....	22,900	28,900
Bulgaria .....	0	0
Croatia .....	0	0
Kosovo .....	151,246	144,232
Macedonia .....	18,900	25,000
Montenegro .....	7,572	8,000
Romania .....	0	0
Serbia .....	51,300	56,000
Europe Regional .....	21,204	15,000
OSCE .....	[5,565]	[5,565]
Southern .....	[15,639]	[9,435]
Total .....	289,322	297,332

*Regional programs*

The Committee recommendation includes \$15,000,000 for regional programs. This category funds environmental infrastructure, independent media support, civil society and rule of law, health promotion and care, economic development and other programs. The Committee supports programs that provide distance learning opportunities for students in the Balkans and urges consideration of programs such as the International Center for Entrepreneurial Studies.

*Rule of law*

The Committee views efforts to promote the rule of law worldwide as a critical component of United States foreign policy. The

Committee strongly supports the public service projects initiated by the American Bar Association (ABA) to strengthen democracy through programs that promote the rule of law in transitional countries. These effective programs rely predominantly on the volunteer efforts of American lawyers and have achieved sustainable results. The Committee recommends continued funding through cooperative agreements for the ABA's programs. The Committee continues to note that ABA should not rely upon United States funding to renovate or build facilities, but should instead use private financing as agreed in 2003.

The ABA has expanded its legal reform efforts into Asia, Africa, Latin America and the Caribbean, and the Middle East, with programs in Jordan, Bahrain, Morocco, Iraq, Afghanistan, Rwanda, Kenya, Liberia, China, Indonesia, the Philippines, Ecuador, Costa Rica, and Mexico. The Committee recommends support for such programs from the appropriate accounts. The Committee continues to support the use of cooperative agreements for funding such programs.

*Training and exchanges*

The Committee urges continued support for the East Central European Scholarship Program (ECESP) cooperative agreement in both Albania and Macedonia during fiscal year 2008.

The Committee recommendation does not include funding for the Russian, Eurasian and Eastern European Research and Training Program (Title VIII) under this heading. The Committee provides funding for these programs under Title I of this Act.

*Kosovo*

The Committee continues to support programs that help Kosovo to develop the human and institutional resources needed for self-government, particularly programs that help meet the pressing need for the modern administrative and technical skills required to transform Kosovo into a prosperous and democratic state. The Committee encourages the Department of State to consider a proposal by the American University in Kosovo to establish a United States School of Public Service that will train Kosovars to build and manage their own public services and infrastructure.

*Child survival, reproductive health, HIV/AIDS, and other infectious diseases funding*

The Committee notes the strong support of the Administration for programs to address adverse child, maternal, reproductive, and environmental health and the increasing incidence of tuberculosis and HIV/AIDS co-infection in Eastern Europe. As this account is phasing down, the Administration should be developing strategies to continue these important programs from other accounts. In order to demonstrate its support for these high priority activities, the Committee has allocated not less than \$2,400,000 for health and child survival activities.

Of this amount, the Committee recommendation includes \$700,000 for child survival and maternal health; and \$1,700,000 for family planning/reproductive health programs.

ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET  
UNION

Fiscal year 2007 enacted level .....	\$452,000,000
Fiscal year 2008 request .....	351,585,000
Committee recommendation .....	397,585,000
Change from request .....	46,000,000
Change from enacted level .....	- 54,415,000

The Committee recommends a total of \$397,585,000 for the Independent States of the Former Soviet Union, which is \$46,000,000 above the request and \$54,415,000 below the fiscal year 2007 level.

The Committee notes that funds provided from this account shall be used for assistance and for related programs for states of the former Soviet Union. Programs which predominantly benefit other regions of the world shall not be funded from this account. The Committee continues in subsection (a) prior year language applying the provisions of section 498B(j) of the Foreign Assistance Act. A general provision (section 617) also includes long-standing language on human rights and non-use of funds for enhancing military capacities, and provides all funds subject to separate notification.

The following table compares fiscal year 2008 funding for the programs covered by this account with the President's request for fiscal year 2008:

ASSISTANCE FOR INDEPENDENT STATES OF FORMER SOVIET UNION (FSA)

[\$ in thousands]

	Fiscal year 2008 request	Committee recommenda- tion
Europe and Eurasia:		
Armenia .....	\$35,000	\$68,000
Azerbaijan .....	18,000	18,000
Belarus .....	10,000	11,000
Georgia .....	50,500	50,500
Moldova .....	13,300	13,300
Russia .....	50,000	60,000
Ukraine .....	71,000	77,000
Regional FSA .....	19,284	14,000
OSCE Regional .....	2,935	4,000
Subtotal, Europe and Eurasia .....	270,019	315,800
South and Central Asia:		
Kazakhstan .....	14,397	15,470
Kyrgyz Republic .....	23,815	23,841
Tajikistan .....	26,880	26,000
Turkmenistan .....	5,500	5,500
Uzbekistan .....	8,474	8,474
Central Asia Regional .....	2,500	2,500
Subtotal, South and Central Asia .....	81,566	81,785
Total .....	351,585	397,585

*Child survival, reproductive health, HIV/AIDS, and other infectious diseases funding*

The Committee notes the strong support of the Administration for programs to address adverse child, maternal, reproductive, and environmental health and the increasing incidence of tuberculosis and HIV/AIDS co-infection in Russia, Ukraine, and the Central Asian Republics. As this account is phasing down, the Administra-

tion should be developing strategies to continue these important programs from other accounts. In order to demonstrate its support for these high priority activities, the Committee has allocated not less than \$52,200,000 for health and child survival activities.

Of this amount, the Committee recommendation includes \$5,100,000 for child survival and maternal health; \$11,100,000 for family planning/reproductive health; \$26,000,000 for HIV/AIDS in non-focus countries; and \$10,000,000 for tuberculosis programs.

The Committee is aware of the work of Hellenicare (formerly the World Council of Hellenes' Primary Health Care Initiative) and the Eurasian Medical Education Program of the American College of Physicians and the Committee encourages USAID to consider such work in fiscal year 2008.

The Committee supports the work of the Institute for Global Health to reduce high rates of teen pregnancy and infant mortality, in addition to the prevention of non-communicable diseases, in the former Soviet Union.

#### *United States-Russia Investment Fund*

It is the Committee's view that all of the reflows from the United States-Russia Investment Fund (TUSRIF) should be used to endow a new foundation called the "United States-Russia Foundation for Economic Advancement and the Rule of Law." Given the overwhelming importance of the United States-Russia relationship and the strong United States interest in Russia's future development as a stable, prosperous, market-oriented, and democratic state, the Committee is convinced that TUSRIF should be treated as an exception and that all of the reflows should be available to endow this foundation. While supporting the stated goals and objectives of this foundation, the Committee strongly believes that the foundation must strive for balance in the activities it will support. At least as much attention should be devoted to supporting rule of law, civil society, transparency and access to information, as to supporting business education, economic reform, and technology development.

#### *Energy security*

The Committee notes the ongoing efforts by the Russian Federation to control and manipulate energy supplies in central Asia and Eastern Europe, including those which support the economies of United States allies in Europe. The Committee encourages the efforts of the Department of State to diplomatically support the development of alternate energy sources and supply lines outside of the control of the Russian Federation. The Committee also supports the Department's efforts to ensure that funds accruing to a government from energy sales are transparently collected and disbursed. The Committee in particular notes efforts in Chad and Azerbaijan.

The President's recent initiatives to support alternative sources of energy, including biofuels, open new possibilities for diplomatic engagement. The Committee requests that the Department be prepared to report to the Committee, not later than 60 days following enactment of this Act, regarding its efforts to improve the diversity and reliability of energy supplies to the United States and Europe.



*Russia-Iran*

The Committee has carried for several years language restricting assistance for the government of Russia due to its support for the Iranian nuclear program. Russian cooperation with Iran has, at the minimum, contributed to Iran's uranium enrichment capability. In addition, Russia's continued support for Iran's ballistic missile capacity has directly contributed to increasing regional instability. The Committee continues its restrictions on funding for the Russian government again this year.

*Support of peaceful resolution of South Caucasus conflicts*

The Committee continues its strong support for confidence-building measures among the parties to the Nagorno-Karabakh conflict. The Committee expects the Department of State to use its authority under section 498B of the Foreign Assistance Act as necessary to carry out such programs. The Committee continues to be concerned about the plight of the victims of the Nagorno-Karabakh conflict, and recommends that up to \$6,000,000 should be made available to address ongoing humanitarian needs in Nagorno-Karabakh. The Committee has included renewed authority for the President to provide humanitarian assistance to the region, notwithstanding the restrictions of section 907 of the FREEDOM Support Act. The bill language is unchanged from previous years.

*Democracy and human rights*

The Committee recognizes the excellent work of the Eurasia Foundation in promoting democratic change at the grass roots level throughout the independent states of the former Soviet Union and urges USAID to consider such work in fiscal year 2008. The Committee recommends continued funding of the Foundation. The Committee also notes the many accomplishments of the Civilian Research and Development Foundation (CRDF), which has, for the last decade, helped to channel the research activities of weapons scientists in the Former Soviet Union (FSU) in constructive directions. The Committee encourages continued funding for CRDF from this account. CRDF is expanding its activities globally, including work with scientists and engineers from the Middle East, North Africa, and elsewhere outside the FSU region, and the Committee encourages the Administration to fund these activities from the appropriate accounts.

The Committee recognizes the value of the work that the Moscow School of Political Studies has done to educate young Russian professionals and public servants on how to participate honestly and productively in running their own country and supports continued funding.

*Ukraine*

The Committee believes that the greatest hope for Ukrainian democracy rests with realizing the economic aspirations of the Ukrainian people. The Committee thus supports the Administration's emphasis on strengthening Ukrainian economic growth. The Committee strongly supports United States efforts to strengthen Ukraine's democratic institutions and encourages the Office of the Director of Foreign Assistance to prioritize funding for such programs which are selected through a competitive process and are

consistent with United States policy. The Committee supports the work of the Ukrainian Congress Committee of America and the U.S.-Ukraine Foundation.

### *Belarus*

The Committee is deeply concerned with the increasingly repressive regime in Belarus and encourages the government of Belarus to return to the democratic community. The Committee supports the efforts of the Department of State, USAID, and the European states to help the Belarusian people access accurate and timely information.

## INDEPENDENT AGENCIES

### INTER-AMERICAN FOUNDATION

Fiscal year 2007 enacted level .....	\$19,305,000
Fiscal year 2008 request .....	19,000,000
Committee recommendation .....	19,000,000
Change from request .....	0
Change from enacted level .....	- 305,000

The Committee recommends \$19,000,000 for the Inter-American Foundation (IAF), which is the same as the request and \$305,000 below the fiscal year 2007 level. The Committee notes that the IAF has \$300,000 in carry over balances.

### AFRICAN DEVELOPMENT FOUNDATION

Fiscal year 2007 enacted level .....	\$22,770,000
Fiscal year 2008 request .....	30,000,000
Committee recommendation .....	30,000,000
Change from request .....	0
Change from enacted level .....	7,230,000

The Committee recommendation includes \$30,000,000 for the African Development Foundation, which is \$7,230,000 above the fiscal year 2007 level and the same as the request.

The Committee continues to support the African Development Foundation's efforts to identify and leverage non-appropriated resources. The Committee requests the President of the Foundation to include this data in the congressional budget justification accompanying the fiscal year 2009 budget request.

The Committee maintains bill language carried in prior years on investments authorized by the Foundation's Board; interest earned; ability of the Board to waive the \$250,000 cap on grants in exceptional circumstances; a requirement to report to the Committee if such authority is exercised; and the ability to permit a project for which the Board has waived the cap if the increase is due solely to foreign currency fluctuations.

## PEACE CORPS

### (INCLUDING TRANSFER OF FUNDS)

Fiscal year 2007 enacted level .....	\$319,640,000
Fiscal year 2008 request .....	333,500,000
Committee recommendation .....	333,500,000
Change from request .....	0
Change from enacted level .....	13,860,000

The Committee recommends \$333,500,000 for the Peace Corps, which is \$13,860,000 above the fiscal year 2007 level and the same as the request.

The Committee again has included language permitting the Peace Corps Director to transfer up to \$2,000,000 to establish an account to help mitigate the effects of currency exchange fluctuation. The Committee also expects the Peace Corps to transfer into this account net gains due to beneficial currency fluctuations when applicable.

#### MILLENNIUM CHALLENGE CORPORATION

Fiscal year 2007 enacted level .....	\$1,752,300,000
Fiscal year 2008 request .....	3,000,000,000
Committee recommendation .....	1,800,000,000
Change from request .....	-1,200,000,000
Change from enacted level .....	47,700,000

The Committee recommendation includes \$1,800,000,000 for the Millennium Challenge Corporation (MCC), which is \$47,700,000 above the fiscal year 2007 level and \$1,200,000,000 below the request. The recommended reduction reflects the constrained budgetary situation in fiscal year 2008. A funding limitation of \$95,000,000 is set for administrative expenses.

The Committee continues its support for the MCC and regards it as a significant step forward in the provision of accountable and transformative foreign assistance. The Committee appreciates the MCC's early and frequent consultations regarding potential compact and threshold assistance and expects this to continue in fiscal year 2008.

The Committee does not believe that MCC assistance is a substitute for USAID programs and is concerned that this appears to be the trend in the fiscal year 2008 proposed budget. The Committee believes that MCC investments should be a complement to current aid programs.

#### *Donor coordination*

The Committee commends the MCC for its progress coordinating with other United States development programs in-country and encourages additional improvements in this area. The Committee places considerable importance on the MCC's compliance with the Paris Declaration on Aid Effectiveness and expects the MCC to reach out to other United States Government programs and bi-lateral and multi-lateral donors to ensure that MCC programs are closely coordinated and build local capacity to the greatest extent possible. The Committee directs that no later than 90 days following the end of fiscal year 2008, the Millennium Challenge Corporation shall submit a report detailing its progress towards compliance with the principles in the Paris Declaration on Aid Effectiveness.

#### *Civil society consultation*

The Committee is concerned that MCA-eligible governments are not consulting adequately with civil society prior to compact design. The Committee encourages MCC to work with governments to require consultation prior to the submission of a proposal.

*Threshold countries*

The Committee has again included a provision authorizing 10 percent of funds for threshold country programs. The Committee notes that countries can be simultaneously eligible for compacts and for threshold programs. However, the Committee notes that the primary purpose of threshold assistance is to help countries ineligible for compacts address the deficiencies which prevent them from becoming eligible. The Committee expects the MCC to clarify its threshold program guidance to reflect the circumstances under which countries may be eligible for both compact and threshold funding.

*Multi-year compacts*

The Committee includes once again a provision that requires the MCC to only enter into compacts for which it has complete funding available from existing appropriations. The Committee will not allow the MCC to commit future Congresses to funding prior year compacts.

*Lower middle income countries*

The Committee reiterates its support for the provisions under section 609(b)(2) of the Millennium Challenge Act of 2003 which requires lower middle income countries to make an incremental contribution relative to their national budget in support of the poverty reduction objectives of the compact. The Committee expects this information to be detailed in each appropriate compact.

*Compacts with regional governments*

As in previous years, the Committee requires the MCC to consult with the Committee immediately upon determining that the national government of an eligible country is not an appropriate partner with which to negotiate compacts, and that engagement with a regional or other sub-national entity is required.

*Funding*

The Committee is concerned that the flexibilities of 609(g) may be misinterpreted by some Compact-eligible countries. Congress provided 609(g) authority as a last resort to overcome otherwise insurmountable obstacles to compact development and implementation. The Committee directs the MCC to include in its country notification paperwork guidance on the 609(g) function. The Committee directs the MCC to include in any congressional notification for 609(g) funding a description of the matching funding, in-kind contribution, or other complementary support provided by the eligible country.

DEPARTMENT OF STATE  
GLOBAL HIV/AIDS INITIATIVE

Fiscal year 2007 enacted level .....	\$3,246,520,000
Fiscal year 2008 request .....	4,150,000,000
Committee recommendation .....	4,450,000,000
Change from request .....	300,000,000
Change from enacted level .....	1,203,480,000

The Committee recommendation includes \$4,450,000,000 for the “Global HIV/AIDS Initiative” account, which is \$1,203,480,000 above the fiscal year 2007 level and \$300,000,000 above the request. As in previous years, the Committee appropriates all funding for the fifteen focus countries in this account.

This account is the primary source of funding for the Emergency Plan for AIDS Relief (PEPFAR). Amounts under the “Child Survival and Health Programs Fund” account, other accounts in this Act, and funding provided from other appropriations Acts are also included in PEPFAR.

The Committee recommendation includes total Emergency Plan funding of \$5,082,000,000 as outlined in the table below, which is \$1,835,000,000 above the fiscal year 2007 level and \$585,722,000 above the request. In addition to the amounts within this Act, the Committee notes that the President’s budget request includes \$794,000,000, including \$300,000,000 for the Global Fund, within the Department of Health and Human Services. The Committee recommendation includes \$550,000,000 for the United States contribution to the Global Fund in this Act, \$250,000,000 within the “Child Survival and Health Programs Fund” account and \$300,000,000 within this account, which is \$550,000,000 above the request.

<i>Global HIV/AIDS Funding Category</i>	<i>Allocation</i>
Global HIV/AIDS Initiative (bilateral) .....	\$4,150,000,000
CSHF—HIV/AIDS (bilateral) .....	350,000,000
Global Fund (CSH account) .....	250,000,000
Global Fund (GHAI account) .....	300,000,000
Other Accounts .....	32,000,000
<hr/>	
Subtotal—Foreign Operations .....	5,082,000,000
HHS—Programs (request) .....	794,223,000
<hr/>	
Total—PEPFAR .....	5,876,223,000

The Committee requests the submission of quarterly obligation and transfer reports as required in prior years.

#### *Non-focus countries*

The Committee is concerned that the fiscal year 2008 Congressional Budget Justification did not provide adequate information on activities in the non-focus countries. These include countries such as Russia, China, and India that are experiencing rapid growth of their HIV/AIDS epidemics. The Committee directs that the fiscal year 2009 budget request provide more specific information about the types of activities that will be carried out in both the focus and non-focus countries.

#### *TB/HIV co-infection*

The Committee notes that TB is a leading killer of people with HIV/AIDS, and urges the Global HIV/AIDS Coordinator (Coordinator) to take steps to increase the priority for TB/HIV co-infection programs in country operating plans. XDR-TB is worsening in sub-Saharan Africa and the Committee encourages the Coordinator to work with USAID to ensure that the Global HIV/AIDS Initiative (GHAI) activities are complementary to USAID’s overall efforts to reduce global TB incidence. The Committee is pleased that joint HIV/TB programs were funded at approximately \$120,000,000 in

fiscal year 2007 and directs the Coordinator to support these programs at a level of \$150,000,000 in fiscal year 2008.

#### *Prevention Programs*

The Committee believes that the United States must significantly increase its funding and support for evidence-based HIV/AIDS prevention to slow the global HIV/AIDS pandemic. The Institute of Medicine's report entitled "PEPFAR Implementation: Progress and Promise" found that the thirty-three percent set-aside for abstinence-until-marriage prevention programs has had a detrimental impact on the ability of the GHAI to reach its targets. Therefore, the Committee includes bill language that provides the Administration with flexibility to implement HIV/AIDS prevention programs without this limitation in funding. The Committee expects the Coordinator to be prepared to present information to the Committees on Appropriations regarding the impact of this policy change on its ability to reach its targets at the fiscal year 2009 hearings.

#### *Human capacity issues*

The Committee understands that the GHAI has undertaken significant efforts to train health care workers, including community health care workers, doctors, nurses, and other health professionals, as part of the overall effort. The Committee supports these activities and encourages the continuation and expansion of them to include pediatric training in fiscal year 2008. The Committee requests a report from the Coordinator no later than 90 days after passage of this Act that outlines the plans for health care worker training in fiscal year 2008 and provides information about how this training will impact overall health programs in the 15 focus countries. The Committee is aware of the work of Physicians for Peace; the TOUCH Foundation; the Orotta School of Medicine in Eritrea; and Catholic Medical Mission Board and encourages the GHAI to consider such work in fiscal year 2008.

#### *UNAIDS and technical assistance*

To this end, the Committee has previously noted the importance of AIDS coordination at the country-level, as articulated in the "Three Ones" principles spearheaded by UNAIDS. Worldwide, UNAIDS plays an invaluable role in 'making the money work' through in-country coordination, capacity building, technical assistance, and monitoring and evaluation activities. These are critical functions which must be expanded to keep pace with both the AIDS epidemic and the growing global response to it. The Committee therefore urges the Coordinator to continue support for UNAIDS in fiscal year 2008.

#### *Treatment and use of generic medications*

The Committee notes the contribution the United States has made by making HIV/AIDS treatment a GHAI priority. As a result of United States funded initiatives, including the Global Fund, nearly one million people are currently receiving treatment. Unfortunately, this achievement is overshadowed by the slow uptake of generic HIV/AIDS drugs by the GHAI. The Committee directs the GHAI to take every step possible to expand the use of generic drugs in fiscal year 2008. The Committee understands that devel-

oping country regulatory systems are hindering the use of generics and the Committee directs the GHAI to work with governments, civil society organizations, and others in focus and non-focus countries to strengthen and improve the drug regulatory systems in order to ensure the rapid review and approval of new and generic life-saving medications.

The Committee directs the Coordinator to provide the Committees on Appropriations with a report on the use of generic drugs in the focus and non-focus countries no later than 60 days after enactment of this Act. The report should provide specific information about first-line, second-line and pediatric formulations purchased by the GHAI by country, including a list of medications (generic and name brand) purchased, the unit price, the total cost by medication, their manufacturer and the per patient annual cost. The report should include a list of the regimens (generic and name brand) currently supported by PEPFAR and a comparison of these regimens to the nationally approved regimens in the focus countries for comparison purposes. The report should also include information by country about the current state of regulatory systems in the focus and non-focus countries and the steps that the GHAI will take in fiscal year 2008 to strengthen these systems.

#### *Future HIV medications*

The Committee shares the concern of leading HIV/AIDS specialists that our current repertoire of anti-HIV medications will increasingly fail in the coming decades. Development of the next generation of drugs will depend upon significant investments in research and development. The Committee requests that the Coordinator report not later than 180 days following enactment of this Act on sources of market risk that hinder private sector investment in new drug development.

The Committee requests that the Coordinator and the Partnership for Supply Chain Management Systems work with clinical and research experts, industry, other significant purchasers, and distributors of anti-HIV medications in the developing world, such as the Global Fund to Fight AIDS, TB, and Malaria, to assess the capacity of the current HIV formulary to treat HIV/AIDS over the next twenty to thirty years. Once the assessment is complete, the Committee requests that the Coordinator work with its partners to issue a joint report on the total amounts, types, and desired capabilities for the next generation of anti-HIV medications. The Committee requests that the Coordinator update the Committee quarterly on the progress of these reports.

#### *New technologies*

As the pandemic continues to grow, the Committee is pleased to see progress on medically-based prevention methods. Recent research on microbicides and male circumcision raises questions as to whether the GHAI is flexible enough to respond to these new opportunities. The Committee urges the Coordinator to provide resources to efforts to expand access to new and effective prevention technologies. As part of this effort, the Committee urges the Coordinator to consider allocating additional GHAI funds to support treatment in settings where clinical trials are underway or where

the population is being prepared for a clinical trial, including those trials related to an HIV/AIDS vaccine and microbicides.

*Nutritional support*

Food and nutrition are important components of a comprehensive approach to HIV/AIDS. However, many PEPFAR programs operate in areas of chronic food insecurity. Report language in previous years has requested a strategy as well as a report on current GHAI activities related to food security. The Committee has not been satisfied with the reports or the actions taken by the GHAI to improve food security for those they serve.

The Committee notes the GHAI's efforts to enhance reporting of food and nutritional support and requests that data on resources allocated for food and nutritional support and numbers of people served be included in the next Annual Report to Congress.

Understanding that providing direct food aid does not fit within the immediate mandate or expertise of the Initiative, the Committee requests a report within 45 days of enactment of this Act that outlines the specific steps that the GHAI will take in fiscal year 2008 to work with other agencies, multilateral organizations, and the private sector to ensure that those served by the GHAI are food secure. Of the funds provided, the Committee directs that no less than \$100,000,000 be used to support sustainable approaches to long-term food security and food assistance programs, including livelihood programs, where feasible, linking with sustainable agriculture programs.

*HIV/AIDS and education*

The Committee believes that education is a highly cost effective HIV/AIDS prevention intervention. Educated girls tend to delay sexual debut and men and women who are educated make better life decisions. The Committee is aware of the work of the International Foundation for Education and Self-Help and encourages the GHAI to consider such work in fiscal year 2008.

*Orphans and vulnerable children*

The Committee supports programs that support orphans and vulnerable children and urges the Coordinator to meet the ten percent statutory mandate. The Committee expects that these resources will be used to build the long-term capacity of local organizations, including faith-based organizations, and communities to support and deliver services and the capacity of families to identify, locate, protect, and care for orphans and vulnerable children affected by HIV/AIDS.

*Gender and HIV/AIDS*

The Committee is alarmed by the dramatic increase in HIV infections among girls and women. The Committee commends the recent steps that the Coordinator has taken to address the complexities of gender within its program, including the development of three strategies to address gender-based violence, changing social norms among men and boys, and the vulnerabilities of adolescent girls.

The Committee is concerned that the reproductive health needs of women and girls are not being adequately addressed by the



GHAI and requests that the Coordinator report within 90 days of the enactment of this Act on the steps it will take in fiscal year 2008 to address this gap.

*Mother-to-child transmission*

The Committee continues to support funding for programs to prevent mother-to-child transmission (MTCT) of HIV as an integral component of a comprehensive approach to fighting HIV/AIDS. The Committee also understands that expanding MTCT services in the focus countries will require a new effort to reach women in their homes, where they choose to give birth, rather than in medical facilities. The Committee encourages the Coordinator to work with USAID's maternal health programs, which have been working to improve these services for many years. In addition, the Committee encourages the Coordinator to provide the resources and technical assistance necessary to expand access to MTCT services, improve the ability of programs to offer the most effective drug regimens possible in all instances, and encourage stronger linkages between MTCT and care and treatment programs.

*Pediatric HIV/AIDS treatment and prevention*

The Committee commends the Coordinator for emphasizing treatment for children in the GHAI. The Committee notes that the GHAI is striving to reach a 15 percent treatment goal for children that is not legislatively mandated. The Committee directs the Coordinator to continue this work and develop a plan for reaching the 15 percent treatment goal for children. The Committee requests that the Coordinator submit a detailed plan no later than 90 days after enactment of this Act for reaching this goal, including a description of the resources required; possible incentives for programs to treat children; and specific steps to identify and treat HIV-exposed and infected children.

*Safe blood program*

The Committee remains concerned about the problem of unsafe or contaminated blood as a source of HIV infection in the developing world. The Committee is encouraged that the GHAI has made safe blood programs a central part of its strategy and recommends continued funding for such programs. The Committee expects the Coordinator to consider joint funding for multi-country programs that provide blood free of malaria, HIV, and other blood-borne diseases, and to train health care professionals in proper medical procedures and practices for blood transfusions.

*New partners initiative*

The Committee commends the Coordinator for the establishment of the "New Partners Initiative". The Initiative's purpose is to increase the number of partners by establishing a competitive grants process for organizations which may have little or no experience in working with the federal government. The Committee expects that a competitive process will be put in place to review these proposals. Priority should be given to proposals that have technical merit, cost-effective budgets, and achievable objectives.

Additionally, the Initiative is intended to develop indigenous capacity so that affected countries can address HIV/AIDS on their

own and decrease dependence on foreign organizations and skills. The Committee is aware of the work of Hiwot HIV/AIDS Prevention Care and Support Program, African Services Committee, and Project DREAM and encourages GHAI to consider such work in fiscal year 2008.

*Voluntary contribution to the Global Fund to Fight AIDS, Tuberculosis, and Malaria*

The fiscal year 2008 budget request for the United States contribution to the Global Fund totals \$300,000,000. Of that amount, no funding is requested from this Act and \$300,000,000 is requested for the Act providing appropriations for the Department of Health and Human Services. The Committee recommendation includes \$250,000,000 from the “Child Survival and Health Programs Fund” account, and \$300,000,000 from this account, for a total of \$550,000,000 for the United States contribution to the Global Fund from this Act.

This funding is subject to provisions in Public Law 108–25. Any funding not released to the Global Fund due to the provisions in this Act or Public Law 108–25 should be used by the Coordinator for programs to strengthen the Global Fund and for additional funding to “non-focus” countries. The Committee expects the Coordinator to consult with the Committee on the use of such funds.

*Oversight and management of the Global Fund*

The Committee is concerned that the President’s request did not include an allocation from this Act for the Global Fund. Since the establishment of the Global Fund, this Committee has been responsible for oversight of the Global Fund and intends to continue this engagement. In the past few months, the Committee has been concerned about reports of alleged mismanagement of Global Fund resources by the previous Executive Director. The Committee was pleased to see immediate action by the Board and commends the Board for its decision to quickly appoint a new Inspector General.

The Committee remains concerned that the Global Fund is not providing adequate information about commitments and disbursements. The Committee directs the Coordinator to report within 45 days of enactment of this Act on the actions that the Global Fund will be taking in the coming year to provide more specific oversight information. Specifically, the Committee is interested in receiving regular audits of administrative expenditures, and detailed information on principal recipients and sub-recipients, including the identity of sub-recipients, the relationship of sub-recipients to principal recipients, the amount and nature of sub-recipient grants, and periodic reports on the results achieved by recipients and sub-recipients.

The Committee continues to include a provision that conditions twenty percent of the United States contribution to the Global Fund on certain steps that the Global Fund needs to take to improve its efficiency, transparency, and accountability.

The provision requires that the Global Fund establish a permanent, full time Inspector General and the Committee expects that this position will be filled by November 30, 2007.

*Future of the Global Fund*

The Committee applauds the Global Fund and its Board for undertaking a strategic planning process, which is setting forward a vision for the next five years. The Committee continues to include language that urges the Coordinator to underscore the United States commitment to funding a performance-based, results-oriented, financing instrument to combat HIV/AIDS, tuberculosis, and malaria. The Committee directs the Coordinator to notify the Committee of any proposal and/or action that would move the Global Fund from project support to budget support, erode the Global Fund's results-based disbursement structure, or lessen the role of the technical review panel.

*Technical assistance*

The Committee is pleased with interagency coordination and cooperation in the provision of technical assistance to Global Fund recipients. The Committee continues to support this effort and encourages attention to efforts that help establish and sustain Country Coordinating Mechanisms and Principal Recipients, monitor grants, and otherwise improve the performance of Global Fund grants. The Committee includes permissive authority for the Coordinator to use up to five percent of the funds made available in this Act for contribution to the Global Fund to provide technical assistance to Global Fund grants, working through the World Health Organization and UNAIDS, where appropriate. Finally, the Committee notes that this authority has been shifted from the "Child Survival and Health Programs Fund" account to the "Global HIV/AIDS Initiative" account in the fiscal year 2008 bill language.

## INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

Fiscal year 2007 enacted level .....	\$472,616,000
Fiscal year 2008 request .....	634,600,000
Committee recommendation .....	568,475,000
Change from request .....	-66,125,000
Change from enacted level .....	95,859,000

The Committee recommends \$568,475,000 for International Narcotics Control and Law Enforcement (INCLE), which is \$66,125,000 below the request. A limitation of \$38,000,000 is recommended for administrative expenses. The Committee expressly does not provide \$10,000,000 in administrative expenses for Iraq in fiscal year 2008. The Committee notes that \$7,000,000 was provided for such requirements in the fiscal year 2007 Supplemental Appropriations Act (Public Law 110-28).

The Committee continues the requirement in the bill that the Director of Foreign Assistance shall provide to the Committees on Appropriations not later than 45 days after the date of the enactment of this Act and prior to the initial obligation of funds appropriated under this heading, a report on the proposed uses of all funds under this heading on a country-by-country basis for each proposed program, project, or activity.

## NARCOTICS, GANGS, TERRORISM AND CRIME

*Criminal youth gangs*

The Committee provides not less than \$8,000,000 for programs to combat transnational crime and criminal youth gangs, which is \$3,000,000 above the request. The Committee notes with alarm the rise in violent crime in Central American countries where the “mara” or gang problem is overwhelming the law enforcement capabilities of many governments. The Committee is concerned that collaboration between criminal groups and drug traffickers, underfunded and sometimes corrupt police forces, and deportations from the United States are contributing to this problem. The Committee encourages the Administration to reevaluate current policy with regard to the “maras” and recommends that the Department of State and USAID report back to the Committee within 90 days after enactment of this Act regarding steps taken by their agencies that will reduce criminal gang activity in Central America and have an immediate impact of the daily lives of those citizens, especially the poor, who are the most frequent victims of violent crime.

*INL anti-crime programs*

Organized crime and terrorist groups throughout the world have long used narcotics as a means to generate revenues to support armed conflict and spread turmoil. The Committee continues to support a strong United States counternarcotics assistance program in order to protect United States communities from the ravages of drugs, but increasingly to deny drug profits. The Committee recommendation includes \$12,000,000 for anti-crime programs, which is \$2,000,000 below the request.

*Intellectual property*

The Committee recommendation supports funding from within this heading for programs to combat intellectual property piracy.

*International demand reduction programs*

The Committee strongly supports demand reduction programs. The Committee directs that within the funds provided for International Narcotics Control and Law Enforcement, \$12,000,000 shall be provided for the drug demand reduction program. Such funding will be available to reduce worldwide drug abuse. The Committee commends the Department of State on their efforts, specifically with regard to activities undertaken in Afghanistan and Central America. The Committee encourages the Department to expand the program into more communities.

*International law enforcement academies (ILEA)*

The Committee recommendation includes \$15,000,000 for funding for the academies, which is \$1,500,000 below the request. The Committee notes that this cut was taken without prejudice, and due entirely to budget constraints and should not be seen as a reflection on the work accomplished at the various academies.

*International organizations (IO)*

The Committee recommendation includes \$4,000,000 for international organizations, which is \$1,500,000 below the request. The

Committee notes that the Organization of American States is receiving an additional \$3,000,000 in assistance provided within the Andean Counterdrug Initiative (ACI) account in fiscal year 2008.

*Inter-agency interdiction efforts*

The Committee directs the Bureau of International Narcotics and Law Enforcement Affairs at the Department of State to report to the Committees on Appropriations not later than 45 days from the date of enactment of this Act on the use of aerial assets to include fixed and rotary wing aircraft in coordination with and in support of Drug Enforcement Administration (DEA) counternarcotics operations in Colombia and Afghanistan.

*Police training*

The Committee recognizes that the United States plays an important role in training and professionalizing foreign police around the world. United States training promotes high quality, standardized civilian police, justice sector and corrections training in operating procedures, code of conduct, ethics standards, and human and civil rights. The Committee notes that such training is critical to eliminating the mistreatment and violence that occurs to those in need of protection. Furthermore, the Committee is gravely concerned with the treatment of women and girls and urges the Department of State to focus training on how to prevent and respond to gender-based violence against women and girls. The Committee directs the Secretary of State to report to the Committees on Appropriations not later than March 1, 2008 on efforts to provide United States assistance to foreign police to address gender-based violence. This report should include: (1) an overview of all the Department's efforts to develop and provide such assistance to foreign police on gender-based violence; (2) information on the curriculum/training developed to provide or incorporate into said assistance; (3) the specific types of United States assistance provided to foreign police forces; (4) the number of countries/security forces that have received training and the cost of these trainings; and (5) the challenges encountered in pursuing this policy.

*Program development and support (PD&S)*

The Committee recommendation includes up to \$15,000,000 for PD&S, which is \$4,550,000 below the request. The reduction is commensurate with the overall reduction to the INCLE account. Further the Committee is concerned that the Department of State has not provided an overall accounting of PD&S for all activities and directs the Department of State not later than 45 days after enactment of this Act to provide a report on all PD&S for fiscal years 2006, 2007 and 2008. This report shall include a detailed listing of activities associated with the expenditure of such funds and any possible overlap of resources from other accounts such as the Andean Counterdrug Initiative and supplemental funding.

*Trafficking in persons (TIP)*

The Committee recommendation includes \$6,000,000 in INCLE funding for activities to prevent trafficking in persons (TIP), which is \$1,050,000 above the request.

## AFRICA

The Committee recommendation includes \$33,730,000 in INCLE funding for the Africa region, which is \$450,000 below the request.

*Democratic Republic of Congo*

The Committee recommendation includes \$1,500,000 in INCLE funding for the Democratic Republic of Congo, which is \$250,000 below the request.

*Ghana*

The Committee recommendation includes \$300,000 in INCLE funding for Ghana, which is \$200,000 below the request.

## WESTERN HEMISPHERE

The Committee recommendation includes \$71,535,000 in INCLE funding for the Western Hemisphere region, which is \$21,005,000 above the request. The Committee is concerned that the Administration continues to pledge help to our neighbors in the Americas, but the budget request fails to reflect these pledges. The Committee notes that assistance as a whole to the region has decreased by 8.9 percent in the request. The Committee is concerned that this downward funding trend will be seen as the underlying precept of President Bush's "revolution in expectations." The Committee is dedicated to fundamentally transforming the security agenda of the Americas. The funding provided in the INCLE account is a vital tool in confronting nontraditional, multidimensional threats to security and prosperity such as organized crime, terrorism and gang/drug related activities. The Committee is gravely concerned that the Administration's request is a retrenchment of United States diplomatic efforts and will inevitably cause a lessening of our political and commercial engagement in the region. The Committee understands the need to secure and strengthen our relationship with the region and therefore has increased the funding levels in the INCLE account for this region by 11 percent over the fiscal year 2006 level.

*Colombia*

The Committee recommendation is part of a bill wide strategy to restructure the way the United States provides assistance to Colombia. The Committee has redistributed assistance to help the Colombian government focus on justice and rule of law as well as address the underlying and pervasive poverty that is the root of many of the problems in Colombia as well as the region.

The recommendation moves Rule of Law programs (except funding for judicial reforms) from the Andean Counterdrug Initiative (ACI) account to the INCLE account. The bill provides \$22,250,000 for Rule of Law programs in Colombia. Without funding for judicial reform which is funded within the Economic Support Fund (ESF) account, this appears to be a small increase of \$407,000 from the fiscal year 2008 budget request. However, when human rights activities and judicial reform programs in Colombia funded in ESF are included, the Committee has funded rule of law programs for Colombia at a total level of \$38,750,000, which is \$10,907,000 above the request.

*Mexico*

The Committee recommendation includes \$27,500,000 for programs in Mexico, which is \$316,000 below the request.

The Committee remains concerned about increasing instability along the Texas/Mexico border, including illegal trafficking of drugs, arms, cash, and people. The Committee continues to monitor reports that members of drug cartels have crossed the border wearing Mexican military uniforms and carrying and firing assault weapons. The Committee requests that the Department of State consult with the Committee on the use of funds made available for Mexico under "INCLE" to ensure such funds are used only to support the fight against human, drug, and weapon smuggling. The Committee directs the Department of State to work with the Department of Homeland Security to obtain reports of investigations into incursions and to make those available to the Committee.

*Violence against women in Mexico*

The Committee is concerned about violence against women in Mexico. The Committee encourages the Department of State to support ongoing efforts to identify unknown women murder victims in Ciudad Juárez and Chihuahua, Mexico through forensic analysis, including DNA testing, conducted by independent, impartial experts already working in the state who are sensitive to the special needs and concerns of the victims' families, as well as support for efforts to encourage families from Chihuahua and other Mexican states who have women or girls missing in their families to report these cases to the Attorney General's office of Chihuahua and the federal Special Prosecutor's Office for violent crimes against women.

*Dominican Republic*

The Committee recommendation includes \$1,000,000 in INCLE funding for the Dominican Republic, which is \$150,000 below the request.

*Bolivia*

The Committee recommendation includes \$500,000 in INCLE funding for Bolivia, which is \$100,000 below the request.

*Haiti*

The Committee is encouraged that the political situation in Haiti seems to have stabilized, and gang violence seems to have decreased. Yet the Committee is gravely concerned that Haiti has become a major transshipment point for drugs that are shipped from Colombia via Venezuela. Additionally, Haiti does not seem to be any more economically viable as a result of hundreds of millions of dollars in aid it has received from the United States and other nations.

*Guatemala*

The Committee recommendation includes \$4,000,000 in INCLE funding for Guatemala, which is \$1,320,000 below the request.

*Jamaica*

The Committee recommendation includes \$1,000,000 in INCLE funding for Jamaica, which is \$9,000 below the request.

*Western hemisphere regional*

The Committee recommendation includes \$1,000,000 in INCLE funding for the western hemisphere regional, which is \$1,000,000 above the request.

*Eastern Caribbean*

The Committee recommendation includes \$250,000 in INCLE funding for the eastern Caribbean, which is \$250,000 below the request.

*South and Central Asia*

The Committee recommendation includes \$307,850,000 in INCLE funding for the South and Central Asia region, which is \$3,900,000 below the request.

*Afghanistan*

The Committee recommendation includes \$274,800,000 for counternarcotics programs in Afghanistan, which is the same as the request. The Committee fully supports the program.

The Committee includes a limitation on the use of funds for aerial eradication through the spraying of herbicides.

The Committee directs the Secretary of State to report to the Committees on Appropriations not later than 45 days from the date of enactment of this Act on the extradition status of Afghan drug kingpins and narco terrorists, the destruction of Afghan heroin laboratories, local Afghan prosecutions of heroin-related crimes, and illegal border crossings by foreign nationals from Pakistan into Afghanistan.

*Bangladesh*

The Committee recommendation includes \$1,000,000 in INCLE funding for the Bangladesh, which is \$500,000 below the request.

*India*

The Committee recommendation includes \$2,000,000 in INCLE funding for India, which is \$1,600,000 above the request. The Committee remains supportive of efforts to assist law enforcement agencies within the Government of India with respect to disaster management and response, access to justice for women, and trafficking of persons. The Committee continues to urge the Administrator of USAID to seek authority to support such programs if such authority does not currently exist.

*Pakistan*

The Committee recommendation includes \$27,000,000 in INCLE funding for Pakistan, which is \$5,000,000 below the request.



## NEAR EAST

The Committee recommendation includes \$11,800,000 in INCLE funding for the Near East region, which is \$76,500,000 below the request.

*Jordan*

The Committee recommendation includes \$2,500,000 in INCLE funding for Jordan, which is \$1,000,000 above the request. The Committee commends the efforts of the Kingdom of Jordan in police training and supporting United States efforts in Iraq. The Committee notes that Jordan is an essential and unwavering partner and ally of the United States.

*Iraq*

The Committee recommendation does not include funding for Iraq.

*United Arab Emirates*

The Committee recommendation includes \$400,000 in INCLE funding for the United Arab Emirates (UAE), which is \$100,000 above the request.

*Lebanon*

The Committee recommendation does not include funding for Lebanon. The Committee strongly supports the Government of Lebanon, but notes that the fiscal year 2007 Supplemental Appropriations Act (Public Law 110-28) included \$60,000,000 in INCLE funding for similar activities.

## EAST ASIA AND THE PACIFIC

The Committee recommendation includes \$13,960,000 in INCLE funding for the East Asia and the Pacific region, which is \$4,280,000 below the request. The Committee does not include funding for Thailand as they are subject to section 608 Military Coup restrictions.

*Cambodia*

The Committee recommendation includes \$100,000 in INCLE funding for Cambodia, which is \$100,000 below the request.

*Indonesia*

The Committee recommendation includes \$8,000,000 in INCLE funding for Indonesia, which is \$2,050,000 below the request.

*Laos*

The Committee recommendation includes \$1,000,000 in INCLE funding for Laos, which is \$580,000 below the request.

*Malaysia*

The Committee recommendation includes \$400,000 in INCLE funding for Malaysia, which is \$400,000 below the request.

*Mongolia*

The Committee recommendation includes \$350,000 in INCLE funding for Mongolia, which is \$320,000 below the request.

*Philippines*

The Committee recommendation includes \$2,000,000 in INCLE funding for the Philippines, which is \$850,000 above the request.

*Vietnam*

The Committee recommendation includes \$100,000 in INCLE funding for Vietnam, which is \$100,000 below the request.

*East Asia and Pacific Regional*

The Committee recommendation includes \$1,000,000 in INCLE funding for the East Asia and Pacific region, which is \$720,000 above the request.

ANDEAN COUNTERDRUG INITIATIVE

Fiscal year 2007 enacted level .....	\$721,500,000
Fiscal year 2008 request .....	442,812,000
Committee recommendation .....	312,460,000
Change from request .....	- 130,352,000
Change from enacted level .....	- 409,040,000

The Committee recommendation includes \$312,460,000 for the Andean Counterdrug Initiative, which is \$130,352,000 below the request.

The Andean Counterdrug Initiative account is the continuation of an initial three-year counterdrug assistance effort, which has primarily funded United States assistance to Colombia and to a lesser extend other regional follow-on activities since 2000. This assistance is part of an ongoing, comprehensive, regional effort to stem the flow of drugs from the Andes into the United States and to support regional stability. At first glance, the amount provided in this account for fiscal year 2008 would appear to be a cut of approximately 29 percent. In reality this is not the case, as the Committee has not reduced its commitment to the Andean Region, but rather has redistributed assistance in a number of ways. For example, in fiscal year 2008 the funds to support economic development, alternative development programs and democratic institution building efforts in the countries of Latin America, including: Colombia, Peru, Bolivia, Ecuador, Brazil, Venezuela, and Panama will be funded under the International Narcotics Control and Law Enforcement (INCLE) and Economic Support Fund (ESF) accounts instead of from this account; if these funds were added back to the ACI account, the overall cut would be less than 5 percent.

The Committee has embraced and enhanced the restructuring of the ACI account as proposed by the Administration in the fiscal year 2008 request in order to begin “normalizing” our relationship with Colombia and the other countries of the region. To begin this “normalization”, the Committee has moved \$79,000,000 from the ACI account to the ESF account. This is in addition to the \$192,500,000 carried within the budget request for a total of \$271,500,000 in ESF of funds formerly funded within the ACI account. The Committee has also transferred \$22,250,000 of funding out of the ACI account for rule of law activities and moved these

funds to the INCLE account. The Committee notes that this is a total of \$293,750,000 of funding that was previously funded within the ACI account.

The Committee continues the requirement in the bill that USAID provide to the Committees on Appropriations not later than 45 days after the date of the enactment of this Act and prior to the initial obligation of funds appropriated under this heading, a report on the proposed uses of all funds under this heading on a country-by-country basis for each proposed program, project, or activity.

The Committee requests that USAID submit to the Committees on Appropriations a semi-annual report with respect to the Andean Counterdrug Initiative, including those funds for Colombia in ESF and INCLE. Each report shall include an accounting of all aircraft, vehicles, boats and lethal equipment (other than ammunition) transferred to the militaries or police of any nation with funds made available under this heading. Additionally, the Committee requires that the personnel cap and Plan Colombian reports as required in the fiscal year 2000 emergency supplemental also be submitted to the Committees on the Appropriations.

A limitation of \$17,000,000 is recommended for administrative expenses for the Department of State and \$7,800,000 for USAID.

*Funding by Country and Activity*

From funds appropriated under this heading, the Committee directs the following amounts for each activity by country:

ANDEAN COUNTERDRUG INITIATIVE  
[\$ in thousands]

	FY 2008 request	Committee rec- ommenda- tion
<b>Bolivia:</b>		
Bolivia—Alternative Development/Institution Building .....	[17,000]	1
Bolivia—Interdiction .....	30,000	30,000
Subtotal—Bolivia .....	30,000	30,000
<b>Colombia:</b>		
Colombia—Alternative Development/Institution Building .....	[139,500]	1
Colombia—Interdiction .....	366,968	236,616
Subtotal—Colombia .....	366,968	236,616
<b>Ecuador:</b>		
Ecuador—Alternative Development/Institution Building .....	[6,000]	1
Ecuador—Interdiction .....	7,000	7,000
Subtotal—Ecuador .....	7,000	7,000
<b>Peru:</b>		
Peru—Alternative Development/Institution Building .....	[30,000]	1
Peru—Interdiction .....	36,844	36,844
Subtotal—Peru .....	36,844	36,844
Brazil .....	1,000	1,000
Panama .....	1,000	1,000
Critical Flight Safety Program .....	[50,000]	<sup>2</sup> [39,300]
Administrative Expenses .....	[17,000]	[17,000]
Total moved to ESF .....	192,500	271,500
Total with ESF transfer .....	442,812	312,460

<sup>1</sup> Funded within ESF.

<sup>2</sup> Funded within Colombia allocation.

*Colombia*

Since fiscal year 2000, funding for Colombia provided by this Committee totals more than \$4,300,000,000. Approximately 76 per-

cent of that amount—\$3,300,000,000, over one million dollars per day for the past seven years—has gone to the Colombian security forces. The Committee observes that the President's fiscal year 2008 budget summary for the National Drug Control Strategy indicates that the primary mission for the Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL) is to reduce the entry of illegal drugs into the United States, yet the Committee is disappointed to note that since the beginning of Plan Colombia in 2000 the amount of hectares of coca cultivated in Colombia has gone up, not down and the area involved in illicit drug production has increased by over 42 percent. Furthermore, the Committee observes that the Justice Department's 2007 National Drug Threat Assessment stated that there have been no sustained cocaine shortages or indications of stretched supplies in the United States. An analysis performed for the Office of National Drug Control Policy (ONDCP) by the RAND Corporation states that the cocaine supply and availability remains robust. This fact is reinforced by estimates of cocaine's low retail-level price and high level of product purity within the United States. The Committee is concerned that the perennial goal of reducing Colombia's cultivation, processing and distribution to restrict supplies enough to drive up prices and diminish purity has not worked and the drug economy continues to grow—further weakening the fabric of Colombian society. The Committee notes that this is now year eight of an ever more evolving multi-year plan. This program is not working and the Administration's fiscal year 2008 request for Colombia is virtually identical to previous requests, which contradicts assurances that the Administration has provided to Congress over the years that the social component to Colombian aid would be significantly increased and that gradual "Colombianization" of the program would take effect.

The Committee recommendation includes \$236,616,000 for counterdrug activities for Colombia, which is \$130,352,000 below the request. The Committee acknowledges that Colombia is a vital partner and ally of the United States. The Committee recognizes the strategic importance of Colombia, and therefore the Committee has taken the significant step to restructure the way it provides assistance to Colombia, for a number of reasons; specifically the Committee believes that there must be a concerted effort to attack the underlying and pervasive poverty that is the root of the problems in Colombia as well as the region.

The Committee would be remiss if it did not acknowledge the successes in Colombia and the measurable improvements that have resulted in the everyday lives of the Colombian people. Clearly, Colombia has made remarkable progress. The Committee believes it is time to fund assistance to Colombia through the same mechanisms used to fund other strategic partners. In a budget sense, that means providing funding for some of the activities, carried out by Plan Colombia, in the ESF and INCLE accounts. It is from these two accounts that the other United States strategic partners receive funding for similar activities. Of the funds transferred \$218,500,000 will be funded under ESF and \$22,250,000 will be funded under INCLE. The Committee observes that in total, Colombia will receive \$530,608,000, which is \$59,102,000 below the request, for activities once funded solely in the ACI account.

It is important, however, to note that the Committee continues to provide significant funding for Colombia through this account. The Committee provides, through the ACI account, a total of \$236,616,000 for Colombia, of which \$229,016,000 is for Interdiction and Eradication activities. This is \$130,352,000 below the request. The Committee believes that it is important to maintain our efforts on this front. In addition, the Committee provides, within the ACI account, \$39,300,000 for the Critical Flight Safety Program, which is a commensurate reduction to the package of assistance. The Committee directs the Secretary of State, in consultation with the Secretary of Defense, to report to the Committees on Appropriations no later than 60 days after enactment of this Act on the future, multiyear strategy of the United States assistance program to Colombia. The strategy should include all aspects of current and future United States assistance. In addition, the Committee directs the Director of Foreign Assistance to carefully review all Colombian activities to determine the most appropriate appropriation account for funding. Specifically, the fiscal year 2009 Congressional Budget Justification should provide, as appropriate, funding for Alternative Development in the “Development Assistance” and the “Economic Support Fund” accounts and, as appropriate, funding for Interdiction/Eradiation in the “Foreign Military Financing” or the “International Narcotics Control and Law Enforcement” accounts.

The Committee continues to have grave concerns with the current aid package that emphasizes hard-side assistance over development assistance. The Committee remains concerned about the Administration’s follow up program. The Committee’s funding plan emphasizes a more balanced strategy shifting aid from the military and strengthening civilian governance, humanitarian assistance and rural development. The Committee also intends to initiate a plan to transition more of the military operations from the United States responsibility to the Colombian Government. The Committee expects a follow up strategy on steps to normalize funding for Colombia, similar to the approach used in this bill, which leads towards an eventual “nationalization” of the Colombian program. Within the funding provided in this bill the Committee intends to:

- Realign the funding from a 76 percent (military/police aid)—24 percent (alternative development) closer to a 55 percent (military/police aid)—45 percent (alternative development) split.
- Increase aid to strengthen the justice sector, providing more prosecutors and training for the Fiscalía and the Attorney General’s office.
- Increase the social component of aid to Colombia. Begin a gradual-managed “Colombianization” of the military package. Transition away from United States military operations to the government of Colombia, with a greater emphasis on interdiction rather than eradication.

#### *Colombia / Human rights*

The Committee is aware of reports alleging that the head of Colombia’s army collaborated extensively with militias that the Department of State considers terrorist organizations, including a militia headed by one of the country’s leading drug traffickers. The

Committee is concerned about allegations that the Uribe government may be implicated in links between militias and top military, police and ministry officials and directs the Secretary of State to report to the Committees on Appropriations not later than 45 days from enactment of this Act on the veracity of such allegations. Understanding the contents of such a report may include sensitive or classified information, the Department of State may submit the report to the Committee in the form of a classified report.

*Peru*

The Committee directs that not less than \$36,844,000 from funds under this heading shall be available for Peru. The Committee continues to believe that there is a very real danger of increased coca production and of drug trafficking through Peru through the so called “balloon effect” which can be seen in the increased number of hectares of coca production in Peru.

The most recent United States Government estimates are that there are 38,000 hectares of coca cultivation in Peru, including 4,000 hectares in new areas. There are reports that the coca farmers are becoming more violent and better organized and that terrorist organizations have openly identified with the coca growers. Of the funds provided for Peru in this account, \$33,044,000 shall be available for Interdiction/Eradication. The Committee notes that \$30,000,000 is provided for Alternative Development/Institution Building from within the ESF account. The Committee directs that not less than the amount provided in fiscal year 2006 in funding for Demand Reduction programs, previously funding with ACI funds, shall be available for programs in Peru within the INCLE account.

The Committee urges USAID to consider extending its agreement with The Field Museum of Chicago on the Cordillera Azul National Park project in central Peru after the original agreement period ends in 2007. The Committee understands that this alternative community development and conservation education project has already demonstrated effective use of ACI funds to prevent coca cultivation and urges USAID to consider entering into similar agreements elsewhere in the region.

*Human rights*

The Committee calls on the Department of State to ensure that all United States laws regarding human rights, including section 651 of this Act, are strictly applied in Colombia and each of the Andean nations. The Committee includes a general provision, modified from previous years, requiring that the Secretary of State certify that certain human rights conditions have been met before 35 percent of funds may be made available for assistance for the Colombian Armed Forces.

MIGRATION AND REFUGEE ASSISTANCE

Fiscal year 2007 enacted level .....	\$833,033,000
Fiscal year 2008 request .....	773,500,000
Committee recommendation .....	829,900,000
Change from request .....	56,400,000
Change from enacted level .....	-3,133,000

The Committee recommends a total of \$829,900,000 for Migration and Refugee Assistance, \$3,133,000 below the fiscal year 2007 level, excluding emergency supplemental appropriations and \$56,400,000 above the request. A limitation of \$22,500,000 is recommended for administrative expenses. The Committee notes that the fiscal year 2007 Supplemental appropriations Act (Public Law 110-28) included \$130,500,000 for this account which is available for obligation through fiscal year 2008. The Committee will continue to monitor the availability of these no-year funds to ensure there is adequate funding for these essential humanitarian assistance activities.

#### *GAO Review of Cash Assistance Programs*

The Committee provides up to \$2,000,000 to the U.S. Government Accountability Office (GAO) for a comprehensive review of all Cash Assistance and Emergency Cash Assistance programs operated by the United Nations Relief and Works Agency. The Committee directs the GAO to report to the Committees on Appropriations no later than eight months after enactment of this Act on whether any refugee who is receiving military training as a member of the so-called Palestine Liberation Army or any other guerilla type organization or who has engaged in any act of terrorism has received payments from the UNRWA Cash Assistance or Emergency Cash Assistance programs; whether UNRWA has control mechanisms in place to prevent such payments; and whether it is possible to certify UNRWA's compliance with section 301(c) of the Foreign Assistance Act.

#### *Migration to Israel*

The Committee's recommendation includes not less than \$40,000,000 for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in Israel.

#### *Tibetan refugees*

The Committee recommends not less than \$2,500,000 from this account for Tibetan refugees in Nepal and India. The Committee remains concerned about the situation of Tibetan refugees transiting through Nepal to resettlement in India, and in particular the decision by Nepal to bar the reopening of the Tibetan-run offices in Kathmandu that provide vital services to refugees. In light of recent events in Nepal, the Committee expects that the Government of Nepal will fulfill its commitment to provide safe passage to Tibetans fleeing repression in their homeland, and respect the rights of the legally resident Tibetan refugee community that lives in Nepal.

#### *Gender-based violence*

Sexual exploitation and violence against women and girls is an ongoing problem among internally displaced and refugee populations. The Committee notes that despite stated Committee intent, the Department of State did not scale up resources and target funding for programs to address these issues in fiscal year 2006. The Committee urges the Department to prioritize funding to address these critical issues. The Committee directs the Department to provide a report within 120 days of enactment of this Act on

United States Government funding from this account during fiscal year 2006 and 2007 for programs that target gender-based violence.

*Unaccompanied refugee minors*

The Committee is concerned by the dearth of referrals for refugee processing of unaccompanied minors, including orphans and children who are developmentally disabled and who ultimately spend their childhoods in refugee camps at risk of harm and without any available parent or guardian to care for them. The Committee urges the Bureau of Population, Refugees, and Migration to work with experienced refugee resettlement agencies, the Department of Homeland Security, and the Office of the UN High Commissioner for Refugees on a strategy to appropriately prioritize screening and identify vulnerable unaccompanied refugee minors for expeditious resettlement to the United States.

*Western Sahara*

The Committee understands that the United Nations Security Council extended the UN peacekeeping mission in the Western Sahara for six months on April 30th, 2007 and called upon Member States to consider funding confidence building measures permitting increased contact between those who have been separated from their families. The Committee encourages the Department to give careful consideration to this request.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

Fiscal year 2007 enacted level .....	\$55,000,000
Fiscal year 2008 request .....	55,000,000
Committee recommendation .....	45,000,000
Change from request .....	- 10,000,000
Change from enacted level .....	- 10,000,000

The Committee recommends \$45,000,000 for the Emergency Refugee and Migration Assistance Fund, which is \$10,000,000 below both the fiscal year 2007 level, excluding emergency supplemental appropriations and the request. The Committee notes that the fiscal year 2007 Supplemental Appropriations Act (Public Law 110-28) included an additional \$55,000,000 for this account in fiscal year 2007. The Committee will continue to monitor the availability of these no-year funds to ensure there is adequate reserve in this emergency account.

The Committee recommendation does not include the language requested in the budget to override the \$100,000,000 cumulative limit on this account in the Migration and Refugee Assistance Act of 1962.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

Fiscal year 2007 enacted level .....	\$405,999,000
Fiscal year 2008 request .....	464,000,000
Committee recommendation .....	467,000,000
Change from request .....	3,000,000
Change from enacted level .....	61,001,000

The Committee recommendation includes \$467,000,000 for Non-proliferation, Anti-terrorism, Demining and Related Programs



(NADR), which is \$3,000,000 above the fiscal year 2007 level, excluding emergency supplemental appropriations and \$61,000,000 above the request.

The following table compares the President's fiscal year 2008 request and the Committee recommendation:

[\$ in thousands]

Programs	FY 2008 request	Committee rec- ommenda- tion
<b>Nonproliferation Programs:</b>		
Nonproliferation and Disarmament Fund .....	\$30,000	\$38,000
Export Control and Related Border Security Assistance .....	41,270	41,270
Global Threat Reduction (formerly NWMDE) .....	53,500	53,500
IAEA Voluntary Contribution .....	50,000	50,000
CTBT International Monitoring System .....	18,000	10,000
<b>Subtotal—Nonproliferation Programs .....</b>	<b>192,770</b>	<b>192,770</b>
<b>Anti-Terrorism Programs:</b>		
Anti-terrorism Assistance .....	124,311	124,311
Terrorist Interdiction Program .....	18,345	18,345
CT Engagement with Allies .....	1,000	1,000
Counterterrorism Financing .....	6,368	6,368
<b>Subtotal—Anti-Terrorism Programs .....</b>	<b>150,024</b>	<b>150,024</b>
<b>Regional Stability &amp; Humanitarian Assistance:</b>		
Humanitarian Demining Program .....	66,485	66,485
International Trust Fund .....	10,000	13,000
Small Arms/Light Weapons Destruction .....	44,721	44,721
<b>Subtotal—Regional Stability &amp; Humanitarian Assistance .....</b>	<b>121,206</b>	<b>124,206</b>
<b>Total .....</b>	<b>464,000</b>	<b>467,000</b>

#### *Inter-agency cooperation on nonproliferation activities*

The President has requested \$192,770,000 under this account for fiscal year 2008 non-proliferation activities. The Committee recognizes the Department of Energy's lead role in the prioritization of resources and considers the non-proliferation programs of the Departments of State, Energy, Defense, and Homeland Security critical components of protecting the United States and supporting international security.

The Committee is particularly concerned that the United States government invests strategically to secure material of special concern. The Committee requests a report, not later than 60 days following enactment of this Act, describing the joint non-proliferation activities of the Department of State with its partner agencies and international organizations, including a detailed description and assessment of past and ongoing efforts to catalogue special nuclear, chemical, and biological material. This report shall be classified at an appropriate level.

#### *Counterterrorism financing*

The Committee recognizes that Counterterrorism Financing is a valuable asset in assisting foreign countries' efforts to identify, freeze, and prevent the use of financial institutions, businesses, and charitable organizations as conduits for money to terrorist organizations, including giving countries an investigative ability to follow the money trail and arrest terrorists preemptively.

The Committee continues to support the work of the Department of State, the Department of Justice and the Department of Treasury in assisting countries who are at risk to terrorist financing.

However, overall budgetary constraints did not provide sufficient opportunity for the Committee to increase the funding level.

*International trust fund*

The Committee recommends \$13,000,000 for the International Trust Fund, which is \$3,000,000 above the request. The Committee recognizes the significance of the assistance provided by the Trust Fund for assistance to victims.

*Small arms/light weapons destruction—manpads*

The Committee strongly supports the Small Arms/Light Weapons Destruction program for its clear and effective results in aiding participants in the elimination of grenades, guns, and man-portable air defense systems (MANPADS). Already, the program has destroyed more than 800,000 weapons, 80 million rounds of ammunition and 17,000 MANPADS. The Committee recommendation includes \$44,721,000 for the program, which is the same as the request. This recommendation is based on the Committee’s concern that the increase in the proliferation of small arms and light weapons by terrorists, criminals and human rights abusing governments contributes to an increase in violence and instability in conflict regions around the world, putting American security interests at risk. The Committee believes that the program has proven to be highly successful, thus requiring increased support and funding.

*Voluntary contribution to the International Atomic Energy Agency (IAEA)*

The Committee recommends \$50,000,000, which is the same as the request, for the International Atomic Energy Agency (IAEA). These funds are essential to assist in the development and implementation of safeguards and expanding nuclear safety activities.

DEPARTMENT OF THE TREASURY

INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

Fiscal year 2007 enacted level .....	\$19,800,000
Fiscal year 2008 request .....	24,800,000
Committee recommendation .....	18,000,000
Change from request .....	– 6,800,000
Change from enacted level .....	– 1,800,000

The Committee recommendation includes \$18,000,000 for international technical assistance by the Department of the Treasury, which is \$1,800,000 below the fiscal year 2007 level and \$6,800,000 below the request. In operation since 1991, Treasury’s Office of Technical Assistance (OTA) provides expert fiscal and monetary policy advisors to developing and in-transition countries. The Committee notes that in any given year, requests for assistance and expertise provided by OTA far exceed either the budget request or the Committee’s ability to fund. The Committee directs the Department to include more useful information in its future budget requests, including the countries, projects, project costs assumed in the request level, and an explanation of change from the prior year. The Committee directs the OTA to notify the Committee prior to the obligation of funds for the compensation or travel expenses of

any individual who is not an employee of the Department of the Treasury.

#### DEBT RESTRUCTURING

Fiscal year 2007 enacted level .....	\$64,350,000
Fiscal year 2008 request .....	207,300,000
Committee recommendation .....	200,300,000
Change from request .....	- 7,000,000
Change from enacted level .....	135,950,000

The Committee recommendation includes \$200,300,000 for international debt restructuring by the Department of the Treasury, which is \$135,950,000 above the fiscal year 2007 level and \$7,000,000 below the request. The Committee makes \$20,000,000 under this heading available for the Tropical Forest Conservation Act (TFCA) programs and does not fund the enhanced HIPC initiative request. Funds in this account are subject to the regular notification procedures of the Committees on Appropriations.

#### TROPICAL FOREST CONSERVATION ACT (TFCA)

The Committee directs the Department to provide a report by December 15, 2007, on potential debt reduction/restructuring initiatives for any unallocated balances remaining at the end of fiscal year 2007. The Committee expects the Department of the Treasury to consult with the Committee 15 days prior to the Treasury determination that additional countries are found eligible for TFCA.

### TITLE IV—MILITARY ASSISTANCE

#### FUNDS APPROPRIATED TO THE PRESIDENT

##### INTERNATIONAL MILITARY EDUCATION AND TRAINING

Fiscal year 2007 enacted level .....	\$85,877,000
Fiscal year 2008 request .....	89,500,000
Committee recommendation .....	85,076,000
Change from request .....	- 4,424,000
Change from enacted level .....	- 801,000

The Committee recommends \$85,076,000 for the International Military Education and Training (IMET) program, which is \$4,424,000 below the request.

IMET is part of the overall United States security assistance program, and through it the United States Government provides training to predominantly military students from allied and friendly nations. The IMET program exposes students to the United States professional military establishment and the American way of life, including democratic values and rule of law, and respect for individual and human rights. In 1990, Congress directed the Department of Defense to establish a program within IMET—called Expanded-IMET or “E-IMET”—focused on training foreign civilian and military officials in three areas: managing and administering military establishments and budgets; creating and maintaining effective military judicial systems and military codes of conduct; and fostering greater respect for the principle of civilian control of the military.

*Expanded International Military Education and Training*

The Committee recommends \$175,000 in E-IMET assistance for Libya and \$350,000 in E-IMET assistance for Angola.

*Combined Military Training—Egypt and Israel*

The Committee notes that since 2000 Egypt has sent 4,082 students to receive United States Military training and Israel has sent 1,726 to receive similar training. The Committee further notes that Egypt has had 151 students who have taken training that included Israeli students and Israel has had 120 students who have taken training including Egyptian students. The Committee is encouraged by this noting that soldiers who train together are more likely to foster cooperation in future operations. The Committee urges the Department of State to establish a program to promote such joint training.

*Western Hemisphere Institute for Security Cooperation*

The Committee has included a requirement that not later than 60 days after enactment of this Act, the Department of State submit a report addressing how the Western Hemisphere Institute for Security Cooperation program contributes to the promotion of human rights, respect for civilian authority and the rule of law, the establishment of legitimate judicial mechanisms for the military, and achieving the goal of right sizing military forces.

*Guatemala*

The Committee recommendation includes \$500,000 for regular IMET programs for Guatemala. The Committee has included language that provides training, other than E-IMET, only for the Guatemalan Air Force and Navy and also provides IMET training for the Guatemalan Army Corps of Engineers entirely for training to improve disaster response capabilities and to participate in international peacekeeping operations. The Committee notes that this assistance may only be provided if the Secretary of State certifies that the Guatemalan Air Force, Navy and Army Corps of Engineers are respecting human rights, and that civilian judicial authorities are investigating and prosecuting, with the military's cooperation, military personnel who have been implicated in gross violations of human rights.

The Committee notes that providing regular IMET assistance for the Guatemalan Navy, Air Force and Army Corp of Engineers will provide the United States the ability to support the Government of Guatemala's efforts at defense reform, to control its borders against illicit drug trafficking, and to build its disaster response capability. Specifically, access to the full range of IMET courses, from professional military education to technical training, would help in the prevention of loss of military expertise due to attrition. The Committee is aware that the Guatemalan Air Force has received no technical training for 14 years. The Committee is concerned that the Government of Guatemala cannot maintain and field an effective force against narcotics trafficking and other illicit activity, or protect their borders without this training. IMET for the Guatemalan Navy is critical to enhancing its professional development, interdiction capability. Such training will strengthen the Guatemalan Navy's ability to counter narcotics trafficking along the

riverine network, as well as along the Pacific and Atlantic coastlines that are increasingly heavy transit zones for drugs.

The Committee continues to monitor the Guatemalan Government's implementation of military reforms guaranteed by the 1996 Peace Accords. The Committee notes that since the signing of the 1996 Peace Accords, the Guatemalan Army has made some progress in reduction of force size and reduction of the military budget. The Committee acknowledges efforts by the Guatemalan military to deemphasize the internal security mission that was part in parcel of its training, doctrine, and education.

#### *Equatorial Guinea*

The Committee recommendation includes no funding for Equatorial Guinea.

#### *Democratic Republic of Congo*

The Committee recommendation includes \$300,000 for IMET programs for Democratic Republic of Congo (DROC), which is \$200,000 below the request. The Committee understands that the Department is focusing on security sector reform and post-conflict activities. The Committee supports these activities.

#### *Kenya*

The Committee recommendation includes \$350,000 for IMET programs for Kenya, which is \$200,000 below the request. The Committee notes that this is the first year Kenya has not been subject to American Servicemembers' Protection Act (ASPA) restrictions and recommends a gradual increase in training activities.

#### *Mozambique*

The Committee recommendation includes \$250,000 for IMET programs for Mozambique, which is \$50,000 below the request. The Committee supports efforts to promote coastal security in the southwest Indian Ocean region.

#### *Mali*

The Committee recommendation includes \$150,000 for IMET programs for Mali, which is \$100,000 below the request. The Committee notes that this is the first year Mali has not been subject to American Servicemembers' Protection Act (ASPA) restrictions and recommends a gradual increase in training activities.

#### *Sudan*

The Committee recommendation includes \$300,000 for IMET programs for Sudan, which is the same as the request.

#### *Tanzania*

The Committee recommendation includes \$150,000 for IMET programs for Tanzania, which is \$150,000 below the request.

#### *Iraq*

The Committee recommendation does not include funding for Iraq IMET programs, which is \$2,000,000 below the request.

*Indonesia*

The Committee recommendation includes \$974,000,000 for IMET programs for Indonesia, which is the same as the request.

*Kyrgyz Republic*

The Committee recommendation includes \$1,100,000 for IMET programs for the Kyrgyz Republic, which is \$100,000 below the request.

*Argentina*

The Committee notes that although Argentina is subject to Brooke sanctions and unable to receive other military assistance, section 638(b) of the Foreign Assistance Act provides authority for training activities. Therefore, the Committee recommendation includes \$947,000 for Argentina IMET programs, which is the same as the request.

The Committee is aware that the Government of Argentina has not implemented Federal Court orders including two default judgments and daily sanctions rendered by the United States District Court of Northern Illinois. Should the Government of Argentina fail to comply with these court orders in a timely fashion, the Department of State, in consultation with the Department of Defense, should withhold funds provided for Argentina's IMET program.

*East Timor*

The Committee recommendation includes \$400,000 for IMET programs for East Timor, which is the same as the request.

*Bulgaria*

The Committee recommendation includes \$1,500,000 for IMET programs for Bulgaria, which is \$200,000 below the request.

*Armenia and Azerbaijan*

The Committee recommendation includes IMET assistance levels of \$500,000 for each of the countries of Armenia and Azerbaijan.

*Fiji and Thailand*

The Committee recommends no IMET assistance for each of the countries of Fiji and Thailand due to section 608 Military Coup restrictions. Should the President determine and certify to the Committees on Appropriations that a democratically elected government has taken office, the Committee will entertain a reprogramming of funds.

*International training programs*

The Committee understands that IMET assistance provides grants for military education and training to military and civilian students from foreign countries to help these countries move toward self-sufficiency in defending themselves. The Committee appreciates that in addition to providing training this program is intended to also expose foreign students to American democratic values, particularly military respect for civilian control of the military and the government and for internationally recognized standards of individual and human rights. With this in mind, the Committee is gravely concerned that there may be a significant overlap and du-

plication of efforts between the Department of State and the Department of Defense in the conduct of training the military of foreign nations. The Committee is concerned that the Counterterrorism Fellowship Program (CTFP) security cooperation program is in fact being used to circumvent Congressionally mandated restrictions with regard to human rights. The Committee directs the Department of State to produce a report on the differences between IMET and CTFP. In development of the report the Secretary of State shall collaborate with the Secretary of Defense and the Office of Management and Budget.

#### FOREIGN MILITARY FINANCING PROGRAM

Fiscal year 2007 enacted level .....	\$4,550,800,000
Fiscal year 2008 request .....	4,536,000,000
Committee recommendation .....	4,509,236,000
Change from request .....	-26,764,000
Change from enacted level .....	-41,564,000

The Committee recommends \$4,509,236,000 for the Foreign Military Financing Program, which is \$41,564,000 below the fiscal year 2007 level and \$26,764,000 below the request.

The Foreign Military Financing (FMF) assistance program provides grants for the acquisition of United States defense equipment, services and training. The FMF program enables key allies and friendly nations to improve defensive capabilities, and fosters bilateral military relationships with the United States and interoperability with United States forces.

#### *Unallocated flexibility fund*

The Committee believes that foreign policy decisions rest with the Secretary of State as the principal advisor to the President on international discourse and proceedings and that this authority should not be delegated or abdicated by the Department of State nor superseded by other departments or agencies within the Executive branch. The Committee is very concerned that the Department of State has relinquished the responsibility to provide continuous supervision and general direction of sales of military articles and the provision of services and training. The Committee notes that pursuant to sections 1 and 2 of Chapter 1 of the Arms Export Control Act (Public Law 90-629) it remains the policy of the United States to enter into international arrangements with friendly countries which further the foreign policy objectives of the United States to achieve specific national defense goals and objectives of mutual concern. The Committee notes that it is the Secretary of State's responsibility to ensure all such sales and training shall only be approved when it is consistent with the foreign policy interests of the United States, as embodied in the Foreign Assistance Act of 1961, and to the extent the military requirement necessitates and the economic and financial capability of the recipient country allows—with particular regard being given to the proper balance among military assistance and economic assistance, particularly as to the impact the military assistance will have on programs of social and economic development in the recipient country. The Committee further notes the law states that under the direction of the President, the Secretary of State, taking into account other activities abroad, such as military operations, food and eco-

conomic assistance, shall be responsible for the general direction of sales, leases, financing, cooperative projects, and exports, including determining whether there will be a sale to, or financing for, a country and the amount and scope thereof and whether such activities can and will be integrated with other United States actions which best serve the foreign policy of the United States. With this in mind, the Committee is concerned that the Department of Defense is seeking to make permanent and expand to other countries some security and foreign assistance programs known as "Section 1206 authority" which have traditionally been under the supervision of the Department of State and USAID under the pretext that "speed and efficiency" in training and equipping other countries provides the ability to keep pace with adversaries and act quickly when circumstances require change.

The Committee does not dispute that a failure to act rapidly and early increases the risk to vital United States security interests and likely brings about a need for direct United States intervention, but the Committee notes that the Departments of State and Defense have vastly different missions, and although they are not mutually exclusive they cannot be substituted for, or replace one another. Therefore, the Committee has included a new provision within the FMF account to allow the Secretary of State the flexibility to respond quickly to emerging needs and seize foreign policy opportunities. This proposed new flexibility fund is intended to assist the Secretary of State to quickly and effectively respond to contingencies in foreign countries or regions providing resources that can be drawn upon immediately to address a range of needs including training, procurement and capacity building of a foreign country's national military forces to conduct, among other activities, counterterrorist operations or participate in or support military and stability operations.

The Committee is therefore providing \$5,000,000 of unallocated FMF which shall remain available until expended. The Committee intends that these funds should be coordinated through a joint Department of State and Department of Defense review. The Committee further directs that these funds shall not be used to replenish or backfill any funds that were specifically denied by the Committee. The Committee further expects that the Department of State will not prejudice the availability of these funds by pre-programming and use this new ability in the spirit it was provided. The Committee further expects that any use of these funds shall be subject to the regular notification procedures of the Committees on Appropriations.

#### *Administrative expenses*

The Committee recommends \$43,500,000 for FMF administrative expenses, of which \$1,600,000, as requested, is for African Military Health Affairs and \$41,900,000, as requested, is for DSCA administrative costs.

#### NEAR EAST COUNTRIES

The Committee recommendation includes \$3,934,736,000 for countries funded within the Near East region, which is \$336,000 above the request.



*Israel*

The Committee recommends a total FMF program of not less than \$2,400,000,000 in grants for Israel, which shall be available within 30 days of enactment of this Act. Of this amount, approximately \$1,507,500,000 is for continuation and maintenance of ongoing acquisition programs, \$892,500,000 is for potential new acquisition programs, and \$631,200,000 is for off shore procurement of military equipment.

This recommendation is the same as the request.

The Committee remains committed to helping Israel maintain sovereignty and security. Therefore, the Committee is convinced that the United States must make every effort to carry out its long-standing policy of assisting our ally Israel to maintain its technological advantage.

*Jordan*

The Committee recommends a total FMF program of \$200,000,000 for Jordan, which is the same as the request.

The Committee strongly supports the Administration's efforts to improve Jordanian security and to this end provided \$45,000,000 in the fiscal year 2007 Supplemental Appropriations Act (Public Law 110-28). Under the leadership of King Abdullah, Jordan plays a critical role in supporting peace and security in the Middle East.

The Committee is well aware that Jordan's security requirements are extensive, particularly in the areas of ground force modernization and border security. The Committee recommendation includes \$73,000,000 to sustain equipment previously furnished and \$127,000,000 for potential new programs in Jordan.

*Egypt*

The Committee recommends a total FMF program of \$1,300,000,000 for Egypt, which shall be transferred within 30 days of enactment of this Act. Of this amount, \$526,769,000 is for continuation and maintenance of ongoing acquisition programs and \$773,231,000 is for potential new acquisition programs. This recommendation is the same as the request.

The Committee notes that section 699 of the general provisions includes additional language with respect to conditionality of FMF funding. Additional explanatory language is included in description of section 699 in this report.

The Committee is convinced that continued military cooperation between Egypt and the United States remains in the national security interests of both countries. However, the Committee believes that Egypt must initiate a significant modernization of its military structure to transform it to a modern, professional, and efficient military force. The Committee notes that United States military representatives from the United States Central Command (USCENTCOM) have been encouraging the Egyptian military to initiate programs designed to transform its military force but these programs have not yet been embraced by the Egyptians. The Committee strongly recommends that the Egyptian military work with the USCENTCOM to develop and implement programs that will lead to a more modern and professional Egyptian military. Furthermore, the Committee directs the Department of State, to include

with the fiscal year 2009 budget request, a list of the projects included in the request for such transformational efforts.

#### *Lebanon*

The Committee recommendation includes \$7,000,000 in FMF program funds for Lebanon in FY 2008, which is \$2,600,000 below the request. The Committee notes that the fiscal year 2007 Supplemental Appropriations Act (Public Law 110–28) provided \$220,000,000 for Lebanon. The Committee further notes that on May 24, 2007 the Under Secretary of Defense for Policy notified the Congress that \$30,600,000 was being transferred under section 1206 authority for training and equipment.

The Committee is encouraged that the United States is reaching out to the Lebanese government to assist with the purchase of spare parts, maintenance, and training for its military. However, the Committee is mindful that areas of the country, most particularly in the south, remain under the influence of both Syria and Iran. The Committee continues to direct the Departments of State and Defense to work closely together to ensure that the FMF or section 1206 programs for Lebanon supports equipment and training for the Lebanese military that will not support in any way terrorist groups that continue to operate in certain parts of the country and that no assistance from either supplemental funding or section 1206 is provided to or through any individual, or private or government entity, that advocates, plans, sponsors, engages in, or has engaged in, terrorist activity.

The Committee notes that it is in the national security interests of the United States to achieve a variety of goals in Lebanon, including the disarmament of all militias in Lebanon and the extension of Lebanese sovereignty throughout the country. The Committee directs the Secretary of State, in consultation with the Secretary of Defense, to submit a report to the Committee on Appropriations no later than 45 days after enactment of this Act, on progress made on advancing these goals and protecting Lebanon's eastern border.

#### *Tunisia*

The Committee recommendation includes a total FMF program for Tunisia of \$5,000,000, which is \$2,936,000 above the request. The Committee notes that the United States and Tunisia have enjoyed a longstanding relationship of cooperation and friendship based on shared values. Tunisia is an important ally of the United States and a valued partner in the global war on terror. The Committee supports Tunisia's efforts to transform their military and the increased emphasis Tunisia has placed on counter-terrorism and international peacekeeping. The Committee notes that the Tunisian army has actively joined in humanitarian relief efforts, participating in earthquake relief in India and Pakistan, as well as contributing in peacekeeping activities in Congo, Cambodia, Rwanda, Ethiopia and Eritrea.

The Committee understands that the Tunisian armed forces are relying on outdated equipment which does not allow it to take full advantage of the joint military exercises conducted with the United States armed forces. The Committee would have liked to provide more resources, however overall budgetary constraints did not pro-

vide sufficient opportunity and encourages the State Department to allocate the additional resources to the highest priority cases.

Further, the Committee wants to recognize that Tunisia has truly been a pioneer and visionary in establishing rights for women and the Committee commends these efforts.

#### AFRICA COUNTRIES

The Committee recommendation includes \$10,550,000 for countries funded within the Africa region, which is \$1,750,000 above the request. The recommendation provides full funding for all requested countries and \$1,750,000 in regional funding.

#### SOUTH AND CENTRAL ASIA COUNTRIES

The Committee recommendation includes \$255,900,000 for countries funded within the South and Central Asia region, which is \$50,000,000 below the request.

##### *Pakistan*

The Committee recommends a total FMF program of \$300,000,000 for Pakistan, which is the same as the request. The Committee notes that Pakistan has been an important ally of the United States in the War on Terrorism and this reduction is not a reflection of a lessening of the Committee's appreciation for Pakistan's support. While the Committee remains concerned about Pakistan's slow progress with regard to democracy reforms and human rights, the reduction to FMF programs is non-prejudicial and due to overall budgetary constraints. The Committee is gravely concerned that the Administration's management of the FMF program for Pakistan may be incurring future debt and commitments to which the Committee has not previously agreed.

#### EAST ASIA AND THE PACIFIC COUNTRIES

The Committee recommendation includes \$23,575,000 for countries funded within the East Asia and the Pacific region, which is \$7,700,000 below the request. The recommendation does not include funding requested for Fiji and Thailand, as both countries are under section 608 coup sanctions. These funds are appropriated within regional funding.

##### *Philippines—Extrajudicial Activities*

The Committee recognizes the robust network of civil society organizations in the Philippines, which are critical to sustaining the country's tradition of advocacy and public debate. The Committee is highly concerned with reports of extrajudicial killings by the Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP), noting reports of more than 800 extrajudicial killings since 2001. The Committee is deeply concerned with the effect these killings may be having on the work of civil society organizations. The Committee directs the Department of State to report to the Committees on Appropriations not later than 90 days after the enactment of this Act on the status of investigations into extrajudicial killings and gross violations of human rights by the AFP and PNP.

*Indonesia*

The Committee recommends a total FMF program for Indonesia of \$8,000,000, which is \$7,700,000 below the request.

The Committee provides that of the \$8,000,000 recommended for Indonesia, not more than \$6,000,000 may be available prior to the Secretary of State making the certification contained in section 682 of this Act.

The Committee makes this recommendation mindful of continuing concern about the professionalism of the Indonesian military and strongly supports the efforts of the civilian authorities in Indonesia to promote the rule of law, including efforts to exert control over the Indonesian military forces (TNI). This funding in no way signals decreased concern about the poor human rights record of the Indonesian military forces and is intended only as a sign of measured support for the continuing efforts of the civilian Government of Indonesia.

The government of Indonesia is a strategic ally of the United States, especially in the continuing Global War on Terror and these funds will be used to purchase such things as spare parts and communications equipment. The Committee is encouraged and supportive of the efforts of United States military representatives of the United States Pacific Command (USPACOM) to work with the Indonesian military to transform its structure into a modern, professional and efficient military force.

In addition to the report required in sec. 687 of this Act, the Committee directs that not later than 90 days after enactment of this Act, the Secretary of State shall submit a report to the Committees on Appropriations that describes the following: the utilization of any United States supplied equipment to Indonesian security forces, including the military, police, and other security agencies and any connection to human rights violations since 2000; any connections between United States trained Indonesian individuals and units, including the military, police, and other security agencies and human rights violations since 2000; ongoing efforts to monitor the use of United States supplied equipment and training in Indonesia; and any strategy linking United States military assistance to Indonesia to progress on human rights.

## WESTERN HEMISPHERE COUNTRIES

The Committee recommendation includes \$62,750,000 for countries funded within the Western Hemisphere region, which is \$20,050,000 below the request. The Committee is concerned that the Administration has dramatically pulled away from security assistance in the region. The following table compares the President's request for fiscal year 2008 and the Committee recommendation:

[In thousands]

Country	FY 2008 request	Committee recommendation
Bahamas .....	\$0	\$80
Belize .....	0	100
Bolivia .....	0	25
Chile .....	0	300
Colombia .....	78,000	48,000

(In thousands)

Country	FY 2008 request	Committee rec- ommenda- tion
Dominican Republic .....	0	725
Ecuador .....	0	25
El Salvador .....	4,800	4,800
Guatemala .....	0	250
Guyana .....	0	75
Haiti .....	0	990
Honduras .....	0	500
Jamaica .....	0	500
Nicaragua .....	0	500
Panama .....	0	775
Peru .....	0	25
Suriname .....	0	80
Eastern Caribbean .....	0	1,000
Western Hemisphere .....	0	4,000
Subtotal—Western Hemisphere .....	82,800	62,750

### *Argentina*

The Committee recommendation does not include funding for Argentina as they are currently in default in payment of principal and interest of more than six months of a loan to the United States.

### *Colombia*

The Committee is restructuring the assistance package. Colombia is a vital partner and ally of the United States. The Committee has grave concerns with the current aid package that overwhelmingly emphasizes hard-side assistance over development assistance. The Committee believes that any new Plan Colombia must be a more balanced strategy that shifts the aid from the military and strengthens civilian governance, humanitarian assistance and rural development and transitions more of the military operations to the government of Colombia. The Committee fully recognizes the strategic importance Colombia plays in the hemisphere and therefore instructs the Bureau of Political Military Affairs at the Department of State in consultation with the Bureau of Western Hemisphere Affairs at the Department of State, Southern Command and the Defense Security Cooperation Agency (DSCA) to provided a strategy no later than 120 days from enactment of this Act for reducing military assistance to Colombia in a gradual-managed approach to “Colombianization” of the military package. To this end the Committee recommendation includes \$48,000,000 for the FMF program in Colombia, which is \$30,000,000 below the request. The Committee instructs that within the funds provided the Riverine interdiction efforts (boats, bases, training and spare parts) should be fully funded at \$12,250,000 and Naval aviation operations and interdiction/security operations at \$5,000,000.

### *Guatemala*

The Committee recommendation provides \$250,000 for FMF programs for Guatemala and carries language to allow FMF for the Air Force and Navy to obtain spare parts only if the Secretary of State certifies that the Guatemalan Air Force, Navy and Army

Corp of Engineers is respecting human rights, and civilian judicial authorities are investigating and prosecuting, with the military's cooperation, military personnel who have been implicated in gross violations of human rights and the Guatemala Congress has adopted and the Guatemalan President and Vice President have approved the International Commission Against Impunity in Guatemala (CICIG). The Committee understands that there is uncertainty as to whether the Guatemalan Congress will embrace and pass the International Commission Against Impunity in Guatemala (CICIG) to investigate clandestine groups who have made threats and carried out attacks against human rights defenders. The Committee has been informed that the Constitutional Court in Guatemala on May 10, 2007 issued an opinion that there is nothing unconstitutional about the CICIG agreement, and that it does not affect the autonomy of the Prosecutor General. Additionally, the Committee has been told that the court will rule that approval of the CICIG only requires a simple majority of 80 votes in the 158 member Guatemalan Congress. The Committee notes the Constitutional Court's ruling is a significant boost for CICIG, since it neutralizes the "constitutional" arguments of CICIG's opponents and it lowers the votes required for approval. The Committee notes that on Tuesday, May 22nd, 2007 the Guatemalan Congress held an extraordinary session during which the Constitutional Court's favorable opinion on the CICIG was formally presented to the Guatemalan Congress. The Committee is encouraged by this ruling and is hopeful that the Guatemalan Congress will approve the CICIG.

Access to FMF funding, particularly for spare parts for the Guatemalan Air Force and Navy, would be used to support the Government of Guatemala's efforts to combat transnational crime on the sea, on the rivers, and in the air. Guatemala is a strategic chokepoint for the flow of drugs and other threats towards the United States. Funding will also strengthen the Navy's ability to counter narcotics trafficking along the riverine network, as well as along the coastline of the Pacific and Atlantic sides that are increasingly heavy transit zones for drugs. Funding for FMF will also increase Guatemala's disaster response and peacekeeping capabilities. The Committee continues to call attention to the fact that the language still restricts funding from the Guatemala Army.

#### EUROPE AND EURASIA COUNTRIES

The Committee recommendation includes \$123,225,000 for countries funded within the Europe and Eurasia region, which is \$6,100,000 below the request.

##### *Bosnia and Herzegovina*

The Committee recommendation includes a total FMF program for Bosnia and Herzegovina of \$7,000,000, which is \$800,000 below the request.

##### *Bulgaria*

The Committee recommendation includes a total FMF program for Bulgaria of \$11,200,000, which is \$2,000,000 below the request. The Committee's reduction is based on insufficient budget justification for the integrated logistics system (\$1,000,000) and the personnel management system (\$1,000,000).

*Georgia*

The Committee recommendation includes a total FMF program for Georgia of \$9,000,000, which is \$1,000,000 below the request. The Committee does not believe it is appropriate to provide \$1,150,000 for “Cubic Defense Transformation Advisors” from within FMF. The Committee recommends that the remaining \$150,000 be used for vehicle or helicopter support.

*Romania*

The Committee recommendation includes a total FMF program for Romania of \$18,400,000, which is \$3,975,000 above the request.

*Armenia and Azerbaijan*

The Committee recommends a FMF program of \$3,000,000 for each of the countries of Armenia and Azerbaijan.

## PEACEKEEPING OPERATIONS

Fiscal year 2007 enacted level .....	\$223,250,000
Fiscal year 2008 request .....	221,200,000
Committee recommendation .....	293,200,000
Change from request .....	72,000,000
Change from enacted level .....	69,950,000

The Committee recommendation includes \$293,200,000 for Peacekeeping Operations (PKO), which is \$72,000,000 above the request.

Funding provided under the PKO account is intended for activities that are not funded through mechanisms of the UN peacekeeping activities account. The PKO account funds United States assistance to international efforts to monitor and maintain the peace in areas of special concern to the United States, and provides funds to other related programs carried out in furtherance of the national security interests of the United States. In fiscal year 2008, contributions are planned for programs in Africa, the Multinational Force and Observers (MFO) Mission in the Sinai, and the Global Peacekeeping Operations Initiative (GPOI), and other activities. The Committee recommendation includes no funding and no authority for the Administration to use up to \$25,000,000 for stabilization and reconstruction activities (Conflict Response Fund). The Committee does not believe that the PKO account is the appropriate funding source for such a wide ranging initiative.

The Committee observes with great concern that the fiscal year 2008 request for the PKO account appears to overwhelmingly prioritize Security Sector Reform programs over other activities. The Committee agrees that security sector reform is an important initiative for the United States to address, but notes that the Administration leaves little flexibility in case of an emergency in addressing regions of instability, where peace remains tenuous, instability remains a constant and where conflicts continue to flare up.

*Denial of expansion of extraordinary authorities*

While the Committee recognizes the need for flexibility to respond to emerging threats, the Committee notes that the President currently possesses extraordinary authorities provided within the Foreign Assistance Act of 1961, and therefore the Committee is specifically not including language to expand already broad au-

thorities which the Committee notes already provides for quick disbursement of funding for international crises. Additionally, the Committee recommendation does not include authorization for PKO funds to be used notwithstanding section 660 of the Foreign Assistance Act. The Administration requested this authority to provide support to the Center of Excellence for Stability Police Units, a center in Italy at which GPOI partners can build a professional gendarme capacity. The Committee supports the proposed program and expects other G8 nations to support this program, or the Administration to use funding from other accounts with the necessary authority, such as the International Narcotics Control and Law Enforcement account.

#### *Africa*

The Committee recommendation includes \$176,000,000 for PKO activities in Africa, which is \$96,000,000 above the request. The Committee is supportive of PKO activities in Africa.

Within the amount provided, not less than \$41,400,000 is included for programs in South Sudan, which is the same as the request. The Committee recommendation includes no funding for the Africa Regional Account, which is \$4,000,000 below the request. This level does not include operations to be funded from the Global Peace Operations Initiative (GPOI).

#### *Darfur*

The Committee recommendation includes \$100,000,000 for voluntary peacekeeping activities in Darfur. The Committee is distressed that the Administration did not request any funding for the continued support of the African Union Mission in Sudan (AMIS) within this account and has requested an inadequate amount within the Contribution for International Peacekeeping Account (CIPA) for the UN peacekeeping efforts. The Committee is disappointed that there is no clear and defined timeline for a transition to a UN/AMIS hybrid force. However, the Committee believes that the Department should be planning for any contingency and is gravely concerned that no funding requested for AMIS, and inadequate funding within CIPA for a future UN peacekeeping force, is indicative of a lack of commitment on the part of the Administration to the vital needs of a strong and robust peacekeeping mission to protect civilians in Darfur. The Committee urges the Administration to submit a budget amendment to meet any future peacekeeping needs.

The Committee finds that global diplomacy to end the ongoing genocide in Darfur has been tragically ineffective. United States diplomatic leadership efforts have been uncertain and erratic. International diplomacy has been marked by sporadic and uncoordinated engagement by many governments and multilateral organizations. Contact Groups, comprised of representatives of key governments and multinational entities, proved invaluable to bringing peace to South Sudan in 2005 and to the Balkans in the 1990s. The Committee strongly urges the Department of State to exercise a stronger leadership role internationally, including by working with key partners to establish a structured international diplomatic coalition in the form of a Contact Group encompassing countries with substantial influence, to pressure Sudan to end the genocide in



Darfur, stop blocking the UN peacekeepers called for in Security Council Resolution 1706, and conclude a viable and sustainable peace agreement with all the stakeholders in Darfur.

*Trans-Sahara counter terrorism initiative*

Within the recommendation for Africa, the Committee includes \$10,000,000 for the Trans-Sahara Counter Terrorism Initiative, which is the same as the request. The Committee directs the Department of State and USAID to submit a report detailing the funding and operations of the Trans-Sahara Counter Terrorism Initiative. This report should describe how programs funded from this account are complemented by programs funded from USAID's development accounts.

*Multinational force observers (MFO)*

The Committee is aware that the MFO adjusted its mission in the Sinai after the Israeli Defense Force (IDF) withdrew from Gaza, including the "Philadelphi" corridor along the Egyptian boundary and that since September 1, 2005 the MFO has undertaken the additional responsibility of monitoring the deployment of Border Guards along the Egyptian side of the border between Egypt and Gaza to combat acts of terrorism, smuggling and border infiltration and to ensure that deployment is consistent with the terms of the agreement between Egypt and Israel. The Committee further notes that since October, 2004, there have been five terrorist incidents in the Sinai, with two directly targeting MFO personnel. Within the amount provided, not less than \$22,000,000, which is \$1,000,000 above the request, is provided for the MFO. Of the funds provided, the Committee directs that \$21,000,000 is for the MFO program to support, among other initiatives, the ongoing peace efforts in the Middle East and \$1,000,000 is for force protection to purchase additional fully armored vehicles (FAVs).

*Global peace operations initiative (GPOI)*

The Committee acknowledges that the number of peacekeeping operations throughout the world continues to grow, increasing the need for the international community to respond with military and related complex security operations to bring the stability and security that is fundamental to social, economic, and political progress in countries in crisis. Africa is facing greater peacekeeping needs, and the international community recognizes the importance of more comprehensive measures for ensuring peace.

The GPOI program incorporates previous capabilities-building programs at the State Department for Africa—the African Crisis Response Initiative (ACRI) and its successor, the African Crisis Operations Training (ACOTA). From fiscal years 1997–2005, the United States spent just over \$121,000,000 on GPOI's predecessor programs. In fiscal year 2005, the Group of Eight Nations launched a new collaboration, the GPOI. The goal of this five-year program is to increase the capacity of countries to deploy to international peace support operations by training 75,000 peace support troops worldwide by 2010 (with an emphasis on Africa), develop transportation and logistics support, increase the number of gendarme units deployable to international operations and facilitate deployments for these peacekeeping units. The Committee recognizes that

under GPOI the Department of State has expanded the activities to include 18 partners and is helping to strengthen strategic and operational management capacities at the African Union (AU) and the Economic Community of West African States (ECOWAAS). To date, GPOI program funds have been used to train approximately 19,191 troops, including 1,218 trainers around the world. In addition, in order for GPOI countries to be effective partners in multinational operations, their military leaders should be educated in the same core competencies and curriculum. The Committee strongly encourages the Secretary of State to consider sending GPOI participants to common educational programs in the United States.

The Committee recommendation includes \$95,200,000 for these efforts, which is the same as the request. In addition to activities in Africa, the Committee commends GPOI's performance in the Asia-Pacific Area and encourages the Department of State to build on these successes in other regions.

The Committee expects the fiscal year 2009 budget request for GPOI to include a detailed summary of the achievements of GPOI to date and specific information linking the budget request to fiscal year 2009 performance objectives. The Administration is encouraged, if possible, to submit the achievement summary before the fiscal year 2009 budget request.

TITLE V—MULTILATERAL ECONOMIC ASSISTANCE  
 FUNDS APPROPRIATED TO THE PRESIDENT  
 INTERNATIONAL FINANCIAL INSTITUTIONS  
 GLOBAL ENVIRONMENT FACILITY

Fiscal year 2007 enacted level .....	\$79,200,000
Fiscal year 2008 request .....	106,763,000
Committee recommendation .....	106,763,000
Change from request .....	0
Change from enacted level .....	27,563,000

The Committee recommendation includes \$106,763,000 for the Global Environment Facility (GEF), administered by the World Bank, which is \$27,563,000 above the fiscal year 2007 level and the same as the request. The Committee recommendation includes \$80,000,000 as the second scheduled payment of five to the fourth replenishment of the GEF.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

Fiscal year 2007 enacted level .....	\$940,500,000
Fiscal year 2008 request .....	1,060,000,000
Committee recommendation .....	950,000,000
Change from request .....	- 110,000,000
Change from enacted level .....	9,500,000

The Committee recommendation includes \$950,000,000 for the regularly scheduled United States contribution to the International Development Association (IDA), which is \$9,500,000 above the fiscal year 2007 level and \$110,000,000 below the request. The Committee provides full funding for the current year contribution to the

International Development Association. The Committee does not provide funding to pay for arrears as requested.

CONCERNS ABOUT THE MULTILATERAL DEVELOPMENT BANKS

*Availability of information*

The Committee again requests copies of all annual reports and information about the basic functions of each institution as they become available, including the European Bank for Reconstruction and Development and the International Fund for Agricultural Development. Future and continued support for the banks cannot be guaranteed unless future requests are justified by the Department of the Treasury as well as the management of each individual institution.

*Budget support*

The Committee continues to be concerned about the recent trend of providing World Bank loans and grants through budget support in lieu of project level support. The Committee believes that providing assistance by means of budget support should be employed only as an emergency measure and, if excessive or frequent, can undermine the principle of encouraging countries to become fiscally responsible and good stewards of internal resources. Furthermore, it thwarts the Committee's ability to effectively monitor implementation of foreign assistance to ensure effective expenditure of appropriated dollars. Future support for funding increases of the World Bank and the other Multilateral Development Banks (MDBs) cannot be guaranteed if the MDBs increase their reliance further on budget support. The Committee directs the Secretary of the Treasury to consult with the Committee before any changes in budget support ceilings are adopted by any of the MDBs.

*Anticorruption provisions*

The Committee has been pleased at the level of transparency reforms that the Secretary of the Treasury has instigated at the multilateral development banks. Specifically these reforms have been key in the fight against corruption at all levels of the Bank's operations. The Committee was encouraged by recent efforts by the Inter-American Development Bank and the Asian Development Bank to begin adopting these standard procedures. However, the Committee is dismayed to learn that the Department of the Treasury has yet to receive sufficient information from the World Bank to allow the Secretary to certify World Bank compliance with the Anti-corruption general provision included in the fiscal year 2007 appropriations bill. The Committee has modified this provision and included language in section 681.

CONTRIBUTION TO THE MULTILATERAL INVESTMENT GUARANTEE AGENCY

Fiscal year 2007 enacted level .....	\$0
Fiscal year 2008 request .....	1,082,000
Committee recommendation .....	0
Change from request .....	0
Change from enacted level .....	-1,082,000

The Committee recommendation includes no funding for the Multilateral Investment Guaranty Agency, which is \$1,082,000 below the request. The Administration has made all scheduled annual commitments to the most recent capital increases.

#### CONTRIBUTION TO THE INTER-AMERICAN INVESTMENT CORPORATION

Fiscal year 2007 enacted level .....	\$0
Fiscal year 2008 request .....	7,264,000
Committee recommendation .....	0
Change from request .....	-7,264,000
Change from enacted level .....	0

The Committee recommendation includes no funding for the Inter-American Investment Corporation. The Committee is encouraged that the IIC has adopted new operating policies and a new information disclosure policy. Since the United States is the largest single shareholder of the IIC, the Committee is pleased with the new transparency concerning information.

#### CONTRIBUTION TO THE ENTERPRISE FOR THE AMERICAS MULTILATERAL INVESTMENT FUND

Fiscal year 2007 enacted level .....	\$1,725,000
Fiscal year 2008 request .....	29,232,000
Committee recommendation .....	25,000,000
Change from request .....	-4,232,000
Change from enacted level .....	23,275,000

The Committee recommendation includes \$25,000,000 for the Enterprise for the Americas Multilateral Investment Fund, which is \$23,275,000 above the fiscal year 2007 level and \$4,232,000 below the request. The Committee recommendation includes \$25,000,000 as the second of six installments of the MIF-II replenishment. The Committee is encouraged by the MIF's progress in improving transparency and adopting reforms. The Committee notes that MIF's plan to make public its Project Performance Monitoring Reports and Project Completion Reports is a first for a multilateral development institution.

#### CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

Fiscal year 2007 enacted level .....	\$99,000,000
Fiscal year 2008 request .....	133,906,000
Committee recommendation .....	115,306,000
Change from request .....	-18,600,000
Change from enacted level .....	16,306,000

The Committee recommendation includes \$115,306,000 for the Asian Development Fund, the concessional facility of the Asian Development Bank, which is \$16,306,000 above the fiscal year 2007 level and the \$18,600,000 below the request. The Committee recommends \$115,306,000 be made available for the third scheduled payment of four to the ninth replenishment of the Asian Development Fund.

## CONTRIBUTION TO THE AFRICAN DEVELOPMENT BANK

Fiscal year 2007 enacted level .....	\$3,602,000
Fiscal year 2008 request .....	2,037,000
Committee recommendation .....	2,037,000
Change from request .....	0
Change from enacted level .....	-1,565,000

The Committee recommendation includes \$2,037,000 for African Development Bank, which is \$1,565,000 below the fiscal year 2007 level and the same as the request.

## CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

Fiscal year 2007 enacted level .....	\$134,343,000
Fiscal year 2008 request .....	140,584,000
Committee recommendation .....	135,684,000
Change from request .....	-4,900,000
Change from enacted level .....	1,341,000

The Committee recommendation includes \$135,684,000 for the concessional facility for the African Development Bank, which is \$1,341,000 above the fiscal year 2007 level and \$4,900,000 below the request. This amount is for the final payment of a three-year commitment under the agreement for the tenth replenishment of African Development Fund.

## CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

Fiscal year 2007 enacted level .....	\$0
Fiscal year 2008 request .....	10,000
Committee recommendation .....	0
Change from request .....	-10,000
Change from enacted level .....	0

The Committee recommendation includes no funding for the European Bank for Reconstruction and Development, which is the same as the fiscal year 2007 level and \$10,000 below the request. The United States has made all scheduled annual commitments to the most recent capital increases.

## CONTRIBUTION TO THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Fiscal year 2007 enacted level .....	\$14,850,000
Fiscal year 2008 request .....	18,072,000
Committee recommendation .....	18,072,000
Change from the request .....	0
Change from the enacted level .....	3,222,000

The Committee recommendation includes \$18,072,000 for the International Fund for Agricultural Development (IFAD), which is \$3,222,000 above the fiscal year 2007 level and the same as the request. This amount is for the second of three payments for the seventh replenishment of IFAD.

## INTERNATIONAL ORGANIZATIONS AND PROGRAMS

Fiscal year 2007 enacted level .....	\$326,163,000
Fiscal year 2008 request .....	289,400,000
Committee recommendation .....	333,400,000
Change from request .....	44,000,000
Change from enacted level .....	7,237,000

The Committee recommendation includes \$333,400,000 for International Organizations and Programs, which is \$7,237,000 above the fiscal year 2007 level and \$44,000 above the request.

The following table compares the President's request for fiscal year 2008 and the Committee recommendation:

Organization	Amount in thousands	FY 2008 proposed	Committee recommendation
Center for Human Settlements (UN—HABITAT)		\$1,000	\$900
International Civil Aviation Organization		950	900
International Conservation Programs		6,000	6,200
International Contributions for Scientific, Educational & Cultural Activities		1,000	1,000
International Development Law Organization		300	300
IMO Maritime Security Programs		400	400
International Panel of Climate Change/UN Framework Convention on Climate Change		5,320	5,320
Montreal Protocol Multilateral Fund		19,000	19,000
OAS Development Assistance Programs		5,225	5,000
OAS Fund for Strengthening Democracy		2,500	2,500
Organization for Security & Cooperation in Europe		4,000	4,000
UN Children's Fund (UNICEF)		123,000	128,000
UN Democracy Fund (UNDEF)		14,000	0
UN Development Program (UNDP)		75,300	110,000
UN Environment Program (UNEP)		9,524	10,500
UN Innovation and Entrepreneurship Initiative		10,000	0
UN Office of Coordinator of Humanitarian Affairs (OCHA)		2,000	1,500
UN Population Fund (UNFPA)		0	23,000
UN Voluntary Fund for Technical Cooperation in the Field of Human Rights		1,425	1,485
UN Voluntary Fund for Victims of Torture		4,750	5,200
UN Women's Fund (UNIFEM)		950	3,600
UNIFEM Trust Fund		0	1,800
World Meteorological Organization		1,900	1,900
World Trade Organization Technical Assistance		950	900
<b>Total</b>		<b>243,799</b>	<b>330,405</b>

#### *United Nations Development Program (UNDP)*

UNDP is an essential and effective United States partner in confronting the major global challenges facing the international community, especially in the areas of democratic governance, conflict prevention and recovery, poverty reduction, and HIV/AIDS. The Committee recommendation includes not less than \$110,000,000 as the United States contribution to UNDP's core budget for fiscal year 2008.

#### *United Nations Children's Fund (UNICEF)*

UNICEF is an essential United States partner in achieving child survival and health objectives, especially those in the areas of immunization, HIV/AIDS, and early childhood development. The Committee recommendation includes not less than \$128,000,000 for a contribution to UNICEF. The Committee is aware of UNICEF's new accelerated child survival initiative and encourages USAID to consider their successful model in implementing its own programs. This provision of core support does not preclude USAID from providing additional funding for specific UNICEF projects.

#### *United Nations Development Fund for Women (UNIFEM)*

UNIFEM is an essential United States partner in global efforts to provide economic, social and political opportunities to women. The Committee recommendation includes a total of \$3,600,000 for

UNIFEM, and a \$1,800,000 contribution to the Trust Fund in Support of Actions to Eliminate Violence Against Women.

#### TITLE VI—GENERAL PROVISIONS

The restructuring undertaken by the Committee at the beginning of the 110th Congress incorporated State Department operations, commissions and related agency within the appropriations for foreign assistance and operations. Commensurate with the additional resources the committee has included an additional title which thereby adjusts the section numbers of the general provisions accordingly.

The Committee recommends 16 of the general provisions carried in the fiscal year 2007 Act be deleted. These provisions (sections 526, 554, 572, 578, 580, 582, 587, 588, 591, 592, 594, 595, 598, 599A, 599B, 599C) are either addressed elsewhere in permanent law, have been considered by the appropriate authorizing committee, or are no longer necessary.

The Committee recommends the following new and revised general provisions:

Sec. 607. “Prohibition Against Direct Funding for Certain Countries” is modified by lifting the restriction on “International Military Education and Training” (IMET) for Libya.

Sec. 609. “Transfer Authority” is modified by combining section 402 of the fiscal year 2007 Science, State, Justice and Commerce Appropriations Act with sections 519 and 509 of the fiscal year 2007 Foreign Operations Appropriations Act; making them subsection (a), (b), and (c) respectively. No other substantive changes have been applied.

Sec. 611. “Availability of Funds” is modified by combining section 602 of the fiscal year 2007 Science, State, Justice and Commerce Appropriations Act with section 511 of the fiscal year 2007 Foreign Operations Appropriations Act and adding “International Military Education and Training” to the extension of availability of funds.

Sec. 615. “Reprogramming Notification Requirements” is modified by combining section 605 of the fiscal year 2007 Science, State, Justice and Commerce Appropriations Act with section 515 of the fiscal year 2007 Foreign Operations Appropriations Act; making them subsection (a) (b), and (c) (d) respectively. The Committee intends to extend the human health and welfare exemption to all funding in this bill.

Sec. 617. “Independent States of the Former Soviet Union” is modified to be similar to the fiscal year 2007 House passed Foreign Operations bill by deleting “Kazakhstan” from the list of notification counties.

Sec. 619. “Statement” is modified by striking tables for “Child Survival and Health Programs Fund”, “Global HIV/AIDS Initiative”, “Democracy Fund”, “Andean Counterdrug Initiative” and “International Narcotics Control and Law Enforcement”.

Sec. 622. “Child Survival and Health Activities” is revised by changing the dollar amount to \$441,000,000 and including a provision which exempts funding for the provision of contraceptives in developing countries from the March 28, 2001 Memorandum to the Administrator of the United States Agency for International Development.

Sec. 623. "Afghanistan" is modified by changing "should" to "shall" with regard to humanitarian, reconstruction and related assistance as well as with regard to programs to directly address the needs of Afghan women and girls.

Sec. 625. "Global Fund to Fight AIDS, Tuberculosis, and Malaria" is modified by including additional benchmarks upon which the Global Fund contribution is conditioned.

Sec. 630. "Financial Market Assistance", is modified by deleting "In Transition Countries" from the header and modifying the last sentence to read countries eligible to receive United States assistance.

Sec. 633. "Special Authorities", is modified by deleting subsection(f), (i), and (l) of the fiscal year 2007 Act. Subsection (i), "Middle East Foundation", has been modified to exclude the provision that a majority of the board of directors be United States citizens.

Sec. 637. "Ceilings and Designated Funding Levels", is modified by combining section 417 of the fiscal year 2007 Science, State, Justice and Commerce Appropriations Act with section 538 of the fiscal year 2007 Foreign Operations Appropriations Act. Additionally the word "earmark" has been substituted with "designated funding level" wherever it appeared. There are no other substantive changes to the provision.

Sec. 638. "Prohibition on Publicity or Propaganda" is modified by combining section 601 of the fiscal year 2007 Science, State, Justice and Commerce Appropriations Act with section 539 of the fiscal year 2007 Foreign Operations Appropriations Act.

Sec. 648. "Haiti" funding levels have been modified.

Sec. 649. "Colombia" is a new general provision providing not more than \$530,608,000 shall be provided for assistance to Colombia, of which \$218,500,000 shall be directly apportioned to USAID for alternative development programs, of which \$15,000,000 is for Afro-Colombian and indigenous communities and not more than \$49,500,000 is available for military assistance and training and \$22,250,000 is for rule of law programs funded under the heading "International Narcotics Control and Law Enforcement" (INCLE). The provision includes language formerly contained under the heading "Andean Counterdrug Initiative" (ACI) which extends the availability of funds provided for assistance for Colombia to support a unified campaign against narcotics trafficking, against activities by organizations designated as terrorist organizations, and to take actions to protect health and human welfare and adds language to the proviso to include "illegal self-defense groups" and "illegal security cooperatives". It continues the language directing the Secretary of State to consult with the Committee if the implementation of the expanded authorities changes from that described in the May 2003 report to Congress.

Sec. 654. "Libya" is a new general provision which provides that no funds under this Act may be for any diplomatic operations in Libya until the President certifies to Congress that the Government of Libya has taken "irrevocable" steps to pay the settlement to the surviving families of Pan Am Flight 103 bombing and works in good faith to resolve the La Belle Discotheque bombing and other unresolved acts of terrorism.

Sec. 656. "Limitations on Assistance to Colombia" is similar to section 556 of the 2007 Act and is modified by changing the



amount of assistance withheld from the Colombian armed forces prior to a written certification from the Secretary of State from 25 percent to 35 percent. The provision adds two new requirements: 1) that the Government of Colombia is ensuring that the armed forces are not violating land and property rights of indigenous and Afro-Colombian communities and 2) that civilian judicial authorities are making demonstrable progress in dismantling paramilitary networks. Additionally, funding for critical flight safety and or any alternative development programs are exempted from the withholding. Additionally, the term “paramilitary groups” is broadened to include successor groups that have demobilized but continue illegal operations.

Sec. 657. “Prohibition on Assistance to the Palestinian Broadcasting Corporation” is modified by combining section 403 of the fiscal year 2007 Science, State, Justice and Commerce Appropriations Act with section 558 of the fiscal year 2007 Foreign Operations Appropriations Act; making the provision applicable to all funding within the Act. No other substantive changes have been applied.

Sec. 658. “Support of Peace Process and Demobilization in Colombia” is similar to the “Assistance for Demobilization and Disarmament of Former Irregular Combatants in Colombia” general provision contained in the fiscal year 2007 Act. Subsection (a) of the provision provides \$23,000,000 in ESF for demobilization activities, subject to certain conditions. Subsection (b) provides \$3,000,000 for the OAS mission to support peace in Colombia and retains language requiring consultation and notification before the obligation of funds for demobilization of paramilitaries.

Sec. 659. “West Bank and Gaza Programs” is modified by a new paragraph which restricts security assistance contingent upon the establishment and compliance with benchmarks for such assistance.

Sec. 660. “Contributions to the United Nations Population Fund” is modified by changing the dollar figure, inserting new funding limitations and reiterating the application of current law. The Committee finds that there are no provisions in this bill that shall be construed to deny funding to any organization or program solely because the organization operates in a country where the government of such country engages in coercive abortion or involuntary sterilization. The Committee believes that the United Nations Population Fund (UNFPA) provides critically needed assistance to women around the world. UNFPA operates in more than 140 countries and complements USAID’s population programs in 60 countries. United States government engagement with UNFPA is an essential part of our effort to reduce maternal and child mortality and improve the lives of women overseas.

The Committee is concerned that the Administration has withheld funding approved by Congress for UNFPA in each of the last five years. The Committee does not believe that any provisions included in this bill justify withholding this funding. Additionally, the Committee is concerned that there is a lack of methodology, consistent criteria, and transparency in formulating the decision. In fact, the Department of State continues to ignore the recommendations of its own hand-selected investigation and assessment team, which found, in 2002, that there was no evidence that

UNFPA knowingly supported or participated in the management of a program of coercive abortion or involuntary sterilization in China. The team recommended that United States Government funds be made available to UNFPA. This report additionally recommended that unless and until all forms of coercion in Chinese law and practice are eliminated, no United States Government funds should be allocated directly for population programs in China. This bill contains provisions prohibiting any United States contribution to UNFPA from being used in China, requires the United States contribution to UNFPA to be held in a segregated account and reduces funding to UNFPA by one dollar for each dollar of its own funding it spends on programs in China. These provisions are included to ensure that no funds may be spent on population programs in China. However, consistent with the recommendations of the 2002 Department of State assessment team, the Committee strongly supports UNFPA's critical work around the world and increases funding to \$40,000,000 for these efforts.

Sec. 663. "Funding for Serbia" is modified by deleting the determination and certification requirement regarding Radovan Karadzic and differentiates between Montenegro and Serbia.

Sec. 667. "Basic Education" is modified by changing the dollar figure. The Committee provides a total of \$750,000,000 for United States government programs for assistance in developing countries for basic education. Of this total, \$265,000,000 should be used to implement assistance in developing countries for basic education consistent with H.R. 2092, the Education for All Act of 2007, as introduced on May 1, 2007. This designation of funds is a continuation of the program included in the fiscal year 2006 report, which provided \$65,000,000 to support Fast Track Initiative programs.

For those programs being implemented consistent with H.R. 2092, the Committee believes that program funds should be implemented in such a way that supports an international effort to provide all children with a quality basic education in order to achieve the goal of universal basic education by 2015 as agreed to at the World Education Forum held in Dakar, Senegal in 2000. Funds should be used to support programs in countries in conflict, emerging from conflict, or experiencing humanitarian crisis.

The Committee intends that these funds should be used to ensure an adequate supply of trained teachers; to promote programs that expand training and implementation of effective curricula; to provide adequate infrastructure; to build systems to provide continuing support, training, and professional development for all educators; to eliminate fees for educational services, including fees for tuition, uniforms, and materials, and provide access to education without additional costs to families through simplified multilateral mechanisms; to identify and replicate successful interventions that improve access to education and the quality of education, such as scholarships, school lunch, and school health programs; to build systems to ensure continuing information collection, monitoring, and evaluation of education services and financing; to ensure that schools are not incubators for violent extremism; to provide human rights and conflict-resolution education; to promote programs that teach civic education and life skills; to support other initiatives that have demonstrated success in increasing access, improving learning outcomes and increasing educational opportunities for the

most disadvantaged populations, such as children in remote or rural areas, religious or ethnic minorities, orphans and children impacted by HIV/AIDS, child laborers or victims of trafficking, children affected by conflict, and children living with disabilities; to increase the number of comprehensive schools; and to carry out other activities to further the goals of the Education for All Fast-Track Initiative.

The Committee believes that schools can serve as the center of communities—bringing together parents, students, teachers, and government officials. Therefore, the Committee encourages USAID to ensure that schools supported through our programs include school lunch and health programs.

Within these schools, the Committee is concerned about the quality of the education and believes that students should receive a quality education, including reading, writing, and math skills appropriate to the age of the students. The Committee is aware of efforts currently being undertaken by USAID, the World Bank, the William and Flora Hewlett Foundation and others to establish international basic education standards and to measure learning outcomes. The Committee supports these efforts and encourages USAID to continue this collaboration to further the implementation of this work. The Committee is also concerned about national curricula. In particular, the Committee is concerned about the content of national curriculums and encourages USAID to take every action possible to ensure that national curriculums in countries supported by the United States promote tolerance, understanding of others and respect, and do not promote hatred. Additionally, the Committee encourages USAID to take every action possible to ensure that schools in countries supported by the United States government are not incubators for violent extremism.

The Committee intends that country education programs be managed by program officers with a background and competency in education. The Committee also mandates the establishment of a Coordinator of United States Government Activities to provide basic education assistance in developing countries, to be responsible for implementation of United States government assistance for developing countries for basic education.

The Committee requires the President to send a new comprehensive basic education strategy to the Committee within 90 days of enactment of this bill. The strategy shall include specific objectives, indicators and approaches to increase access and quality of basic education; outline how the United States government will ensure a smooth transition and continuum of educational activities in countries affected by armed conflict; assign priorities and responsibilities to relevant executive branch agencies; and outline how coordination will be improved both within the United States government and with other donors.

The Committee requests a report on the implementation of the United States government assistance for basic education programs, including country specific information on programs and activities being funded, schools supported, capacity building being provided to the federal, regional, and local government representatives, as well as information about how these activities support the overall basic education strategy requested in this Act. The Committee requests that this report also include information about how our pro-

grams complement and support the national education plans in the countries where we work. The Committee requests a report within 60 days of enactment of the Act that provides a summary of the national curriculum being taught in each country where United States assistance for basic education is being provided. In the report, the Committee requests information about whether these standards and curriculum are being followed and what steps USAID will be taking to ensure that they are being followed in every school being supported with United States funding.

The Committee requires that USAID consult with the Committee on Appropriations prior to obligation of assistance in developing countries for basic education.

Sec. 668. "Reconciliation Programs" is modified by changing the funding level to \$12,000,000 and directing \$11,000,000 to MEPDCP.

Sec. 669. "Sudan" is modified to note a new definition of the Government of Sudan, to ensure that the regional government of South Sudan is not subject to the same restrictions, and to facilitate implementation to the Darfur Peace Agreement.

Sec. 670. "Trade Capacity Building" is modified by changing the dollar figure to \$525,000,000.

Sec. 671. "Excess Defense Articles for Central and South European Countries and Certain Other Countries" is modified by deleting "Uzbekistan".

Sec. 672. "Assistance to Colombia Law Enforcement to Combat Illegal Armed Groups" is a new provision which in subsection (a) withholds funds if the Secretary of State determines that Colombian law enforcement or intelligence agency have been infiltrated by illegal groups. Subsection (b) continues a provision carried in prior Acts that denies visas to supporters of illegal groups.

Sec. 675. "Limitation on Economic Support Fund Assistance for Certain Foreign Governments That Are Parties to the International Criminal Court" is modified by deleting subsection (e) of the fiscal year 2007 Act.

Sec. 676. "Tibet" is modified by increasing the funding directive from \$4,000,000 to \$5,000,000.

Sec. 677. "Western Hemisphere" is similar to section 576 of the 2007 Act except subsection (b) is stricken and replaced by FMF funding levels for Colombia, El Salvador, Honduras, Bolivia, Guatemala, and Belize.

Sec. 682. "Indonesia" is modified by deleting prior restrictions that are no longer applicable and requiring a report instead of a certification.

Sec. 683. "Enhancing Women's Economic Opportunities" is modified by including a new provision. The Committee recommendation includes a total of \$35,000,000, specifically targeted to women's leadership and capacity-building. Of that amount, \$15,000,000 is intended to support women's leadership training and up to \$20,000,000 is intended to support the establishment of the GROWTH Fund. The GROWTH Fund shall be available to USAID missions as additional funding to support specific activities that enhance women's economic opportunities or to integrate gender into existing economic opportunity programs. Funds should also be used to provide technical assistance and capacity-building to local, indigenous civil society, with a strong focus on women's organizations,

particularly to carry out activities to enhance women's economic opportunity.

The Secretary of State shall submit within 180 days an annual report on the implementation of this fund to the Committees on Appropriations. The report shall identify the amount provided to each recipient, including contractors, sub-contractors, grantees, and sub-grantees; whether such recipients are local indigenous or international entities; and whether such entities are non-governmental organizations, community-based organizations, private entities or government entities. The report shall also disaggregate recipient entities by sex, where appropriate. Such reports shall be made available to the public on the Internet websites of USAID.

Appropriations to the GROWTH Fund are in addition to other funds available for such purposes and shall remain available until expended.

Sec. 684. "Peacekeeping Cap" is a new general provision that lifts the congressional restrictions on assessed costs of United Nations peacekeeping missions from 25 percent to 27.1 percent for fiscal year 2008.

Sec. 685. "Limitation on Basing in Iraq" is a new general provision to this bill and similar to a provision (section 627) of the House-passed 2007 Science, State, Justice, and Commerce appropriations bill. The provision restricts funds from this Act to be used to enter into a basing agreement between Iraq and the United States.

Sec. 687. "Report on Indonesian Cooperation" is a Secretary of State reporting requirement analogous to section 599G of the 2007 Act. It is modified to apply only to IMET training and includes four new requirements.

Sec. 688. "Limitation on Assistance to Foreign Countries that Refuse to Extradite to the United States Any Individual Accused in the United States of Killing a Law Enforcement Officer" is modified by removing the waiver.

Sec. 689. "Governments That Have Failed to Permit Certain Extraditions" is modified by removing the waiver.

Sec. 690. "International Monetary Fund Budget and Hiring Ceilings" is a new provision to this bill. It is similar to a provision (section 579) of the House-passed 2007 Foreign Operations appropriations bill. The provision acknowledges that a sound fiscal position is necessary for macroeconomic stability and poverty reduction. In this regard, the Committee is concerned that country authorities, in response to International Monetary Fund (IMF) efforts to promote prudent fiscal positions, may limit the hiring of new teachers and health workers, as well as the building of new schools and health facilities. The Committee directs the United States Executive Director to urge IMF management and staff to encourage governments to protect social spending on poor people while keeping overall budget spending within a level that does not undermine economic stability.

Sec. 691. "Environment Programs" is modified by changing the dollar figure to \$501,000,000 and deleting programmatic earmarks from the provision.

Sec. 694. "War Crimes in Africa" is modified by deleting subsection (d).

Sec. 696. "Oversight of Iraq Reconstruction" is modified to apply the authority to all reconstruction funds in Iraq in fiscal years 2006, 2007, and 2008.

Sec. 698. "Neglected Diseases" is modified by increasing the funding level allotted from \$15,000,000 to \$18,000,000.

Sec. 699. "Assistance for Egypt" is a new provision to this bill. The Committee is concerned that Egypt has failed to take adequate steps to promote and protect human rights. Recent actions encroaching on the independence of the Judiciary, including Egypt's highest court, and abuses by the police in detaining and arresting demonstrators have called into question Egypt's commitment in this area. The Committee is also concerned about the smuggling of weapons and illicit goods into Gaza through tunnels and such networks along Egypt's border with Gaza. Therefore, the Committee conditions \$200,000,000 of the \$1,300,000,000 in military assistance for Egypt to a certification by the Secretary of State that the Government of Egypt is taking concrete and measurable steps to address these concerns and reports to the Committee. The Committee expects the report to contain the following elements: (1) steps towards enactment of a new judicial law, including the principal components of the law and the separation of the budget of the judiciary from that of the Ministry of Justice; (2) steps to review criminal procedures and train police leadership in modern policing to curb abuses including training on handling mass demonstrations, crowd control, arrest procedures and mass detentions, on human rights and on criminal procedures and due process; and (3) steps to detect and destroy the smuggling network into Gaza including but not limited to the number of arrests made, amount of illegal cash seized, number of individuals sentenced, number of tunnels detected and number of tunnels destroyed.

Sec. 699A. "Relief for the Hmong and Montagnards" is a new section which amends the Immigration and Nationality Act with regard to the admission qualifications for certain Hmong and Montagnard refugees.

Sec. 699B. "Report on Anti-Corruption Activities" is a new section requiring a report on the level of corruption activities in each country receiving assistance under the headings "Development Assistance", "Assistance for Eastern Europe and the Baltic States", and "Assistance for the States of the Former Soviet Union".

Sec. 699C. "Programs to Improve Democracy, the Rule of Law, and Governance in Iran" is a new section which provides that \$50,000,000 should be available for democracy, rule of law and governance programs in Iran.

#### PROVISIONS RETAINED FROM FISCAL YEAR 2007 ACT

The following general provisions from the fiscal year 2007 bill were retained in the fiscal year 2008 bill unchanged except for technical corrections, references to prior fiscal years, and new section numbers where appropriate:

Sec. 601. "Compensation for United States Executive Directors to International Financial Institutions".

Sec. 602. "Restrictions on Voluntary Contributions to United Nations Agencies".

Sec. 603. "Limitation on Residence Expenses".

Sec. 604. "Unobligated Balances Report".

- Sec. 605. "Limitation on Representational Allowances".
- Sec. 606. "Prohibition on Taxation of United States Assistance".
- Sec. 608. "Military Coups".
- Sec. 610. "Commercial Leasing of Defense Articles".
- Sec. 612. "Limitation on Assistance to Countries in Default".
- Sec. 613. "Commerce and Trade".
- Sec. 614. "Surplus Commodities".
- Sec. 616. "Limitation on Availability of Funds for International Organizations and Programs".
- Sec. 618. "Prohibition on Funding for Abortions and Involuntary Sterilization".
- Sec. 620. "Special Notification Requirements".
- Sec. 621. "Definition of Program, Project, and Activity".
- Sec. 624. "Notification of Excess Defense Equipment".
- Sec. 626. "Prohibition on Bilateral Assistance to Terrorist Countries".
- Sec. 627. "Debt-For-Development".
- Sec. 628. "Separate Accounts".
- Sec. 629. "Enterprise Fund Restrictions".
- Sec. 631. "Authorities for the Peace Corps, Inter-American Foundation and African Development Foundation".
- Sec. 632. "Impact on Jobs in the United States".
- Sec. 634. "Arab League Boycott of Israel".
- Sec. 635. "Eligibility for Assistance".
- Sec. 636. "Reservations of Funds".
- Sec. 639. "Prohibition of Payments to United Nations Members".
- Sec. 640. "Nongovernmental Organizations—Documentation".
- Sec. 641. "Prohibition on Assistance to Foreign Governments that Export Lethal Military Equipment to Countries Supporting International Terrorism".
- Sec. 642. "Withholding of Assistance for Parking Fines Owed by Foreign Governments".
- Sec. 643. "Limitation on Assistance for the PLO for the West Bank and Gaza".
- Sec. 644. "War Crimes Tribunals Drawdown".
- Sec. 645. "Landmines".
- Sec. 646. "Restrictions Concerning the Palestinian Authority".
- Sec. 647. "Prohibition of Payment of Certain Expenses".
- Sec. 650. "Limitation on Assistance to the Palestinian Authority".
- Sec. 651. "Limitation on Assistance to Security Forces".
- Sec. 652. "Foreign Military Training Report".
- Sec. 653. "Authorization Requirement".
- Sec. 655. "Palestinian Statehood".
- Sec. 659. "West Bank and Gaza Program".
- Sec. 661. "War Criminals".
- Sec. 662. "User Fees".
- Sec. 664. "Community Based Police Assistance".
- Sec. 665. "Special Debt Relief for the Poorest".
- Sec. 666. "Authority to Engage in Debt Buybacks or Sales".
- Sec. 673. "Cuba".
- Sec. 674. "Gender-Based Violence Training".
- Sec. 678. "United States Agency for International Development Management".
- Sec. 679. "OPIC Transfer Authority".
- Sec. 680. "Reporting Requirement".

- Sec. 681. "Anticorruption Provisions".  
 Sec. 686. "Prohibition on Use of Torture".  
 Sec. 692. "Uzbekistan".  
 Sec. 693. "Discrimination Against Minority Religious Faiths in the Russian Federation".  
 Sec. 695. "Combating Piracy of United States Copyrighted Materials".  
 Sec. 697. "United Nations Headquarters Renovation".

#### HOUSE OF REPRESENTATIVES REPORTING REQUIREMENTS

##### RESCISSIONS

Pursuant to clause 3(f)(2) of the rule XIII of the Rules of the House of Representatives, the following is submitted describing the rescissions recommended in the accompanying bill:

There are no rescissions recommended in the accompanying bill.

##### CHANGES IN THE APPLICATION OF EXISTING LAW

Pursuant to clause 3(f)(1)(A) of rule XIII of the Rules of the House of Representatives, the following statements are submitted describing the effect of provisions in the accompanying bill that directly or indirectly change the application of existing law.

Language is included in various parts of the bill to continue ongoing activities in fiscal year 2008 which require annual authorization or additional legislation, which to date has not been enacted.

The bill includes provisions which place limitations on the use of funds in the bill or change existing limitations and which might under some circumstances be construed as changing the application of existing law.

The bill includes a number of provisions, which have been virtually unchanged for many years, which are technically considered legislation.

The bill provides that several of the appropriations shall remain available for obligation beyond the current fiscal year. In all cases it is deemed desirable to carry such language in order to provide for orderly administration of such programs and effective use of funds.

In various places in the bill, the Committee recommendation continues the prior year's practice of designating amounts within appropriation accounts in order to fund specific programs, and in some places made adjustments to designations.

The bill contains a number of general provisions and other language provisos that have been carried in prior years which include limitations and conditions on funding provided in the Act.

Additional changes in the fiscal year 2008 bill, which may be construed as changing existing law, are as follows:

Under "Diplomatic and Consular Programs" language is included designating funding, transfer authority, and limitations on certain programs, offices and activities.

Under "Diplomatic and Consular Programs" language, carried in prior years, is included designating the availability and use of certain fees.



Under “Capital Investment Fund” language, carried in prior years, is included stating that section 135(e) of Public Law 103–236 shall not apply.

Under “Office of Inspector General” language, carried in prior years, is included that notwithstanding section 209(a)(1) of Public Law 96–465.

Under “Educational and Cultural Exchange Programs”, language, carried in prior years, is included designating the availability and use of certain fees.

Under “Emergencies in the Diplomatic and Consular Service” language, carried in prior years, is included permitting the transfer of not to exceed \$1,000,000 to the “Repatriation Loans Program Account”.

Under “Contributions to International Organizations”, includes language carried in prior years requiring notification of any increase in the United Nations biennial budget.

Under “Contributions to International Peacekeeping Activities”, language, carried in prior years, is included regarding extended availability of funds. Language is included prohibiting funds to be obligated for any new or expanded United Nations peacekeeping mission unless the United Nations has taken appropriate measures to prevent sexual exploitation and to hold accountable individual who engage in such activity.

Under “International Broadcasting Operations” language, carried in prior years, is included setting limitations on funds available for certain expenses and receipts.

Under “United States-China Economic and Security Review Commission” language is included regarding printing, compensation, and other issues related to the Commission’s work and authority.

Sec. 101 includes language, carried in prior years, regarding allowances and differentials.

Sec. 102 includes language, carried in prior years, requiring the Department of State and the Broadcasting Board of Governors to provide quarterly reports on the cumulative balances of any unobligated funds.

Sec. 103 includes language, carried in prior years, requiring inter-agency cost sharing with respect to the construction and use of diplomatic facilities.

Sec. 104 includes language, carried in prior years, placing certain limitations on funds available for peacekeeping missions.

Sec. 105 includes language, carried in prior years, regarding the denial of certain visa requests.

Sec. 106 includes language, carried in prior years, regarding certain limitations with respect to the Senior Policy Operating Group on Trafficking in Persons.

Sec. 107 includes language, carried in prior years, regarding United States Citizens born in Jerusalem.

Sec. 108 includes language, similar to language in prior years, making E-Government Initiatives subject to the reprogramming procedures in section 615 of the Act.

Sec. 109 includes language, carried in prior years, regarding limitations on expenditures for consulting services.

Sec. 110 includes language, carried in prior years, prohibiting the expenditure of funds in violation of section 609 of the Departments

of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1999.

Sec. 111 includes language, carried in prior years, extending certain authorities of the Department of State and Broadcasting Board of Governors for fiscal year 2008.

Sec. 112 includes language, carried in prior years, regarding the taxation of United States persons and restrictions in contributions to United Nations Delegations.

Sec. 113 includes language, carried in prior years, regarding the treatment of certain personnel actions.

Sec. 114 includes language, carried in prior years, establishing limitations on funds for United Nations Delegations chaired or presided over by certain prohibited countries.

Under “Export-Import Bank of the United States”, authority is provided for Sections 1(a) and (b) of Public Law 103–428 to remain in effect until October 1, 2008. Under “Export-Import Bank of the United States, Subsidy Appropriations”, funds are appropriated for the cost of direct loans, loan guarantees, insurance, and tied-aid grants. Such costs shall be as defined in section 502 of the Congressional Budget Act of 1974 and may be used for the disbursement of direct loans, loan guarantees, and insurance and tied-aid grants obligated in fiscal years 2008, 2009, 2010, and 2011. These funds are available for obligation until September 30, 2026. Under “Export-Import Bank of the United States, Administrative Expenses”, authority is provided to extend subsection (a) of section 117 of the Export Enhancement Act of 1992 until October 1, 2008; and a directive is included under the program account that not less than 10 percent of the aggregate loan, guarantee, and insurance authority available to the Export-Import Bank under this or any prior Act for renewable energy and environmentally beneficial products and services.

Under “Overseas Private Investment Corporation, Program Account”, funds are appropriated for the cost of direct and guaranteed loans, to be derived by transfer from the Overseas Private Investment Corporation Noncredit Account. Such costs shall be as defined in section 502 of the Congressional Budget Act of 1974 and may be used for direct loan and loan guaranty commitments incurred or made during fiscal years 2008, 2009, and 2010. These funds are available for obligation until 2016, 2017, and 2018, depending on the initial date of obligation. Authority is provided for OPIC to undertake programs in Iraq.

Under “Child Survival and Health Programs Fund” language is provided that designates how the funds should be allocated among various activities; not to exceed \$350,000, in addition to funds otherwise available for such purposes, may be used to monitor and provide oversight of programs for displaced and orphaned children and victims of war; \$70,000,000 is made available for a contribution to The GAVI Fund; and language is included that provides not less than \$250,000,000, subject to matching contributions, for a contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria, which shall be expended at the minimum rate necessary to make timely payments for projects and activities.

Under “Development Assistance”, language is provided that designates how the funds should be allocated among various activities, including \$519,000,000 for basic education, \$300,000,000 for safe

water; and \$175,000,000 for biodiversity. Language is included designating \$35,000,000 shall be made available only for programs to improve women's leadership capacity in recipient countries.

Under "Development Credit Authority", authorized transfers, when added to the funds transferred pursuant to the authority contained under this heading in Public Law 107-115, shall not exceed \$21,000,000. Such costs shall be as defined in section 502 of the Congressional Budget Act of 1974. The Provisions of section 107A(d) of the Foreign Assistance Act of 1961, as contained in section 306 of H.R. 1486 as reported by the House Committee on International Relations on May 9, 1997, shall be applicable to direct loans and loan guarantees.

Under "Operating Expenses of the United States Agency for International Development", USAID is prohibited from entering into domestic leases, except when necessary for continuity of operations, and to terminate a lease executed on September 30, 2005. Language is included permitting the Secretary of State to utilize sections 610 and 109 of the Foreign Assistance Act to transfer funds to this account from funds appropriated to carry out chapter 1 of part I of that Act.

Under "Capital Investment Fund", the Administrator of USAID is authorized to charge fair and reasonable rent in buildings constructed using funds appropriated under this heading, and such rental payments are designated as offsetting collections; and the assignment of employees or contractors to buildings is subject to the concurrence of the Administrator of USAID. Language is included that limits funding for implementing the Capital Security Cost Sharing Program to \$75,144,500.

Under "Economic Support Fund", not less than \$415,000,000 is made available only for Egypt of which not less than \$135,000,000 shall be for project assistance, of which \$50,000,000 is for democracy programs and not less than \$50,000,000 is for education; not more than \$300,000,000 may be available for Afghanistan subject to certification on poppy eradication and interdiction efforts; \$218,500,000 is available only for Colombia alternative development assistance; \$263,547,000 should be made available only for assistance for Jordan; not more than \$63,500,000 may be made available for West Bank and Gaza; not less than \$45,000,000 should be available for Lebanon of which not less than \$10,000,000 should be available for American educational institutions for scholarships and other programs; \$11,000,000 should be available for Cyprus; \$1,000,000 is available for administrative expenses from funds available for Timor-Leste; funds may be spent for programs and activities for the Central Highlands of Vietnam; and funding made available for Middle East Financing Facility, Middle East Enterprise Fund, or any other similar entity shall be subject to regular notification procedures.

Under "Assistance for Eastern Europe and the Baltic States" does not carry provision and funding on rule of law programs for training and judges.

Under "Assistance for the Independent States of the Former Soviet Union", limits to administrative expenses for programs under section 807 of Public Law 102-511 to 6 percent, and directs that not less than \$52,150,000 should be made available for assistance for child survival and health activities.

Under “African Development Foundation”, funds made available to grantees may be invested for project purposes when authorized by the Board of Directors, instead of by the President as in current law; authorizes the limitation in section 505(a)(2) of \$250,000 to be waived in exceptional circumstances, but only up to \$10,000.

Under “Peace Corps”, language, carried in prior years, is included that permits the Director to transfer up to \$2,000,000 to help mitigate exchange rate losses.

Under “Millennium Challenge Corporation”, language is included allowing up to 10 percent of funds for assistance to threshold countries but restricting the availability of funds until after the submission of a report describing the proposed implementation of the threshold program for fiscal year 2007. Section 605(e)(4) of the relevant authorization act is also applied to funds appropriated under this heading. Administrative expenses are limited to \$95,000,000. Language is included requiring the MCC to fully fund compacts.

Under “Global HIV/AIDS Initiative”, not less than \$300,000,000 is made available for a contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria, which shall be expended at the minimum rate necessary to make timely payments for projects and activities. Language is also included to provide up to five percent of the Global Fund contribution to be used for technical assistance related to the activities of the Global Fund.

Under “International Narcotics Control and Law Enforcement”, the Department of State is given the authority to use section 608 of the Foreign Assistance Act of 1961 to provide excess property to a foreign country; provides not less than \$15,000,000 for International Law Enforcement Academies; funds demand reduction programs at \$12,000,000; not less than \$8,000,000 for programs to combat transnational crime and criminal youth gangs; a limitation of \$38,000,000 is placed on administrative expenses; and a limitation that no funds shall be available for aerial eradication programs in Afghanistan.

Under “Andean Counterdrug Initiative”, assistance for Colombia is made available consistent with the provisions authorizing and limiting such assistance as are contained in Public Law 107-206; section 482(b) of the Foreign Assistance Act is waived, subject to notification; the Secretary of State, in consultation with the Administrator of USAID, shall provide to the Committee 45 days after the date of enactment a report on the proposed uses of all funds under this heading on a country-by-country basis for each proposed program, project or activity; not less than \$5,000,000 for programs to protect biodiversity, indigenous reserves and Afro-Colombian lands from aerial spraying; not more than 10 percent of funds for aerial fumigation may be provided before a certification; determination that no effect alternatives exist to reduce drug cultivation and spraying is conducted in accordance with Colombian laws; not less than 10 percent of funds provided for interdiction is allocated for major drug interdiction operations; a limitation of \$17,000,000 is placed on administrative expenses of the Department of State; requires a certification in order to provide assistance for the Bolivian military; and not more than \$7,800,000 may be available for administrative expenses of the United States Agency for International Development. Provision providing support for unified campaign carried under section 649.

Under "Migration and Refugee Assistance", limits administrative expenses to \$22,500,000; provides \$40,000,000 to resettle humanitarian migrants to Israel.

Under "Nonproliferation, Anti-terrorism, Demining, and Related Programs", a limitation of \$38,000,000 is placed on funding for the Nonproliferation and Disarmament Fund with authority to use such funds outside of the Independent States of the former Soviet Union and international organizations when it is in the national security interests of the United States to do so; conditions a contribution to the IAEA on a determination that Israel is not denied the right to participate or otherwise being discriminated against in that Agency; administrative expenses for operation and management of the demining program are limited to \$700,000; and extends availability of "Anti- terrorism Assistance" and "Export Control and Border Security" funding to 2009.

Under "International Affairs Technical Assistance", provides funds notwithstanding any other provision of law that restricts assistance to foreign countries.

Under "Debt Restructuring" funds are provided for the cost of selling, reducing or canceling debts owed to the United States, of modifying concessional credit agreements with least developed countries, and of canceling amounts owed as a result of loans or guarantees; provides \$20,000,000 to carry out part V of the Foreign Assistance Act of 1961; funds are provided for the Secretary of Treasury to pay the Heavily Indebted Poor Countries Trust Fund amounts for the benefits of countries that are eligible for debt reduction; provides that section 411 of the Agricultural Trade Development and Assistance Act of 1954 shall not apply to funds under this heading; denies funding for Sudan or Burma until a determination that a democratically elected government has taken office.

Under "International Military Education and Training", provides up to \$3,000,000 available until expended; requires human rights certification of that Guatemalan Air Force, Navy and Army Corp of Engineers; provides only expanded military education and training for Libya and Angola; reporting requirement on Western Hemisphere Institute for Security Cooperation.

Under "Foreign Military Financing Program" not less than \$2,400,000,000 is appropriated for Israel, of which not less than \$631,200,000 shall be available for the procurement in Israel of defense articles and defense services and that all funds for Israel must be disbursed within 30 days of enactment of this Act; \$1,300,000,000 shall be made available for grants only for Egypt; a limitation of \$41,900,000 is provided for administrative expenses; \$200,000,000 shall be made available for Jordan; and a limitation of \$395,000,000 from certain other funds may be obligated for expenses incurred pursuant to section 43(b) of the Arms Export Control Act; \$5,000,000 is available until expended; provides funding for Guatemala in accordance with certification requirements on human rights, judicial authorities ability to investigate implications to gross violations of human rights and the International Commission Against Impunity in Guatemala (CICIG) has become law.

Under title IV, funds for a number of international financial institutions are made available for contributions; funds are made

available for the United States share of the paid-in portion of the increase in capital stock of certain institutions; and limitations are placed on callable capital subscriptions.

Under “General Provisions”:

Sec. 607. “Prohibition Against Direct Funding for Certain Countries”, includes language, carried in prior years but modified by lifting the restriction on “International Military Education and Training” (IMET) for Libya.

Sec. 611. “Availability of Funds” includes language, carried in prior years but is modified by combining section 602 of the fiscal year 2007 Science, State, Justice and Commerce Appropriations Act with section 511 of the fiscal year 2007 Foreign Operations Appropriations Act and adding “International Military Education and Training” to the extension of availability of funds.

Sec. 615. “Reprogramming Notification Requirements” includes language, carried in prior years but is modified by combining section 605 of the fiscal year 2007 Science, State, Justice and Commerce Appropriations Act with section 515 of the fiscal year 2007 Foreign Operations Appropriations Act; making them subsection (a)(b), and (c)(d) respectively. The Committee intends to extend the human health and welfare exemption all funding in this bill.

Sec. 617, “Independent States of the Former Soviet Union” includes language, carried in prior years but deletes “Kazakhstan” from the list of notification countries.

Sec. 622, “Child Survival and Health Activities” includes language, carried in prior years but is revised by making technical corrections, by reverting to prior year bill language on family planning/reproductive health spending, and adding a provision on contraceptives.

Sec. 623, “Afghanistan” includes language, carried in prior years but is modified by changing “should” to “shall” and by removing provisions related to a specific Afghan human rights organization and capacity building.

Sec. 625, “Global Fund to Fight AIDS, Tuberculosis, and Malaria” includes language, carried in prior years but is modified to include benchmarks upon which the Global Fund contribution is conditioned.

Sec. 630, “Financial Market Assistance” includes language, carried in prior years but is modified by deleting “In Transition Countries” from the header striking the funding level and making applicable to countries eligible to receive United States assistance.

Sec. 633, “Special Authorities”, includes language, carried in prior years which is modified by deleting subsection (f), (i), and (l) of the fiscal year 2007 Act. Subsection (i), Middle East Foundation”, has been modified to exclude the provision that a majority of the board of directors be United States citizens.

Sec. 637, “Ceilings and Designated Funding Levels”, includes language, carried in prior years which is modified by combining section 417 of the fiscal year 2007 Science, State, Justice and Commerce Appropriations Act with section 538 of the fiscal year 2007 Foreign Operations Appropriations Act. Additionally the word “earmark” has been substituted with “designated funding level” wherever it appeared. There are no other substantive changes to the provision.

Sec. 638, "Prohibition on Publicity or Propaganda" includes language, carried in prior years but which is modified by combining section 601 of the fiscal year 2007 Science, State, Justice and Commerce Appropriations Act with section 539 of the fiscal year 2007 Foreign Operations Appropriations Act.

Sec. 649, "Colombia" is a new general provision providing capped funding for Colombia at \$530,608,000, and setting funding limits for the various accounts that provided funding to make up the overall funding level. Provision also provides funding for alternative development programs, military assistance and training, and rule of law programs. The provision includes language formerly contained under the heading "Andean Counterdrug Initiative" (ACI) which extends the availability of funds provided for assistance for Colombia to support a unified campaign against narcotics trafficking, against activities by organizations designated as terrorist organizations, and to take actions to protect health and human welfare. It continues the language directing the Secretary of State to consult with the Committee if implementing the expanded authorities.

Sec. 654, "Libya" is a new general provision providing no funds may be made available for any diplomatic operations in Libya until Presidential certification that settlements to the surviving families of Pan Am Flight 103 bombing have been paid.

Sec. 656, "Limitations on Assistance to Colombia" is similar to section 556 of the 2007 Act and is modified by changing the amount of assistance withheld from the Colombian armed forces prior to a written certification from 25 percent to 35 percent. Funding for critical flight safety and or any alternative development programs are exempted from the withholding.

Sec. 657, "Prohibition on Assistance to the Palestinian Broadcasting Corporation" includes language, carried in prior years but is modified by combining section 403 of the fiscal year 2007 Science, State, Justice and Commerce Appropriations Act with section 558 of the fiscal year 2007 Foreign Operations Appropriations Act; making the provision applicable to all funding within the Act. No other substantive changes have been applied.

Sec. 658, "Support of Peace Process and Demobilization in Colombia" is a new general provision which modifies the section 599E, Assistance for Demobilization and Disarmament of Former Irregular Combatants in Colombia, contained in the fiscal year 2007 Act. Provides funding in ESF for demobilization and OAS activities and retains language requiring consultation and notification before the obligation of funds for demobilization of paramilitaries.

Sec. 659, "West Bank and Gaza Programs" includes language, carried in prior years which includes an additional prohibition on obligation for security assistance.

Sec. 660, "Contributions to the United Nations Population Fund" includes language, carried in prior years and includes new language directing a dollar-for-dollar reduction for programs in China.

Sec. 663, "Funding for Serbia" includes language, carried in prior years but deletes the determination and certification requirement regarding Radovan Karadzic and includes language which differentiates between Serbia and Montenegro.

Sec. 667, "Basic Education" includes language, carried in prior years but provides new language with regard to direction on programs in developing countries.

Sec. 669, "Sudan" includes language, carried in prior years but is modified by removing subsection (a) of the fiscal year 2006 Act, exempting support for the Darfur Peace Agreement from restrictions under this section, and updating the certification provision to include ceasefire commitments made in the Darfur Peace Agreement.

Sec. 671, "Excess Defense Articles for Central and South European Countries and Certain Other Countries" includes language, carried in prior years but is modified by deleting "Uzbekistan".

Sec. 673, "Cuba" is the same general provision as included in the House-passed Foreign Operations, Export Financing and Related Programs Bill, fiscal year 2007 bill and prohibits counternarcotics assistance in this Act to the Government of Cuba.

Sec. 674, "Limitation on Economic Support Fund Assistance for Certain Foreign Governments That Are Parties to the International Criminal Court" includes language, carried in prior years but is modified by deleting subsection (e) of the fiscal year 2007 Act.

Sec. 677, "Western Hemisphere" is similar to section 576 of the 2007 Act except subsection (b) is stricken and replaced by FMF funding levels for Colombia, El Salvador, Honduras, Bolivia, Guatemala, and Belize.

Sec. 682, "Indonesia" includes language, carried in prior years but is modified by deleting prior restrictions that are no longer applicable.

Sec. 684, "Peacekeeping Cap" is a new general provision that lifts the congressional restrictions on assessed costs of UN peacekeeping missions from 25 percent to 27.1 percent for fiscal year 2008.

Sec. 685, "Limitation on Basing in Iraq" is a new general provision to this bill and similar to a provision (section 627) of the House-passed 2007 Science, State, Justice, and Commerce appropriations bill. The provision restricts funds from this Act to be used to enter into a basing agreement between Iraq and the United States.

Sec. 687, "Report on Indonesian Cooperation" is a Secretary of State reporting requirement analogous to section 599G of the 2007 Act which applies only to IMET training and includes new requirements.

Sec. 688, "Limitation on Assistance to Foreign Countries that Refuse to Extradite to the United States and Individual Accused in the United States of Killing a Law Enforcement Officer" includes language, carried in prior years but deletes the waiver.

Sec. 689, "Governments That Have Failed to Permit Certain Extraditions" includes language, carried in prior years but removes the waiver.

Sec. 690, "International Monetary Fund Budget and Hiring Ceilings" is a new provision to this bill. It is similar to a provision (section 579) of the House passed fiscal year 2007 Foreign Operations appropriations bill. The provision directs the United States Executive Director to urge IMF management and staff to encourage governments to protect social spending on poor people while keeping overall budget spending within a level that does not undermine economic stability.



Sec. 694, “War Crimes in Africa” includes language, carried in prior years but deletes subsection (d) from the 2007 Act.

Sec. 696, “Oversight of Iraq Reconstruction” includes language which applies the authority to all reconstruction funds in Iraq in fiscal years 2006, 2007, and 2008.

Sec. 699, “Assistance for Egypt” is a new general provision which conditions a portion of FMF subject to certification and report.

Sec. 699A, “Relief for the Hmong and Montagnards” is a new section amending the Immigration and Nationality Act with regard to the admission qualifications for certain Hmong and Montagnard refugees.

Sec. 699B, “Report on Anti-Corruption Activities” is a new section providing for a report with regard to countries receiving assistance under the headings “Development Assistance”, “Assistance for Eastern Europe and the Baltic States”, and “Assistance for the States of the Former Soviet Union” on the level of corruption activities in such countries.

Sec. 699C, “Programs to Improve Democracy, the Rule of Law, and Governance in Iran” is a new section providing \$50,000,000 for democracy, rule of law and governance programs in Iran.

APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3(f)(1)(B) of rule XIII of the Rules of the House of Representatives, the following table lists the appropriations in the accompanying bill which are not authorized by law for the period concerned:

Agency/Activity	Last Year Authorized	Authorization Level	Appropriations in Last Year of Authorization	Appropriations in the Bill
Department of State/Administration of Foreign Affairs .....	2003	\$5,290,390,000	\$5,874,914,000	\$7,141,257,000
Department of State/International Organizations .....	2003	\$1,529,702,000	\$1,672,000,000	\$2,656,400,000
Department of State/International Commissions .....	2003	\$71,385,000	\$57,730,000	\$148,785,000
Department of State/Other .....	2003	\$72,000,000	\$69,986,000	\$96,750,000
Broadcasting Board of Governors .....	2003	\$644,486,000	\$599,560,000	\$682,380,000
Commission on International Religious Freedom .....	2003	\$3,000,000	\$3,000,000	\$3,400,000
U.S. Institute of Peace .....	2003	Such sums as may be necessary	\$16,256,000	\$25,000,000
Export/Import Bank Subsidy Appropriation .....	2006	\$100,000,000	\$74,000,000	\$68,000,000
Export/Import Bank Administrative Expenses .....	2006	\$73,200,000	\$72,468,000	\$78,000,000
Export/Import Bank Inspector General ...	2006	\$1,000,000	\$990,000	\$1,000,000
Overseas Private Investment Corporation Administrative Expenses .....	2003	Such sums as may be necessary	\$39,626,000	\$47,500,000
Overseas Private Investment Corporation Noncredit Account .....	2003	Such sums as may be necessary	\$23,844,000	\$20,000,000
Child Survival and Health Programs Fund (see note below) .....	Population (1987); Health and Disease Prevention (1987); Child Survival Fund (1987)	Population (\$290,000,000); Health and Disease Prevention (\$180,000,000); Child Survival Fund (\$75,000,000)	Population (\$234,625,000); Health and Disease Prevention (\$166,762,000); Child Survival Fund (75,000,000)	\$1,957,150,000 (includes \$375,000,000 for Population)

Agency/Activity	Last Year Authorized	Authorization Level	Appropriations in Last Year of Authorization	Appropriations in the Bill
Development Assistance (see note below) .....	Agriculture (1987); Education (1987); Energy and selected development activities (1987)	Agriculture (\$760,000,000); Education (\$180,000,000); Energy and selected development activities (\$207,000,000)	Agriculture (\$693,613,000); Education (\$155,000,000); Energy and selected development activities (\$149,990,000)	\$1,733,760,000 (includes: \$519,000,000 for basic education; other programs difficult to determine due to changing definitions programs since last authorized)
International Disaster and Famine Assistance .....	1987	\$25,000,000	\$70,000,000	\$322,350,000
Transition Initiatives .....	None (same authorities as International Disaster Assistance)	NA	NA	\$40,000,000
Development Credit Authority .....	None	NA	NA	\$21,000,000 (by transfer)
Development Credit Authority—administrative expenses .....	None	NA	NA	\$7,400,000
Operating Expenses of the United States Agency for International Development .....	1987	\$387,000,000	\$340,600,000	\$625,700,000
Capital Investment Fund .....	None	NA	NA	\$87,300,000
Operating Expenses of the United States Agency for International Development—Inspector General .....	1987	\$21,750,000	\$21,000,000	\$38,000,000
Economic Support Fund .....	1987	\$3,800,000,000	\$3,555,000,000	\$2,656,506,000
International Fund for Ireland .....	1988	\$35,000,000	\$35,000,000	\$15,000,000
Assistance for Eastern Europe and the Baltic States (see note below) .....	None	NA	NA	\$297,332,000
Assistance for the Independent States of the Former Soviet Union .....	1993	\$410,000,000	\$417,000,000	\$397,585,000
Inter-American Foundation .....	1993	\$31,000,000	\$30,960,000	\$19,000,000
African Development Foundation .....	1987	\$3,872,000	\$6,500,000	\$30,000,000
Peace Corps .....	2003	\$365,000,000	\$295,069,000	\$333,500,000
Millennium Challenge Corporation .....	2005	Such sums as may be necessary	\$1,488,000,000	\$1,800,000,000
International Narcotics Control and Law Enforcement .....	1994	\$171,500,000	\$100,000,000	\$568,475,000
Andean Counterdrug Initiative .....	None	NA	NA	\$312,460,000
Migration and Refugee Assistance .....	2003	\$820,000,000	\$781,884,000	\$813,900,000
U.S. Emergency Refugee and Migration Assistance Fund (see note below) .....	1962	Such amounts as may be necessary	NA	\$45,000,000
Nonproliferation, Anti-terrorism, Demining and Related Programs (see note below) .....	2003	\$226,200	NA	\$467,000,000
Debt Restructuring .....	2004	Such sums as may be necessary	\$94,440,000	\$200,300,000
International Affairs Technical Assistance .....	1999	\$5,000,000	\$1,500,000	\$18,000,000
International Military Education and Training .....	2003	\$85,000,000	\$79,480,000	\$85,076,000
Foreign Military Financing .....	2003	\$4,107,000,000	\$6,104,632,000	\$4,459,236,000
Peacekeeping Operations .....	1999	\$83,000,000	\$76,500,000	\$293,200,000
Multilateral Investment Fund .....	1997	\$100,000,000	\$27,500,000	\$25,000,000

Note: Programs recommended herein under "Child Survival and Health Programs Fund" and "Development Assistance" were last authorized under a different account structure than that recommended in this bill; the account structure included a number functional accounts, as described above. Microenterprise programs were reauthorized in 2004, covering the period through 2009.

Note: Programs recommended herein under "Support for Eastern Europe and the Baltic States" were last authorized in the Support for East European Democracy (SEED) Act 1989; however, these funds were authorized for discrete programs and not for the account as a whole. In fiscal year 1991, the first general appropriations act after enactment the SEED Act included \$369,675,000 for this account.

Note: Funds for the United States Emergency Refugee and Migration Assistance Program (ERMA) are authorized in such amounts as may be necessary; however, appropriations which would result in a balance in the fund more than \$100,000,000 are prohibited (22 U.S.C. 2601(c)) absent a waiver this provision law.

Note: Programs recommended herein under "Nonproliferation, Anti-terrorism, Demining, and Related Programs" include some major programs for which authorizations appropriations were provided for fiscal year 2002; these programs include \$73,000,000 authorized for antiterrorism assistance and \$142,000,000 authorized for nonproliferation activities. In addition, some programs now in this account were previously in accounts which had authorizations of appropriations in prior years.

Note: The Tropical Forest Conservation Act 1998 was reauthorized in 2004, including program authorization through 2007.

**TRANSFER OF FUNDS**

Pursuant to clause 3(f)(2) of rule XIII of the Rules of the House of Representatives, the following table lists the transfers of funds included in the accompanying bill.

**APPROPRIATION TRANSFERS RECOMMENDED IN THE BILL**

Account to which the transfer is made	Amount	Account to which the transfer is made	Amount
Diplomatic and Consular Programs .....	\$10,000,000	Emergencies in the Diplomatic and Consular Service.	\$10,000,000
Emergencies in the Diplomatic and Consular Service.	\$1,000,000	Repatriation Loans Program Account .....	\$1,000,000
Child Survival and Health Programs Fund	\$6,000,000	Operating Expenses of the United States Agency for International Development.	\$6,000,000
Funds appropriated in the Act to carry out part I of the Foreign Assistance Act of 1961 and under "Assistance for eastern Europe and the Baltic States".	\$21,000,000	Development Credit Authority .....	\$21,000,000
Economic Support Fund .....	\$218,500,000	Development Assistance .....	\$218,500,000
Peace Corps .....	\$2,000,000	Foreign Currency Fluctuations Account .....	\$2,000,000
Funds appropriated under title III of this Act.	\$20,000,000	Overseas Private Investment Corporation Program Account.	\$20,000,000

**COMPARISON WITH THE BUDGET RESOLUTION**

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, the following table compares the levels of new budget authority provided in the bill with the appropriate allocation under section 302(b) of the Budget Act.

(In millions of dollars)

	302(b) allocations—		This bill—	
General purpose discretionary .....	34,243	33,351	34,243	<sup>1</sup> 33,225
Mandatory .....	159	159	159	159

<sup>1</sup> Includes outlays from prior-year budget authority.

**FIVE-YEAR OUTLAY PROJECTIONS**

Pursuant to section 308(a)(1)(B) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, Act of 1974, the following table contains five-year projections prepared by the Congressional Budget Office of outlays associated with the budget authority provided in the accompanying bill:

(In millions of dollars)

Budget Authority .....	34,402
Outlays:	
2008 .....	16,984
2009 .....	8,971
2010 .....	3,473
2011 .....	2,171
2012 .....	2,441

ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

Pursuant to section 308(a)(1)(C) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, the financial assistance to State and local governments is as follows:

[In millions of dollars]

Budget Authority .....	not applicable
Fiscal Year 2008 outlays resulting therefrom .....	not applicable

CONSTITUTIONAL AUTHORITY

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives states that:

Each report of a committee on a bill or joint resolution of a public character shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the law proposed by the bill or joint resolution.

The Committee on Appropriations bases its authority to report this legislation from Clause 7 of Section 9 of Article I of the Constitution of the United States of America which states:

No money shall be drawn from the Treasury but in consequence of Appropriations made by law. . .

Appropriations contained in this Act are made pursuant to this specific power granted by the Constitution.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the following is a statement of general performance goals and objectives for which this measure authorizes funding:

The Committee on Appropriations considers program performance, including a program's success in developing and attaining outcome-related goals and objectives, in developing funding recommendations.

COMPLIANCE WITH RULE XIII, CL. 3(e) (RAMSEYER RULE)

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

**SECTION 1238 OF THE FLOYD D. SPENCE NATIONAL DEFENSE AUTHORIZATION FOR FISCAL YEAR 2001**

**SEC. 1238. UNITED STATES-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION.**

(a) \* \* \*

\* \* \* \* \*

(c) DUTIES.—

(1) ANNUAL REPORT.—Not later than **[June]** *December* 1 each year (beginning in 2002), the Commission shall submit to

Congress a report, in both unclassified and classified form, regarding the national security implications and impact of the bilateral trade and economic relationship between the United States and the People's Republic of China. The report shall include a full analysis, along with conclusions and recommendations for legislative and administrative actions, if any, of the national security implications for the United States of the trade and current balances with the People's Republic of China in goods and services, financial transactions, and technology transfers. The Commission shall also take into account patterns of trade and transfers through third countries to the extent practicable.

\* \* \* \* \*

[(g) APPLICABILITY OF FACAs.—The provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall apply to the activities of the Commission.]

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**FOREIGN OPERATIONS EXPORT FINANCING, AND  
RELATED PROGRAMS APPROPRIATIONS ACT, 1990**

\* \* \* \* \*

TITLE V—GENERAL PROVISIONS

\* \* \* \* \*

ESTABLISHING CATEGORIES OF ALIENS FOR PURPOSES OF REFUGEE  
DETERMINATIONS

SEC. 599D. (a) \* \* \*

(b) ESTABLISHMENT OF CATEGORIES.—

(1) \* \* \*

\* \* \* \* \*

(3) Within the number of admissions of refugees allocated for each of fiscal years 1990, 1991, and 1992 for refugees who are nationals of the Soviet Union under section 207(a)(3) of the Immigration and Nationality Act and within the number of such admissions allocated for each of fiscal years 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, [and] 2007 , and 2008 for refugees who are nationals of the independent states of the former Soviet Union, Estonia, Latvia, and Lithuania under such section, notwithstanding any other provision of law, the President shall allocate one thousand of such admissions for such fiscal year to refugees who are within the category of aliens described in paragraph (2)(B).

\* \* \* \* \*

(e) PERIOD OF APPLICATION.—

(1) Subsections (a) and (b) shall take effect on the date of the enactment of this Act and shall only apply to applications for refugee status submitted before October 1, [2007] 2008.

(2) Subsection (c) shall apply to decisions made after the date of the enactment of this Act and before October 1, [2007] 2008.

(3) Subsection (d) shall take effect on the date of the enactment of this Act and shall only apply to reapplications for refugee status submitted before October 1, ~~2007~~ 2008.

\* \* \* \* \*

ADJUSTMENT OF STATUS FOR CERTAIN SOVIET AND INDOCHINESE PAROLEES

SEC. 599E. (a) \* \* \*

(b) ALIENS ELIGIBLE FOR ADJUSTMENT OF STATUS.—The benefits provided in subsection (a) shall only apply to an alien who—

(1) \* \* \*

(2) was inspected and granted parole into the United States during the period beginning on August 15, 1988, and ending on September 30, ~~2007~~ 2008, after being denied refugee status.

\* \* \* \* \*

**SECTION 404 OF THE FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1994 AND 1995**

**SEC. 404. ASSESSED CONTRIBUTIONS FOR UNITED NATIONS PEACEKEEPING OPERATIONS.**

(a) \* \* \*

(b) LIMITATION ON UNITED STATES CONTRIBUTIONS.—

(1) \* \* \*

(2) SUBSEQUENT FISCAL YEARS.—(A) \* \* \*

(B) REDUCTION IN UNITED STATES SHARE OF ASSESSED CONTRIBUTIONS.—Notwithstanding the percentage limitation contained in subparagraph (A), the United States share of assessed contributions for each United Nations peacekeeping operation during the following periods is authorized to be as follows:

(i) \* \* \*

\* \* \* \* \*

(v) *For assessments made during calendar year 2008, 27.1 percent.*

\* \* \* \* \*

**SECTION 3001 OF THE EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT FOR DEFENSE AND FOR THE RECONSTRUCTION OF IRAQ AND AFGHANISTAN, 2004**

**SEC. 3001. SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION.**

(a) \* \* \*

\* \* \* \* \*

(h) PERSONNEL, FACILITIES, AND OTHER RESOURCES.—(1) The Inspector General may select, appoint, and employ such officers and employees as may be necessary for carrying out the duties of the Inspector General, subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such

title, relating to classification and General Schedule [pay rates.] pay rates, and may exercise the authorities of subsections (b) through (i) of section 3161 of title 5, United States Code (without regard to subsection (a) of such section).

\* \* \* \* \*

(o) TERMINATION.—(1)(A) \* \* \*

(B) For purposes of calculating the termination of the Office of the Inspector General under this subsection, any United States funds appropriated or otherwise made available for [fiscal year 2006 or fiscal year 2007] fiscal years 2006 through 2008 for the reconstruction of Iraq, irrespective of the designation of such funds, shall be deemed to be amounts appropriated or otherwise made available to the Iraq Relief and Reconstruction Fund.

\* \* \* \* \*

(p) RULE OF CONSTRUCTION.—For the purposes of carrying out the duties of the Inspector General, any United States funds appropriated or otherwise made available for fiscal years 2006 through 2008 for the reconstruction of Iraq, irrespective of the designation of such funds, shall be deemed to be amounts appropriated or otherwise made available to the Iraq Relief and Reconstruction Fund.

**SECTION 1054 OF THE JOHN WARNER NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2007**

(Public Law 109–364)

**SEC. 1054. MODIFICATION OF AUTHORITIES RELATING TO THE SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION.**

(a) DUTIES.—For purposes of carrying out the duties of the Special Inspector General for Iraq Reconstruction under section 3001(f) of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (Public Law 108–106; 117 Stat. 1235 et seq.; 5 U.S.C. App., note to section 8G of Public Law 95–452), any United States funds appropriated or otherwise made available for [fiscal year 2006] fiscal years 2006 through 2008 for the reconstruction of Iraq, irrespective of the designation of such funds, shall be deemed to be amounts appropriated or otherwise made available to the Iraq Relief and Reconstruction Fund.

\* \* \* \* \*

**SECTION 212 OF THE IMMIGRATION AND NATIONALITY ACT**

**GENERAL CLASSES OF ALIENS INELIGIBLE TO RECEIVE VISAS AND INELIGIBLE FOR ADMISSION; WAIVERS OF INADMISSIBILITY**

SEC. 212. (a) CLASSES OF ALIENS INELIGIBLE FOR VISAS OR ADMISSION.—Except as otherwise provided in this Act, aliens who are inadmissible under the following paragraphs are ineligible to receive visas and ineligible to be admitted to the United States:

(1) \* \* \*

\* \* \* \* \*

(3) SECURITY AND RELATED GROUNDS.—

(A) \* \* \*

(B) TERRORIST ACTIVITIES.—

(i) \* \* \*

(ii) EXCEPTION.—Subclause **[(VII)] (IX)** of clause (i) does not apply to a spouse or child—

(I) \* \* \*

\* \* \* \* \*

*(vii) Clause (vi) shall not apply to the Hmong or Montagnards on the basis of any act or event occurring in or before 1975.*

\* \* \* \* \*

EARMARKS

Pursuant to clause 9 of rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of rule XXI.



## FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each roll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLL CALL NO. 1

Date: June 12, 2007

Measure: State, Foreign Operations, and Related Programs Appropriations Bill, FY 2008

Motion by: Mr. Wolf

Description of Motion: To provide a total of \$133,000,000 in "Economic Support Fund"; "Nonproliferation, Anti-Terrorism, Demining and Related Programs"; and "International Military Education and Training" funding for Iraq democracy, rule of law, governance and other programs.

Results: Rejected 27 yeas to 35 nays.

*Members Voting Yea*

Mr. Aderholt  
 Mr. Alexander  
 Mr. Calvert  
 Mr. Carter  
 Mr. Crenshaw  
 Mrs. Emerson  
 Mr. Frelinghuysen  
 Ms. Granger  
 Mr. Hobson  
 Mr. Kingston  
 Mr. Kirk  
 Mr. Knollenberg  
 Mr. LaHood  
 Mr. Latham  
 Mr. Lewis  
 Mr. Peterson  
 Mr. Regula  
 Mr. Rehberg  
 Mr. Rogers  
 Mr. Simpson  
 Mr. Tiahrt  
 Mr. Walsh  
 Mr. Wamp  
 Dr. Weldon  
 Mr. Wicker  
 Mr. Wolf  
 Mr. Young

*Members Voting Nay*

Mr. Berry  
 Mr. Bishop  
 Mr. Boyd  
 Mr. Chandler  
 Mr. Cramer  
 Ms. DeLauro  
 Mr. Dicks  
 Mr. Farr  
 Mr. Fattah  
 Mr. Hinchey  
 Mr. Honda  
 Mr. Israel  
 Mr. Jackson  
 Ms. Kaptur  
 Mr. Kennedy  
 Ms. Kilpatrick  
 Ms. Lee  
 Mrs. Lowey  
 Ms. McCollum  
 Mr. Mollohan  
 Mr. Moran  
 Mr. Obey  
 Mr. Olver  
 Mr. Pastor  
 Mr. Price  
 Mr. Rodriguez  
 Mr. Rothman  
 Ms. Roybal-Allard  
 Mr. Ruppertsberger  
 Mr. Ryan  
 Mr. Schiff  
 Mr. Serrano  
 Mr. Udall  
 Mr. Visclosky  
 Ms. Wasserman Schultz

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
<b>TITLE I - DEPARTMENT OF STATE AND RELATED AGENCY</b>					
<b>DEPARTMENT OF STATE</b>					
<b>Administration of Foreign Affairs</b>					
Diplomatic and consular programs.....	3,656,564	3,977,940	3,820,018	+163,454	-157,922
(Transfer out).....	(-3,949)	---	---	(+3,949)	---
Worldwide security upgrades.....	681,949	964,760	964,760	+282,811	---
Emergency appropriations (P.L. 110-28).....	870,658	---	---	-870,658	---
Emergency appropriations (P.L. 110-28) (Transfer out).....	(-20,000)	---	---	(+20,000)	---
<b>Total, Diplomatic and consular programs.....</b>	<b>5,209,171</b>	<b>4,942,700</b>	<b>4,784,778</b>	<b>-424,393</b>	<b>-157,922</b>
Emergency appropriations.....	870,658	---	---	-870,658	---
Capital investment fund.....	58,143	70,743	59,062	+919	-11,681
Office of Inspector General.....	29,914	32,508	32,508	+2,594	---
Emergency appropriations (P.L. 110-28).....	36,500	---	---	-36,500	---
Emergency appropriations (P.L. 110-28) Special IG for Iraq reconstruction (By transfer).....	(35,000)	---	---	(-35,000)	---
Educational and cultural exchange programs.....	445,671	486,400	501,400	+55,729	+15,000
Emergency appropriations (P.L. 110-28).....	20,000	---	---	-20,000	---
Representation allowances.....	8,175	8,175	8,175	---	---
Protection of foreign missions and officials.....	9,270	18,000	28,000	+18,730	+10,000
Embassy security, construction, and maintenance.....	592,277	792,534	729,898	+137,621	-62,636

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
Worldwide security upgrades.....	898,575	806,900	806,900	-91,675	---
Emergencies in the diplomatic and consular service....	4,940	19,000	14,000	+9,060	-5,000
Emergency appropriations (P.L. 110-28) (By transfer.....)	(20,000)	---	---	(-20,000)	---
Repatriation Loans Program Account:					
Direct loans subsidy.....	703	678	678	-25	---
Administrative expenses.....	599	607	607	+8	---
Total, Repatriation loans program account.....	1,302	1,285	1,285	-17	---
Payment to the American Institute in Taiwan.....	15,826	16,351	16,351	+525	---
Payment to the Foreign Service Retirement and Disability Fund.....	125,000	122,500	158,900	+33,900	+36,400
Total, Administration of Foreign Affairs.....	7,454,764	7,317,096	7,141,257	-313,507	-175,839
International Organizations					
Contributions to international organizations, current year assessment.....	1,151,318	1,354,400	1,354,400	+203,082	---
Emergency appropriations (P.L. 110-28).....	50,000	---	---	-50,000	---
Contributions for international peacekeeping activities, current year.....	1,135,275	1,107,000	1,302,000	+166,725	+195,000
Emergency appropriations (P.L. 110-28).....	283,000	---	---	-283,000	---
Total, International Organizations.....	2,619,593	2,461,400	2,656,400	+36,807	+195,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
Emergency appropriations.....	333,000	---	---	-333,000	---
International Commissions					
International Boundary and Water Commission, United States and Mexico:					
Salaries and expenses.....	27,718	30,430	30,430	+2,712	---
Construction.....	5,232	71,725	81,725	+76,493	+10,000
American sections, international commissions.....	9,962	10,395	10,630	+668	+235
International fisheries commissions.....	23,694	21,000	26,000	+2,306	+5,000
Total, International commissions.....	66,606	133,550	148,785	+82,179	+15,235
Other					
Payment to the Asia Foundation.....	13,821	10,000	15,000	+1,179	+5,000
Center for Middle Eastern-Western dialogue.....	750	875	875	+125	---
Eisenhower Exchange Fellowship program.....	494	500	500	+6	---
Israeli Arab scholarship program.....	370	375	375	+5	---
East-West Center.....	18,994	10,000	---	-18,994	-10,000
National Endowment for Democracy.....	74,042	80,000	80,000	+5,958	---
Total, Department of State.....	10,249,434	10,013,796	10,043,192	-206,242	+29,396
Emergency appropriations.....	1,260,158	---	---	-1,260,158	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

.....	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
Commission for the Preservation of America's Heritage Abroad					
Salaries and expenses.....	493	499	499	+6	---
Commission on International Religious Freedom					
Salaries and expenses.....	3,000	3,300	3,400	+400	+100
Emergency appropriations (P.L. 110-28) (By transfer).....	(258)	---	---	(-258)	---
Commission on Security and Cooperation in Europe					
Salaries and expenses.....	2,004	2,037	2,037	+33	---
Congressional-Executive Commission on the People's Republic of China					
Salaries and expenses.....	1,876	2,000	2,000	+124	---
United States - China Economic and Security Review Commission					
Salaries and expenses.....	2,962	4,000	4,000	+1,038	---
United States Senate-China United States Senate Interparliamentary Groups					
Salaries and expenses.....	149	---	---	-149	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill Enacted	Bill vs. Enacted	Bill vs. Request
<b>United States Institute of Peace</b>					
Operating expenses.....	22,064	30,000	25,000	+2,936	-5,000
<b>RELATED AGENCIES</b>					
<b>Broadcasting Board of Governors</b>					
International Broadcasting Operations.....	639,126	618,777	671,632	+32,506	+52,855
Emergency appropriations (P.L. 110-28).....	10,000	---	---	-10,000	---
Broadcasting to Cuba.....	---	38,700	---	---	-38,700
Broadcasting capital improvements.....	7,624	10,748	10,748	+3,124	---
<b>Total, Broadcasting Board of Governors.....</b>	<b>656,750</b>	<b>668,225</b>	<b>682,380</b>	<b>+25,630</b>	<b>+14,155</b>
<b>Total, title I, Department of State and Related Agencies.....</b>					
Appropriations.....	10,938,732	10,723,857	10,762,508	-176,224	+38,651
Emergency appropriations.....	(9,668,574)	(10,723,857)	(10,762,508)	(+1,093,934)	(+38,651)
(Transfer out).....	1,270,158	---	---	-1,270,158	---
	(-3,949)	---	---	(+3,949)	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
<b>TITLE II - EXPORT AND INVESTMENT ASSISTANCE</b>					
<b>EXPORT-IMPORT BANK OF THE UNITED STATES</b>					
Subsidy appropriation.....	26,382	68,000	68,000	+41,618	---
Administrative expenses.....	72,468	78,000	78,000	+5,532	---
Inspector General.....	990	1,000	1,000	+10	---
Negative subsidy.....	-45,000	---	---	+45,000	---
Offsetting collections.....	---	-146,000	-146,000	-146,000	---
<b>Total, Export-Import Bank of the United States..</b>	<b>54,840</b>	<b>1,000</b>	<b>1,000</b>	<b>-53,840</b>	<b>---</b>
<b>OVERSEAS PRIVATE INVESTMENT CORPORATION</b>					
Noncredit account:					
Administrative expenses.....	41,851	47,500	47,500	+5,649	---
Insurance fees and other offsetting collections...	-258,000	-236,000	-237,000	+21,000	-1,000
Subsidy appropriation.....	20,073	29,000	20,000	-73	-9,000
<b>Total, Overseas Private Investment Corporation..</b>	<b>-196,076</b>	<b>-159,500</b>	<b>-169,500</b>	<b>+26,576</b>	<b>-10,000</b>
<b>FUNDS APPROPRIATED TO THE PRESIDENT</b>					
Trade and development agency.....	50,391	50,400	50,400	+9	---
<b>Total, title II Export and investment assistance</b>	<b>-90,845</b>	<b>-108,100</b>	<b>-118,100</b>	<b>-27,255</b>	<b>-10,000</b>

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	B111	B111 vs. Enacted	B111 vs. Request
TITLE III - BILATERAL ECONOMIC ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
United States Agency for International Development					
Child survival and health programs fund.....	1,718,150	1,564,279	1,957,150	+239,000	+392,871
Global fund contribution.....	(247,500)	---	(250,000)	(+2,500)	(+250,000)
(Transfer out).....	(-5,940)	---	---	(+5,940)	---
Emergency appropriations (P.L. 110-28).....	161,000	---	---	-161,000	---
Development assistance.....	1,508,760	1,041,248	1,733,760	+225,000	+692,512
(Transfer out).....	(-20,790)	(-21,000)	(-21,000)	(-210)	---
International disaster assistance.....	361,350	297,300	322,350	-39,000	+25,050
Emergency appropriations (P.L. 110-28).....	165,000	---	---	-165,000	---
Transition Initiatives.....	39,600	37,200	40,000	+400	+2,800
Development Credit Authority:					
(By transfer).....	(20,790)	(21,000)	(21,000)	(+210)	---
Administrative expenses.....	7,920	7,400	7,400	-520	---
Subtotal, Development assistance.....	3,961,780	2,947,427	4,060,660	+98,880	+1,113,233
Payment to the Foreign Service Retirement and Disability Fund.....	38,700	36,400	---	-38,700	-36,400



COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
Operating expenses of the U.S. Agency for International Development.....	626,832	609,000	625,700	-1,132	+16,700
(By transfer).....	(5,940)	(6,000)	(6,000)	(+60)	---
Emergency appropriations (P.L. 110-28).....	8,700	---	---	-8,700	---
Capital Investment Fund.....	69,300	126,000	87,300	+18,000	-38,700
Operating expenses of the U.S. Agency for Inter- national Development Office of Inspector General.....	35,640	38,000	38,000	+2,360	---
Emergency appropriations (P.L. 110-28).....	3,500	---	---	-3,500	---
Total, USAID.....	4,744,452	3,756,827	4,811,660	+67,208	+1,054,833
Emergency appropriations.....	338,200	---	---	-338,200	---
Other Bilateral Economic Assistance					
Economic support fund:					
Israel.....	120,000	---	---	-120,000	---
Egypt.....	455,000	415,000	415,000	-40,000	---
Other.....	1,880,010	2,904,567	2,241,506	+361,496	-663,061
Emergency appropriations (P.L. 110-28).....	2,624,300	---	---	-2,624,300	---
Emergency appropriations (P.L. 110-28) (By transfer) Dept. of Defense.....	(110,000)	---	---	(-110,000)	---
Subtotal, Economic support fund.....	5,079,310	3,319,567	2,656,506	-2,422,804	-663,061
International Fund for Ireland.....	13,365	---	15,000	+1,635	+15,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill B111	Bill vs. Enacted	Bill vs. Request
Assistance for Eastern Europe and the Baltic States... Emergency appropriations (P.L. 110-28).....	273,900 214,000	289,322 ---	297,332 ---	+23,432 -214,000	+8,010 ---
Assistance for the Independent States of the former Soviet Union.....	452,000	351,585	397,585	-54,415	+46,000
Total, Other Bilateral Economic Assistance.....	6,032,575	3,960,474	3,366,423	-2,666,152	-594,051
Emergency appropriations.....	2,838,300	---	---	-2,838,300	---
<b>INDEPENDENT AGENCIES</b>					
Inter-American Foundation					
Appropriation.....	19,305	19,000	19,000	-305	---
African Development Foundation					
Appropriation.....	22,770	30,000	30,000	+7,230	---
Peace Corps					
Appropriation.....	319,640	333,500	333,500	+13,860	---
Millennium Challenge Corporation					
Appropriation.....	1,752,300	3,000,000	1,800,000	+47,700	-1,200,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

Department of State	FY 2007 Enacted	FY 2008 Request	B111	B111 vs. Enacted	B111 vs. Request
Global HIV/AIDS Initiative.....	3,246,520	4,150,000	4,450,000	+1,203,480	+300,000
Global fund contribution.....	(377,500)	---	(300,000)	(-77,500)	(+300,000)
Democracy Fund.....	94,050	---	---	-94,050	---
Emergency appropriations (P.L. 110-28).....	260,000	---	---	-260,000	---
International narcotics control and law enforcement.....	472,616	634,600	568,475	+95,859	-66,125
Emergency appropriations (P.L. 110-28).....	252,000	---	---	-252,000	---
Emergency appropriations (P.L. 110-28) (Rescission).....	-13,000	---	---	+13,000	---
Andean Counterdrug Initiative.....	721,500	442,812	312,460	-409,040	-130,352
Migration and refugee assistance.....	833,033	773,500	813,900	-19,133	+40,400
Emergency appropriations (P.L. 110-28).....	130,500	---	---	-130,500	---
United States Emergency Refugee and Migration Assistance Fund.....	55,000	55,000	45,000	-10,000	-10,000
Emergency appropriations (P.L. 110-28).....	55,000	---	---	-55,000	---
Nonproliferation, anti-terrorism, demining and related programs.....	405,999	464,000	467,000	+61,001	+3,000
Emergency appropriations (P.L. 110-28).....	57,500	---	---	-57,500	---
Subtotal, Department of State.....	6,570,718	6,519,912	6,656,835	+86,117	+136,923
Emergency appropriations.....	755,000	---	---	-755,000	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
<b>Department of the Treasury</b>					
International Affairs Technical Assistance.....	19,800	24,800	18,000	-1,800	-6,800
Emergency appropriations (P.L. 110-28).....	2,750	---	---	-2,750	---
Debt restructuring.....	64,350	207,300	200,300	+135,950	-7,000
Subtotal, Department of the Treasury.....	86,900	232,100	218,300	+131,400	-13,800
=====					
Total, title III, Bilateral economic assistance.....	19,548,660	17,851,813	17,235,718	-2,312,942	-616,095
Appropriations.....	(15,627,410)	(17,851,813)	(17,235,718)	(+1,608,308)	(-616,095)
Emergency appropriations.....	(3,921,250)	---	---	(-3,921,250)	---
(By transfer).....	(26,730)	(27,000)	(27,000)	(+270)	---
(transfer out).....	(-26,730)	(-21,000)	(-21,000)	(+5,730)	---
=====					
<b>TITLE IV - MILITARY ASSISTANCE</b>					
<b>FUNDS APPROPRIATED TO THE PRESIDENT</b>					
International Military Education and Training.....	85,877	89,500	85,076	-801	-4,424
Foreign Military Financing Program:					
Grants:					
Israel.....	2,340,000	2,400,000	2,400,000	+60,000	---
Egypt.....	1,300,000	1,300,000	1,300,000	---	---
Other.....	910,800	836,000	759,236	-151,564	-76,764

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	B111	Bill vs. Enacted	B111 vs. Request
Subtotal, Grants.....	4,550,800	4,536,000	4,459,236	-91,564	-76,764
(Limitation on administrative expenses).....	(41,600)	(41,900)	(41,900)	(+300)	---
(by transfer).....	---	---	---	---	---
Emergency appropriations (P.L. 110-28).....	265,000	---	---	-265,000	---
Total, Foreign Military Financing.....	4,815,800	4,536,000	4,459,236	-356,564	-76,764
Peacekeeping operations.....	223,250	221,200	293,200	+69,950	+72,000
Emergency appropriations (P.L. 110-28).....	230,000	---	---	-230,000	---
Subtotal, Peacekeeping operations.....	453,250	221,200	293,200	-160,050	+72,000
Total, title IV, Military assistance.....	5,354,927	4,846,700	4,837,512	-517,415	-9,188
Appropriations.....	(4,859,927)	(4,846,700)	(4,837,512)	(-22,415)	(-9,188)
Emergency appropriations.....	(495,000)	---	---	(-495,000)	---
(Limitation on administrative expenses).....	(41,600)	(41,900)	(41,900)	(+300)	---

TITLE V - MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

International Financial Institutions

World Bank Group

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
Contribution to the International Bank for Reconstruction and Development: Global Environment Facility.....	79,200	106,763	106,763	+27,563	---
Contribution to the International Development Association.....	940,500	1,060,000	950,000	+9,500	-110,000
Contribution to Multilateral Investment Guarantee Agency.....	---	1,082	---	---	-1,082
(Limitation on callable capital subscriptions)....	(8,127)	(7,300)	(7,300)	(-827)	---
Total, World Bank Group.....	1,019,700	1,167,845	1,056,763	+37,063	-111,082
Contribution to the Inter-American Development Bank: Contribution to the Enterprise for the Americas Multilateral Investment Fund.....	1,725	29,232	25,000	+23,275	-4,232
Inter-American Investment Corporation.....	---	7,264	---	---	-7,264
Total, Inter-American Development Bank.....	1,725	36,496	25,000	+23,275	-11,496
Contribution to the Asian Development Fund.....	99,000	133,906	115,306	+16,306	-18,600
Contribution to the African Development Bank: Paid-in capital.....	3,602	2,037	2,037	-1,565	---
(Limitation on callable capital subscriptions)....	(88,334)	(31,919)	(31,919)	(-56,415)	---
Contribution to the African Development Fund.....	134,343	140,584	135,684	+1,341	-4,900
Total, African Development Bank.....	137,945	142,621	137,721	-224	-4,900
Contribution to the European Bank for Reconstruction and Development: Paid-in capital.....	---	10	---	---	-10

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
(Limitation on callable capital subscriptions).....	(2,250)	---	---	(-2,250)	---
Contribution to the International Fund for Agricultural Development.....	14,850	18,072	18,072	+3,222	---
Total, International Financial Institutions.....	1,273,220	1,498,950	1,352,862	+79,642	-146,088
International Organizations and Programs					
Appropriation.....	326,163	289,400	330,400	+4,237	+41,000
Total, title V, Multilateral economic assistance.....	1,599,383	1,788,350	1,683,262	+83,879	-105,088
(Limitation on callable capital subscript).....	(98,711)	(39,219)	(39,219)	(-59,492)	---
=====					
TITLE VI - GENERAL PROVISIONS					
Expenditure transfer (Sec. 540).....	---	---	---	---	---
Sec. 6084 Security in Asia.....	9,900	---	---	-9,900	---
Rescission.....	-231,350	---	---	+231,350	---
ATB pay raise (Sec. 111 of HJ Res. 20).....	-1,746	---	---	+1,746	---
Total, title VI, General Provisions.....	-223,196	---	---	+223,196	---
Appropriations.....	(8,154)	---	---	(-8,154)	---
=====					

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
Grand total.....	37,127,661	35,102,620	34,401,900	-2,725,761	-700,720
Appropriations.....	(31,672,603)	(35,102,620)	(34,401,900)	(+2,729,297)	(-700,720)
Emergency appropriations.....	(5,686,408)	---	---	(-5,686,408)	---
Rescissions.....	(-231,350)	---	---	(+231,350)	---
(By transfer).....	(26,730)	(27,000)	(27,000)	(+270)	---
(Transfer out).....	(-30,679)	(-21,000)	(-27,000)	(+3,679)	(-6,000)
(Limitation on administrative expenses).....	(41,600)	(41,900)	(41,900)	(+300)	---
(Limitation on callable capital subscript).....	(98,711)	(39,219)	(39,219)	(+59,492)	---



COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
CONGRESSIONAL BUDGET RECAP					
Scorekeeping adjustments:					
Undistributed FY08 Emergency appropriations.....	---	3,302,000	---	---	-3,302,000
Emergency appropriations.....	-5,689,908	-3,302,000	---	+5,689,908	+3,302,000
Diplomatic and consular fee proposal.....	---	---	---	---	---
ATB adjustment.....	---	---	---	---	---
Emergency appropriations (P.L. 110-28) Inter- national Affairs function.....	110,000	---	---	-110,000	---
Total, adjustments.....	-5,579,908	---	---	+5,579,908	---
Total (including adjustments).....	31,547,753	35,102,620	34,401,900	+2,854,147	-700,720
Amounts in this bill.....	(37,127,661)	(35,102,620)	(34,401,900)	(-2,725,761)	(-700,720)
Scorekeeping adjustments.....	(-5,579,908)	---	---	(+5,579,908)	---
Prior year outlays.....	---	---	---	---	---
Total mandatory and discretionary.....	31,547,753	35,102,620	34,401,900	+2,854,147	-700,720
Mandatory.....	(163,700)	(158,900)	(158,900)	(-4,800)	---
Discretionary.....	(31,384,053)	(34,943,720)	(34,243,000)	(+2,858,947)	(-700,720)
RECAP BY FUNCTION					
Mandatory.....	163,700	158,900	158,900	-4,800	---
Prior year outlays.....	---	---	---	---	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
 (Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
Total, Mandatory.....	163,700	158,900	158,900	-4,800	---
Discretionary.....	31,384,053	34,943,720	34,243,000	+2,858,947	-700,720
Prior year outlays.....	---	---	---	---	---
Total, Discretionary.....	31,384,053	34,943,720	34,243,000	+2,858,947	-700,720
Grand total, Mandatory and Discretionary.....	31,547,753	35,102,620	34,401,900	+2,854,147	-700,720
DISCRETIONARY 302(b) ALLOCATION					
302(b) allocation.....	---	---	34,243,000	+34,243,000	+34,243,000
Over/under allocation.....	31,384,053	34,943,720	---	-31,384,053	-34,943,720

MINORITY VIEWS OF THE HON. JERRY LEWIS AND HON.  
FRANK WOLF

Chairwoman Lowey is to be commended for the reasonable and thoughtful manner in which she conducted the business of the subcommittee in her first year as Chairwoman. The subcommittee's work this year has been a bipartisan, collaborative effort. In spite of the comity reflected in much of the subcommittee's work, however, we have genuine policy differences with the Democrat majority and a divergence in views over the level of funding necessary to address the critical needs of this bill.

The State, Foreign Operations, and Related Programs Appropriations Bill provides \$34,243,000,000 in discretionary budget authority, which is \$700,000,000 below the President's budget request, and \$2,966,000,000 above fiscal year 2007. The bill provides funding for the Department of State, the United States Agency for International Development, the Millennium Challenge Corporation, the export finance agencies, the Peace Corps, various international organizations including the United Nations, the Department of Treasury's international programs, bilateral and multilateral assistance to foreign countries, and the World Bank and other multilateral development banks. While the bill provides significant increases for many of these activities, in total the bill provides funding below the level requested by the Administration.

We appreciate that the Subcommittee Chairwoman allowed the Minority to provide input into drafting the bill. Specifically, we commend the Chairwoman's commitment to the protection of human rights and to improving the lives of children and families around the world. We fully support the Chairwoman's efforts to increase funding for embassy security, public diplomacy, educational and cultural exchanges, for the protection of human rights, assistance for those afflicted with HIV/AIDs and to prevent the spread of this and other diseases, and for refugee assistance.

ITEMS OF CONCERN

While Chairwoman Lowey's committee mark is positive in many respects, we would be remiss if we did not outline several specific areas where we would have written this bill differently.

IRAQ

We are disappointed that the bill does not provide any of the President's Budget Request of \$391,800,000 for assistance for Iraq for fiscal year 2008. We believe that this decision sends a terrible message to our troops fighting in Iraq and to the Foreign Service Officers and civilians working for the Department of State and USAID who are risking their lives trying to help the Iraqi people.

We have a number of specific concerns. First, we believe that not providing the requested \$16,000,000 for counterterrorism and demining activities is shortsighted and potentially dangerous. This program has trained more than 1,000 Iraqis in explosive detection and removal, therefore helping to protect the lives of our military and also improving public safety to reduce insurgent access to deadly munitions.

Second, no funds are provided as requested to continue the development of effective civilian law enforcement anti-terrorism organizations in Iraq, specifically focusing on strengthening terrorist financing and money laundering programs.

Third, no funds are provided for the International Military Education and Training program that would continue English-language training and professional military training for Iraqi military officers in the United States. This training improves the Iraqi military's awareness of international human rights norms, fostering respect for the principle of civilian control of the military and the rule of law. Such funding is crucial if public statements by Members about wanting the Iraqis to be able to defend themselves are in fact accurate and not purely rhetorical.

Fourth, a total of \$90,000,000 would improve Iraq's ability to execute its national budget, a crucial step towards Iraq's self-reliance. Funding is requested for economic policy, subsidy, legal and regulatory reform, which is crucial to enable Iraq to stimulate local economies to counter the impact of the insurgents. Additionally, this assistance would help Iraq create jobs in the agricultural sector and increase food production, thereby stimulating Iraq's second largest economic sector. These funds would directly weaken the insurgent base in rural areas.

Finally, a total of \$25,000,000 would bolster national reconciliation and political reform as well as support fair provincial elections in 2008 and fair national elections in 2009. An increase of \$25,000,000 would assist the development of the Iraqi criminal justice system. These necessary funds would allow the Iraqi government to identify, bring to justice, and incarcerate insurgents and terrorists who are trying to destabilize the country.

Given the extensive debate in the Congress over the last few months, a decision not to provide funding in the State, Foreign Operations bill for Iraq sends a signal that all statements by Members of Congress who want Iraqis to be able to take control of their own country are purely rhetorical.

#### MILLENNIUM CHALLENGE CORPORATION

The President requested \$3 billion for the fifth year of operations of the Millennium Challenge Corporation (MCC). The request reflects the strong demand from countries already eligible for MCC funding and those countries likely to become newly eligible in fiscal year 2008. We are disappointed that the bill only provides \$1.8 billion for the MCC, a level that is a 40 percent cut from the President's request.

Congressional action this year will be the deciding factor on the future of MCC assistance. We are especially concerned that many Members of the majority see the MCC mostly as a Presidential priority and as a partisan issue. We believe the majority would have

a different view of a program if they were to ask the citizens of the MCC countries—not just the recipients of the funds, but the beneficiaries of the good governance and anticorruption policies instilled by the MCC.

The primary argument made by the majority for not providing increases to MCC funding is that MCC disbursements are too slow. Therefore, additional funds are not needed. The MCC was designed to provide assistance for a country for a 5-year period and must be funded entirely by Congress up front in the first year. The MCC is different from the traditional development assistance programs in that it does not receive incremental, precarious funding. The premise of the MCC is that there is a commitment between the United States and developing countries that the developing country would receive U.S. assistance only if they govern justly, contribute their own funding to invest in their citizens, and root out corruption. These are requirements that traditional development assistance programs do not have.

Additionally, lost in the debate is the fact that seven of the next eight agreements, or compacts, awaiting MCC funding are with African nations. By cutting MCC assistance, this bill effectively cuts development assistance to Africa; these are African nations which have improved governance, increased funding for education, and fought corruption.

MCC funding is not channeled through the normal foreign assistance nongovernmental organizations, and this may be another reason that MCC funding is controversial. The Republicans would argue that the developing world is ready and waiting for a new opportunity to fight poverty and generate economic growth. The status quo approach has not worked. The MCC is a results-driven approach to development assistance which combines many of the lessons learned from our efforts over the last few decades. This is a critically important program, a new way to create partnerships with countries, and these partnerships are based on accountability, country ownership, and a commitment to economic growth.

We appreciate the Chairwoman's verbal commitment to work toward higher levels of funding for the MCC as this bill moves through the appropriations process.

#### COLOMBIA

We remain deeply concerned about the future of the relationship between the U.S. and Colombia as a result of provisions and funding decisions in this bill. President Uribe won his presidential election with an 84 percent approval rating. The citizens of Colombia support him overwhelmingly yet that level of support is not reflected in language included in the bill and accompanying report. The Colombian Government has been a critical ally of the United States in the fight against narcotics production and trafficking. However, instead of recognizing the progress that Colombia has made over the past decade, this bill cuts funding. Moreover, it shakes the very basis of the cooperative relationship that the U.S. has developed with the Colombian government. This is no way to treat such an important ally.

Additionally, there is a \$100,000,000 shift in focus of U.S. counter-narcotics and counterterrorism policy for Colombia from

eradication and interdiction towards alternative development. The United States is the only partner of Colombia providing external support for eradication and counterterrorism, while international organizations and other donor countries assist with alternative development programs. Therefore, such a shift would have significant effects on the ability of the Colombian Government to continue its commitment to fight coca cultivation, the primary source of funding of terrorism in the Western Hemisphere.

Human rights violations by members of the Colombian Government and military have been included in recent press reports and through several indictments of high level officials. It is apparent that the very reason these people have been indicted in Colombia is that President Uribe has cleared the way for investigations and provided support for their resolution. We believe that to criticize the Government of Colombia because of past and ongoing investigations and prosecutions of corrupt officials and human rights abusers is counterproductive. Yet, Republicans are steadfast in our belief that human rights abuses cannot be tolerated by any country, including an ally of the United States.

The provision of U.S. assistance has been directly responsible for bringing stability to Colombia. When Plan Colombia started, the country was torn by civil war. The Colombian people couldn't travel freely throughout the country. Since Plan Colombia began, kidnappings have fallen by 75 percent, the Gross Domestic Product of Colombia has increased from 1.5 percent a year to 7 percent annually, and U.S. exports to Colombia have grown from \$3.6 billion to \$5.4 billion a year.

In summary, we appreciate the Chairwoman's efforts to recognize our interest in minimizing cuts to assistance for Colombia. However we are still concerned that provisions in the bill reshape a long-standing program that has helped to stabilize and develop a country into one that is unproven, and different from what the Government of Colombia or its people desire.

#### CUBA

We are disappointed that the bill falls short of the President's request to fund the program recommendations made in July 2006 by the Commission for Assistance to a Free Cuba. The Castro regime is the only non-democratically elected government in the Western Hemisphere. It exerts absolute control over all media. As a result, the Cuban people do not have access to reliable, independent information. Now is the time to demonstrate a commitment to a future of freedom for Cuba and to fund programs that will facilitate a peaceful democratic transition. Specifically, we believe that the bill should do more to support broadcasting to Cuba. Additional investments in transmission capabilities to overcome jamming will result in larger audiences for our television and radio broadcasts. In addition, the bill provides only 20 percent of the requested funding for civil society and democratic development programs, including programs to break the regime's information blockade. We will work to increase this funding as the bill moves forward.

## EXPORT-IMPORT BANK

We are disappointed that the majority chose to not include the President's fiscal year 2008 proposal that allows the Export-Import Bank to directly utilize its offsetting collections for its administrative and credit subsidy costs. We believe this budgetary change is good for the U.S. taxpayer and good for U.S. exporters. We are pleased that the Chairwoman committed to working with us and other Members on this issue as the bill moves along in the process and towards conference.

## ANTI-CORRUPTION AMENDMENT

We are pleased that the Chairwoman accepted an amendment by the Ranking Member requiring the reporting by the Secretary of State on the degree of corruption in countries that receive U.S. foreign assistance. Corruption robs countries of their rightful economic growth, deters investment in areas that need it most and, at its very worst, condemns its people to life without hope.

For purposes of this bill, corruption can in many ways make our foreign assistance ineffective. Unfortunately, we have seen the impact of corruption in many places around the world. We are convinced that corruption can be measured and can be fought. Unfortunately, there is a resistance by many in the development community to make fighting corruption a requirement for a country to receive our assistance.

The Millennium Challenge Corporation is one way the United States has begun to change that. The MCC requires that recipient countries score better than their peer group on the issue of corruption. This requirement provides incentives for countries to reform entire institutions, prosecute corrupt officials, and instill long-term policies that will help all levels of their societies. This is one part of the so-called "MCC effect".

Republicans are convinced that those governments that receive U.S. assistance must understand that fighting corruption begins with their governments, and we appreciate the efforts of the Chairwoman in supporting these goals.

## EFFECTIVENESS OF USAID

The minority agrees with the report language accompanying this bill regarding the need to strengthen the United States Agency for International Development, the nation's primary international development agency. Yet, focusing solely on providing U.S. foreign assistance the way it has been done for 40 years is neither progressive nor realistic. We also support the Millennium Challenge Corporation's approach to development assistance by requiring country-ownership of their aid package, and we recognize that countries with good governance and low corruption may have a better ability of lifting their people out of poverty through economic growth.

## VICTIMS OF TERRORISM

The minority is pleased that the majority has included language regarding a comprehensive approach to compensating dependents of victims of terrorism.

## FAMILY PLANNING

Republicans are opposed to new language provisions included in the bill regarding funding for family planning programs overseas. The President of the United States clearly stated in his May 3, 2007, letter to the Speaker of the House that he would veto any legislation that weakens current Federal policies and laws on abortion. Despite receiving the letter well before the bill was crafted, the majority chose to include four separate provisions on this issue. As a result of these language provisions alone, we do believe that this bill will be vetoed. While we support strongly the President's position on these policies, we question the decision of the majority to effectively place in jeopardy humanitarian assistance and assistance to our partners in the Global War on Terror.

## CONCLUSION

In closing, while we have real policy differences and spending concerns relating to this legislation, it is our hope that between now and conference negotiations with the Senate later this year, we can address the most contentious issues. Our sincere desire is to work with Chairwoman Lowey to fashion a responsible, balanced conference report worthy of broad, bipartisan support.

