

REQUEST FOR FISCAL YEAR 1996
SUPPLEMENTAL APPROPRIATIONS

COMMUNICATION

FROM

The President of the United States

TRANSMITTING

HIS REQUEST TO MAKE AVAILABLE APPROPRIATIONS TOTALING
\$140 MILLION IN BUDGETARY AUTHORITY FOR SUPPORT OF
THE MIDDLE EAST PEACE PROCESS, PURSUANT TO 31 U.S.C.
1107



FEBRUARY 23, 1996—Referred to the Committee on Appropriations and
ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

THE WHITE HOUSE,
Washington DC, February 23, 1996.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I ask Congress to consider the enclosed request for an FY 1996 supplemental appropriation in support of the Middle East peace process. The request seeks \$140 million for an initiative that would transfer F-16 aircraft to the Kingdom of Jordan.

King Hussein and the people of Jordan have proven themselves as vital partners with Israel in the Middle East peace process. The transfer of the F-16 aircraft to Jordan will contribute to Jordanian security, as well as to security in the entire region, and further the commitment made by the United States to support Jordan's efforts to further the Middle East peace process.

The requested increase in budget authority is fully offset by rescissions from funds available to the Department of Defense, as proposed in the accompanying Special Message. The rescissions will have no impact on defense readiness.

Also included in this transmittal is a technical appropriations language request for the Department of Defense.

The details of these requests are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with her comments and observations.

Sincerely,

WILLIAM J. CLINTON.

Enclosure.

Estimate No. 3
104th Congress, 2nd Session



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

February 23, 1996

The President

The White House

Submitted for your consideration is a request for an FY 1996 supplemental appropriation in support of the Middle East peace process. The requested supplemental, for the Foreign military financing program, would provide \$140 million in grants that would support the transfer of F-16 aircraft to the Kingdom of Jordan.

The United States has fostered significant progress toward comprehensive peace in the Middle East. King Hussein and the people of Jordan have proven themselves as vital partners with Israel in the Middle East peace process. A strong Jordan is a valuable force for stability in a volatile region, which in turn, will enhance regional security. The Jordanian F-16 program will fulfill commitments made by the U.S. to Jordan to satisfy its legitimate defense needs.

In total, sixteen aircraft -- 12 F-16As and four F-16Bs -- will be leased to Jordan. The requested funds would also be available for the purchase of associated logistics support and training.

The cost to the United States for the F-16 initiative is estimated to be \$200 million. The funds now requested would supplement the \$30 million in FY 1996 funds currently available for the program, and will permit timely and orderly obligations. The remaining \$30 million needed for the program will be requested in the FY 1997 Budget.

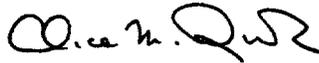
The \$140 million requested by this action would be offset by rescissions from funds available to the Department of Defense. The funds proposed for rescission, totaling \$140 million, are in excess of DoD's requirements. The savings are possible due to lower-than-expected rates of inflation. There will be no impact of defense readiness.

A paper that describes in greater detail the U.S. support for the Jordanian F-16 program that would be financed by this proposed supplemental follows this letter.

Also submitted for your consideration is a technical appropriations language request for the Department of Defense. The requested language would authorize the award of a C-17 multiyear contract for seven years.

I have carefully reviewed these proposals and am satisfied that they are necessary at this time. Therefore, I join the Secretaries of Defense and State in recommending that the proposals be transmitted to the Congress. The proposed offsetting rescissions are contained in an accompanying Special Message.

Sincerely,

A handwritten signature in dark ink, appearing to read "Alice M. Rivlin". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Alice M. Rivlin
Director

Enclosures

U.S. SUPPORT FOR JORDAN F-16 PROGRAM

The Middle East is closer to a comprehensive peace than has been the case since the creation of the state of Israel. There have been remarkable advances in recent years. To keep this process moving forward, the United States must make clear that it will live up to its commitments and support those who take risks for peace in the Middle East.

Jordan is an important friend and ally. King Hussein and the people of Jordan have proven themselves as vital partners with Israel in the Middle East peace process. A strong Jordan is a valuable force for stability in a volatile region, and in turn, will enhance Israeli security.

When Jordan signed a peace treaty with Israel, the United States told the King that it would stand by him and work with the Congress to satisfy the legitimate defense needs of his country. This transfer of a squadron of sixteen F-16 fighter aircraft to the government of Jordan will strengthen the cause of peace in the Middle East.

Secretary of Defense Perry presented a plan to King Hussein that would, subject to congressional approval, provide the King with F-16s. These aircraft would come from Air Force mothballed stocks and would have no negative impact upon U.S. defense capabilities. The aircraft would be leased to Jordan initially on a no cost/low cost basis. Twelve F-16As would be leased at no cost and four F-16Bs would be leased at very low cost. In time, title will be transferred to Jordan.

Prior to transfer, the F-16s would receive engine upgrades and some structural upgrades to make them flight worthy and sustainable in the outyears. Additionally, the United States would provide pilot and logistical training as well as spare parts and support equipment. King Hussein has agreed to use \$80 million in Jordanian funds to make required maintenance and logistics infrastructure improvements. Further, Israel has offered to help with maintenance and some training. The cost to the United States for this initiative is estimated at \$200 million.

The United States will fund the \$200 million in three parts. The FY 1996 Foreign Operations Appropriations Act already contains \$30 million in the Foreign Military Financing (FMF) account that was allocated for grant military assistance to Jordan. An additional \$30 million will be requested in the FY 1997 Budget for FMF for Jordan. To complete the financing for this program, legislation is being submitted to rescind \$140 million in excess FY 1996 Defense appropriations resulting from lower than expected inflation. There will be no impact on defense readiness or weapons procurement. This rescission would make the \$140 million FY 1996 FMF supplemental for Jordan budget neutral.

The F-16 program does not affect the \$100 million drawdown recently signed into law in the FY 1996 Foreign Operations Appropriations Act. The drawdown is geared primarily toward border security enhancements and ground forces, including M-60A3 tanks, ordnance, spare parts, ground surveillance, equipment and night vision devices.

These F-16s will enhance regional security and also demonstrate the great confidence both we and the Israelis have in Jordanian military capability. Only days before his death, Prime Minister Yitzhak Rabin asked the President to provide these aircraft to Jordan. Prime Minister Peres has reiterated this desire to assist Jordan and in so doing to increase Israeli security and advance the cause of peace in the Middle East.

FUNDS APPROPRIATED TO THE PRESIDENT
INTERNATIONAL SECURITY ASSISTANCE
Foreign Military Financing Program

For an additional amount for "Foreign Military Financing Program" for grants for Jordan pursuant to section 23 of the Arms Export Control Act, \$140,000,000; Provided, That such funds may be used for Jordan to finance transfers by lease of defense articles under Chapter 6 of such Act.

This supplemental request would provide an additional \$140 million to the Foreign military financing program for grants to the Kingdom of Jordan. These grants would support the transfer of sixteen F-16 aircraft from the United States to Jordan. The presence of these aircraft will contribute to Jordanian security, as well as regional security, and further the commitment made by the United States to Jordan in support of the Middle East peace process.

DEPARTMENT OF DEFENSE

Supplemental General Provision Language

Sec. . . . Funds appropriated under the heading, "Aircraft Procurement, Air Force," in Public Laws 104-61, 103-335, and 103-139 that are or remain available for C-17 airframes, C-17 aircraft engines, and complementary widebody aircraft/NDAA may be used for multiyear procurement contracts for C-17 aircrafts: Provided, That the duration of multiyear contracts awarded under the authority of this section may be for a period not to exceed seven program years, notwithstanding section 2306b(1) of title 10, United States Code.

This request would permit the Department of Defense to extend multiyear procurement (MYP) limits in the case of the C-17 to seven years. It would also allow prior-year C-17 and NDAA funds for Economic Order Quantity funding of the C-17 under a multiyear contract. Current law (10 U.S.C. 2306b(1)) limits MYP contracts to five program years or less.