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FOREIGN AFFAIRS REFORM AND RESTRUCTURING ACT OF 1997

JUNE 13, 1997.—Ordered to be printed

Mr. HELMS, from the Committee on Foreign Relations, submitted, under authority of the order of the Senate on June 12, 1997, the following

REPORT

together with

ADDITIONAL AND MINORITY VIEWS

[To accompany S. 903]

The Committee on Foreign Relations having had under consideration an original bill to consolidate the foreign affairs agencies of the United States, to authorize appropriations for the Department of State and related agencies for the fiscal years 1998 and 1999, and to provide for reform of the United Nations, and for other purposes, reports favorably thereon and recommends the bill do pass.

CONTENTS

	Page
Purposes of the bill	2
I. Reorganization of United States Foreign Policy Apparatus	2
II. Foreign Relations Authorization	3
III. United Nations Reform	6
Committee action	7
Section-by-section analysis	9
Cost estimate	50
Evaluation of regulatory impact	51
Minority views	56
Additional views	52
Changes in existing law	57

39–010

PURPOSES OF THE BILL

The Foreign Affairs Reform and Restructuring Act of 1997 is intended to:

1. provide for the reorganization of the Department of State to maximize the efficient use of resources, eliminate redundancy in functions, and improve the management of the State Department and to strengthen the coordination of United States foreign policy by clarifying the leading role of the Secretary of State in the formulation and articulation of United States foreign policy. To achieve this goal the bill would abolish the Arms Control and Disarmament Agency and the International Development Cooperation Agency by October 1, 1998, and the United States Information Agency by October 1, 1999. The bill would require the transfer of the legislative, public affairs, and press affairs functions of the Agency for International Development by October 1, 1998, to the Department of State. Further, the bill requires that the Administrator of AID serve under the direct authority of the Secretary of State and that the Secretary be given ultimate authority to coordinate U.S. development and economic assistance programs.

2. authorize funding for Department of State, U.S. Information Agency, and other foreign affairs programs for Fiscal Years 1998 and 1999. The bill authorizes funding for the Arms Control and Disarmament Agency for Fiscal Year 1998.

3. mandate reforms at the United Nations that must be met during the next three years and authorizes the payment of U.S. arrearages to the U.N. during that same time period;

4. assist congressional efforts to balance the United States federal budget by 2002.

I. REORGANIZATION OF THE U.S. FOREIGN POLICY APPARATUS

On April 18, 1997, the President issued a statement supporting the consolidation of the United States' foreign affairs agencies which "...brings to an end bureaucracies originally designed for the Cold War, streamlines the Executive Branch's policy-making process, and enhances our nation's ability to meet the growing foreign policy challenges of the 21st century."

It should be noted that the Committee approved legislation in 1995 that would have accomplished the President's recently stated goal of reorganizing our foreign policy apparatus, but the bill was vetoed by the President. Nonetheless, the Committee welcomes the recent support of the President to reform, revitalize and reorganize the United States' foreign affairs apparatus. Our nation's foreign affairs structures facilitate a ineffective dichotomy—which the nation cannot afford—between programs and policy.

This year, the Committee on Foreign Relations—with broad bipartisan support—developed legislation which closely mirrors the President's plan to reorganize and streamline America's foreign policy apparatus and which should bring greater coordination and coherence to our nation's foreign policy.

Much has been said and written about the epochal changes the world has seen in the past seven years. Over the past half-century America met the test of the Cold War and prevailed through enormous application of spirit and treasure. The threats and opportuni-

ties of the next fifty years will be vastly different, both qualitatively and quantitatively. Less and less will the United States be able to rely on the buffers of geography for insulation from emerging international threats. Consequently, our ability to protect U.S. interests through our presence and programs overseas will have unprecedented bearing on this nation's future well-being and prosperity.

The present U.S. foreign affairs structures were, in the main, developed to meet the specific challenges imposed upon our nation by the Cold War. The new security challenges of the post-Cold War world, and a pressing need to rationalize expenditures, require that the U.S. modify yesterday's institutions to preserve a vigorous capability to advance U.S. interests overseas.

During the past four decades, in response to the wisdom and perceived needs of the day, such key foreign policy functions as public diplomacy, foreign assistance and arms control have been spun off into separate bureaucracies. A constellation of foreign policy satellite agencies emerged, the bureaucracies expanded and many United States national interests require action now to reintegrate and rationalize these increasingly disparate foreign policy functions in the U.S. government. Operations must be streamlined to provide coherent and cost-effective support of vital U.S. interests overseas for tomorrow's challenges.

Under this new structure, the Secretary of State will be given the tools necessary to build and maintain a foreign policy apparatus responsive to the national need and more efficient in its use of resources.

This bill abolishes the Arms Control and Disarmament Agency (ACDA), the United States Information Agency (USIA), and the International Development Cooperation Agency (IDCA). The bill also transfers into the Department of State certain functions of the Agency for International Development.

In sum, this bill will fully integrate essential functions currently performed by ACDA and USIA into the Department of State. In addition, certain functions of the Agency for International Development and the International Development Cooperation Agency will be transferred to the Department of State. These functions comprise a broad range of foreign policy tools, and are relevant to the extent they serve clear national interests and to the extent they are directly responsive to the Secretary of State and the President. This reorganization seeks to make programs substantially more responsive to policy, ensuring that foreign affairs resources are expended wisely in support of the national interest.

II. Foreign Relations Authorizations

Division B of the "Foreign Affairs Reform and Restructuring Act of 1997" authorizes appropriations and activities for the Department of State and related agencies for fiscal years 1998 and 1999. For these two fiscal years, respectively, the bill authorizes $6,070,879,000 and $5,919,371,000. The President requested $6,153,378 for fiscal year 1998.

DEPARTMENT OF STATE

For the Department of State, the bill authorizes $4,733,759,000 and $4,627,961,000 for fiscal years 1998 and 1999, respectively. The President requested $4,807,390,000 for fiscal year 1998. The following are subtotals within this amount.

For Administration of Foreign Affairs, the bill authorizes $2,739,596,000 and $2,767,239,000 for fiscal years 1998 and 1999, respectively. The President requested $2,739,796,000 for fiscal year 1998.

For International Commissions, the bill authorizes $44,222,000 and $44,222,000 for fiscal years 1998 and 1999, respectively. The President requested $45,162,000 for fiscal year 1998.

For Related Appropriations—namely the Asia Foundation—the bill authorizes $8,000,000 and $8,000,000 for fiscal years 1998 and 1999, respectively. The President requested $8,000,000 for fiscal year 1998.

For Refugees, the bill authorizes $700,000,000 for fiscal years 1998 and 1999, respectively. The President requested $700,000,000 for fiscal year 1998.

UNITED STATES INFORMATION AGENCY

The bill authorizes $1,076,120,000 and $1,069,410,000 for fiscal years 1998 and 1999, respectively. The President requested $1,077,788,000 for fiscal year 1998.

UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY

The bill authorizes $39,000,000 and $0 for fiscal years 1998 and 1999, respectively. The President requested $46,200,000 for fiscal year 1998. The bill reported by Committee includes no funding for Arms Control and Disarmament Agency (ACDA) for the second fiscal year since it provides for ACDA's abolition and consolidation within the Department of State prior to the start of fiscal year 1999.

PEACE CORPS

The bill authorizes $234,000,000 for each of fiscal years 1998 and 1999. The President requested $222,000,000 for fiscal year 1998.

FY 1998–99 AUTHORIZATION OF APPROPRIATION: STATE, USIA, ACDA AND PEACE CORPS

[In thousands of dollars]

	FY 1997 Approp.'s	FY 1998 Request	FY 1998 Cmte. Mark	FY 1999 Cmte. Mark
State Department				
Administration of Foreign Affairs:				
Diplomatic & Consular Prog. [fee authority]	1,725,300	1,746,977	1,746,977	1,764,447
Salaries & Expenses	352,300	363,513	363,513	367,148
Capital Investment Fund	24,600	64,600	64,600	64,600
Subtotal	2,102,200	2,175,090	2,175,090	2,196,195
Inspector General	27,495	28,300	28,300	28,300
Representation Allowances	4,490	4,300	4,100	4,100
Protect. For. Missions/Officials	8,332	7,900	7,900	8,000
Sec. & Maint. of U.S. Missions	389,320	373,081	373,081	376,811
Emergencies in Dip. & Cons. Serv.	5,800	5,500	5,500	5,500
Repatriation Loans	1,256	1,200	1,200	1,200
Institute of Taiwan	14,490	14,490	14,490	14,600
Foreign Service Retirement	126,491	129,935	129,935	132,533
Subtotal	2,679,874	2,739,796	2,739,596	2,767,239
International Commissions:				
Int'l Bound. & Water Comm./US-Mex.				
Salary	15,490	18,490	18,200	18,200
Construction	6,463	6,463	6,463	6,463
Subtotal	21,953	24,953	24,663	24,663
Int'l Bound. & Water Comm./US-Can.	606	785	785	785
Int'l Joint Commission	3,181	3,225	3,225	3,225
Border Env. Coop. Commission	1,703	1,650	1,000	1,000
Int'l Fisheries Commission	14,549	14,549	14,549	14,549
Subtotal	41,992	45,162	44,222	44,222
International Organizations:				
International Conferences	10,000	4,941	3,941	3,500
International Organizations	892,000	969,491	938,000	900,000
International Peacekeeping	302,400	240,000	200,000	205,000
Subtotal	1,204,400	1,214,432	1,141,941	1,108,500
Arrears:				
International Operations	0	54,000	54,000	—
Peacekeeping Operations	50,000	46,000	46,000	—
Subtotal	50,000	100,000	100,000	—[1]
Related Appropriations:				
Asia Foundation	8,000	8,000	8,000	8,000
Refugees:				
Migration & Refugee Assist.	650,000	650,000	650,000	650,000
Emergency Mig. & Ref. Assist.	50,000	50,000	50,000	50,000
Subtotal	700,000	700,000	700,000	700,000
STATE TOTAL	4,684,266	4,807,390	4,733,759	4,627,961
United States Information Agency				
Programs and Activities:				
International Information Programs	441,375	434,097	427,097	427,097

FY 1998–99 AUTHORIZATION OF APPROPRIATION: STATE, USIA, ACDA AND PEACE CORPS—Continued

[In thousands of dollars]

	FY 1997 Approp.'s	FY 1998 Request	FY 1998 Cmte. Mark	FY 1999 Cmte. Mark
Technology Fund	5,050	7,000	5,050	5,050
Educ. & Cultur. Exchange Programs				
Fulbright Programs	—	—	99,236	99,236
Other	—	—	100,764	100,764
Subtotal	185,000	197,731	200,000	200,000
Nat'l Endowment for Democracy	30,000	30,000	30,000	30,000
Subtotal	672,920	677,328	662,147	662,147
Broadcasting:				
Int'l Broadcasting Activities	325,000	366,750	331,168	331,168
Radio Free Asia	—	—	20,000	20,000
Broadcasting to Cuba	25,000	—	22,095	22,095
Radio Free Iran	—	—	2,000	2,000
Subtotal	350,000	366,750	375,263	375,263
Radio Construction	35,490	32,710	37,710	31,000
Subtotal	385,490	399,460	412,973	406,263
Trust Funds:				
Eisenhower Exch. Fellowship	600	600	600	600
Israeli Arab Scholarship	400	400	400	400
Subtotal	1,000	1,000	1,000	1,000
USIA TOTAL	1,059,410	1,077,788	1,076,120	1,069,410
Arms Control and Disarmament Agency:				
ACDA	41,500	46,200	39,000	0
Peace Corps:				
Peace Corps	220,000	222,000	234,000	234,000
GLOBAL TOTALS:.				
State Dept., USIA, ACDA, Peace Corps	6,005,176	6,153,378	6,082,879	5,931,371

[1] $475 million in FY 1999 and $244 million in FY 2000 for U.N. arrears package.

III. United Nations Reform

The United Nations was originally created to help nation-states facilitate the peaceful resolution of international disputes. However, the United Nations bureaucracy has proliferated; its costs have spiraled; and its mission has expanded beyond its mandate. This legislation attempts to address these problems.

This legislation authorizes payment of arrears only after specific reform benchmarks have been met by the United Nations and its specialized agencies. The Committee's plan does not micromanage how the United Nations should downsize and eliminate its overlapping programs and activities. Just a cursory review of the organizational chart of the United Nations and its agencies, funds, and programs makes it clear that downsizing is required and must be addressed by the U.N. Secretary General and the member states.

There are many proposals for restructuring the U.N. bureaucracy, including a widely-circulated proposal from the Nordic countries to reform the development and the humanitarian assistance programs of the U.N. This legislation leaves flexibility on these issues but requires that there be a procedures for sunsetting antiquated and dysfunctional programs.

The core of this legislation is directed at curbing spending. It makes a clear statement as to how much the Congress is willing to pay and the conditions under which it is willing to authorize spending for the United Nations and its affiliated agencies.

The United States Constitution places the authority to tax United States citizens and to authorize and appropriate those funds solely in the power of the United States Congress. The requirement in Article 17 the United Nations Charter that member states approve a budget to be borne by the members of the United Nations in no way creates a "legal obligation" on the United States Congress to authorize and appropriate the amounts requested by United Nations of the United States to meet the United Nations annual budget.

This legislation makes clear how much the United States Congress is willing to pay by capping the assessed contributions to international organizations at $900,000,000 per year.

This legislation mandates a reduction in the U.S. share of the assessment to 20 percent. Had this assessment scale been in place during the past five years the United States would have saved the American taxpayers at least a half billion dollars in assessed contributions to the United Nations and its specialized agencies. The legislation also requires a decline in the budgets at the three largest specialized agencies: the Food and Agriculture Organization, the International Labor Organization, and the World Health Organization.

Another key reform in this legislation is a requirement that the United States seek and obtain reimbursement for all assistance to the United Nations for peacekeeping operations, unless the President notifies Congress that to do so without reimbursement serves an important national interest. The President will be required to seek authorization of the Congress on all resources to fund United Nations peacekeeping efforts. The legislation also makes clear that the United States will no longer engage in large-scale United Nations peacekeeping operations. As $533.306 million of the "arrears" contained in this package are from the UNPROFOR mission in the former Yugoslavia, the savings from this provision are eminently clear.

Division C does not contain every reform that Congress would have wanted from the U.N. The plan is, however, the result of months of bipartisan meetings and negotiations between this Committee, the appropriating committees, the leadership of both the Senate and House, and the Administration. It is a consensus package that provides basic reforms and much-needed curbs on spending.

COMMITTEE ACTION

Prior to the Committee consideration of the "Foreign Affairs Reform and Restructuring Act of 1997", the Committee on Foreign

Relations held a number of hearings on the International Affairs budget, reorganization of the U.S. foreign policy apparatus, and on the need for reform at the United Nations.

Hearings on these issues are as follows:

January 8, 1997 - At the nomination hearing of the Honorable Madeleine K. Albright, Secretary of State, Secretary Albright testified concerning reorganization of the State Department and reform at the United Nations.

January 29, 1997 - At the nomination hearing of the Honorable Bill Richardson, U.S. Representative to the United Nations, Ambassador Richardson testified before the Committee on issues relating to the United Nations reform efforts.

April 18, 1997 - During the nomination hearing for Mr. Thomas R. Pickering to be Undersecretary of State for Political Affairs, Ambassador Pickering discussed reorganization of the Department of State.

The Subcommittee on International Operations held three hearings at which representatives of three Federal Agencies testified. These hearings focused primarily on efforts by the committee to reorganize and streamline U.S. foreign policy bureaucracies, and on the President's Fiscal Year 1998 International Affairs Budget Request:

February 27, 1997 - the Honorable Patrick F. Kennedy, Acting Undersecretary for Management, Department of State, testified on the State Department's "Administration of Foreign Affairs" FY 1998 Budget.

March 6, 1997 - the Honorable Joseph D. Duffey, Director, United States Information Agency, and Mr. Kevin Klose, Associate Director for Broadcasting, U.S. Information Agency, presented the President's FY 1998 Budget Request for the U.S. Information Agency and International Broadcasting.

March 13, 1997 - the Honorable Princeton N. Lyman, Acting Assistant Secretary of State for International Organization Affairs, and the Honorable John D. Holum, Director, U.S. Arms Control and Disarmament Agency, testified on the FY98 Budget Requests for International Organizations and Conferences, U.S. contributions to the United Nations, and Arms Control and Disarmament Agency.

The Subcommittee on International Economic Policy held hearings dedicated to oversight of U.S. assistance programs and to the reorganization of A.I.D:

February 26, 1997 - the Honorable J. Brian Atwood, Administrator, Agency for International Development, testified on the President's budget request and on issues related to reorganization on the Agency.

On June 12, 1997, the Committee on Foreign Relations considered an original committee bill, the "Foreign Affairs Reform and Restructuring Act of 1997," which was ordered reported favorable to the Senate floor on June 12, 1997. A majority of the members were present and voted in the affirmative, 14 to 4, to report the bill favorably.

SECTION-BY-SECTION ANALYSIS

DIVISION A—CONSOLIDATION OF FOREIGN AFFAIRS AGENCIES

TITLE I—GENERAL PROVISIONS

Sec. 101. Short title.

Section 101 states that this division may be cited as the "Foreign Affairs Agencies Consolidation Act of 1997."

Sec. 102. Purposes.

Section 102 establishes that the purposes of this division are to strengthen the coordination of United States foreign policy and the leading role of the Secretary of State in the formulation of such policy; to consolidate and reinvigorate the foreign affairs functions of the United States within the Department of State; to ensure that programs critical to the promotion of United States national interests be maintained; to assist congressional efforts to balance the budget; to ensure that the United States maintains effective representation abroad within budgetary restraints; and to encourage United States foreign affairs agencies to maintain a high percentage of the best qualified, most competent United States citizens serving in the United States government.

Sec. 103. Definitions.

Section 103 defines the terms used in this division: appropriate congressional committees, federal agency, function, office, transferee agency, and transferor agency.

Sec. 104. Report on budgetary cost savings resulting from reorganization.

Section 104 requires the Secretary of State to submit to the Committees on Foreign Relations and Appropriations of the Senate and the Committees on International Relations and Appropriations of the House of Representatives periodic reports describing the total anticipated and achieved cost savings, in both budget authority and in outlays, related to reorganization of the foreign affairs agencies. The initial report is required 90 days after enactment of this legislation, with subsequent reports every 180 days thereafter until September 30, 2001.

The Committee expects that these reports will contain detailed information regarding cost savings from reductions in personnel, administrative and program consolidation, sales of real property, termination of property leases, coordinated procurement and from other reorganization.

TITLE II—UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY

CHAPTER 1—GENERAL PROVISIONS

Sec. 201. Effective date

Section 201 establishes that the effective date of the abolition of the Arms Control and Disarmament Agency shall take effect on the earlier of October 1, 1998, or the date of abolition of ACDA pursuant to the reorganization plan described in section 601 of this Act.

CHAPTER 2—ABOLITION AND TRANSFER OF FUNCTIONS

Sec. 211. Abolition of the United States Arms Control and Disarmament Agency

Section 211 abolishes the United States Arms Control and Disarmament Agency (ACDA). By incorporating ACDA's arms control expertise in a new, more efficient State Department, this provision will ensure more efficient use of resources and will give arms control a more comprehensive purview. After all, the effectiveness and desirability of arms control and nonproliferation measures depend upon their consideration within the broader foreign policy context. By making arms control and nonproliferation decisions the personal responsibility of the Secretary of State, this division will give these matters a voice at the most senior level of the Administration. It will also ensure that arms control and nonproliferation proposals are made in a manner which reinforces and advances United States foreign policy and—above all else—national security objectives.

The elimination of ACDA, as part of the larger reorganization of the United States' foreign affairs apparatus to face the post- Cold War environment, has been endorsed by five former Secretaries of State, from Henry Kissinger to James Baker, III. This can be attributed to their confidence that ACDA's abolition will not only streamline and strengthen arms control, but also will reduce waste, duplication, and needless bureaucratic turf battles.

For the past generation, ACDA has had primary responsibility for the preparation, conduct and management of United States participation in all international negotiations and implementation fora in the field of arms control and disarmament. In more recent years, ACDA has also been given primary responsibility, on occasion, for the preparation, conduct and management of United States participation in international negotiations and implementation fora in the field of nonproliferation, such as with the indefinite extension of the Nuclear Non-Proliferation Treaty (NPT). Further, ACDA has been an important participant in interagency evaluation of nonproliferation research and development programs.

This does not mean, however, that ACDA has been the only voice for arms control in the Federal Government. Arms control functions are spread throughout the Executive branch. ACDA is, in fact, a relatively small agency. There are more than 3,100 arms control experts in more than 25 offices throughout 15 departments and agencies of the Federal Government. Fewer than 8 percent of them work for ACDA.

ACDA owns an even smaller piece of the arms control budget. The annual arms control budget of the United States government totals over $1 billion, ranging from expenditures on treaty implementation to the funding of unclassified, private sector arms control research. Nor is ACDA the sole repository of arms control negotiation and treaty verification experience. Thus there may well

be further grounds to rationalize and streamline the United States arms control process to meet the needs of the emerging international security environment.

Sec. 212. Transfer of functions to Secretary of State

Section 212 transfers to the Secretary of State all functions of the Director of the Arms Control and Disarmament Agency (ACDA) and all functions of ACDA and any offices or components of ACDA.

The Committee expects this transfer of functions to raise the status of arms control in the interagency process. ACDA's own Inspector General stated in August, 1995, that ″Once arms control became important presidential business...Secretaries of State and Defense and national security advisers became the dominant figures in arms control.″ He further found that arms control and nonproliferation policy is often subordinated to a secondary role given ACDA's perceived lack of inter-agency status. The Inspector General noted that, "If differences [between ACDA and other agencies] are not worked out there [at the working level], chances are the policy position of other organizations with higher perceived interagency status and decision-making impact will prevail" and that "the ACDA Director will only be as effective as the President and Secretary of State desire."

In sum, the Committee finds that the Departments of State and Defense have, in fact, set the terms of the post-Cold War arms control debate. They have done so, however, often without bearing the responsibility for ensuring that all avenues for prudent arms control and nonproliferation measures are explored. Instead, this responsibility seems to have been shunted off upon a smaller agency whose views are freely solicited, and too often freely ignored.

The effectiveness and desirability of arms control and nonproliferation measures depend upon their consideration within the broader foreign policy context. By making arms control and nonproliferation decisions the personal responsibility of the Secretary of State, this section will give arms control a voice at the most senior level of the Administration. It will also create accountability at the highest level for ensuring that these matters are given due consideration.

The Committee is particularly concerned that nonproliferation imperatives have at times been subordinated to such other considerations as trade and commercial benefits. In the cases of the decontrol of supercomputers and the release of 56-bit encryption technology for sale overseas, the Administration ignored the arguments of ACDA and other nonproliferation experts. These two decontrols risk a decrease in U.S. intelligence collection capabilities and an increased design and fabrication capability for advanced weapons systems in other countries (such as China, which has purchased nearly 50 such computers over the last two years and is reportedly alleged to have diverted some of that technology to undeclared uses). The Committee will expect the Secretary of State to put national security objectives ahead of economic considerations in fulfilling the requirements of this section, and thus to give nonproliferation a stronger voice at the most senior level of the U.S. decision-making process.

Merging ACDA into the State Department will not downgrade arms control; to the contrary, it will integrate arms control more effectively into the other facets of foreign policy. In directing the absorption of ACDA by the U.S. Department of State, the Committee intends, as it does in other aspects of this reorganization, that the Secretary of State continue to assert a strong, leading role in all aspects of U.S. foreign policy. Further, the Committee expects to see consistent and forceful leadership by the Secretary in pursuing arms control and nonproliferation matters which further United States interests. The Committee does not intend, however, that this reorganization be interpreted as any warrant for the Department of State to replicate arms control implementation or compliance functions already performed elsewhere (such as by the On-Site Inspection Agency of the Department of Defense).

Sec. 213. Under Secretary for Arms Control and International Security

Section 213 establishes within the Department of State the position of Under Secretary of State for Arms Control and International Security. The Under Secretary shall assist the Secretary of State and the Deputy Secretary of State in issues related to arms control and international security policy and shall, subject the direction of the President, to attend meetings of the National Security Council on arms control and nonproliferation issues.

The Committee expects that the Department of State will maintain the technical and policy expertise that ACDA has developed in arms control and nonproliferation verification, compliance and law. The ACDA personnel to be absorbed by the Department of State—most, if not all, of whom will work under the new Under Secretary for Arms Control and International Security—will bring into the Department this expertise. The Committee expects that this resource will be preserved through personnel policies that encourage the recruitment, retention and use of such skilled personnel on arms control and nonproliferation matters. To this end, the Department of State should view expertise in arms control, nonproliferation and international security matters as a specialized career path that can lead to senior positions in these fields.

However, just as the Committee expects the Department of State to retain arms control experts, it also expects the Department of State to eliminate redundant, non-mission related positions. Further, the Under Secretary should place high priority on recruiting and retaining arms control experts with backgrounds in the hard sciences and should ensure that the experts are given necessary library and computing resources. Regrettably, ACDA's Inspector General has concluded that "ACDA managers have not considered it necessary to increase the proportion of scientific or technical specialists on its staff..." and that ACDA has an "instinct to duplicate policy expertise already found in other agencies, as well as a disinclination to give higher priority to scientific expertise..." The Committee expects the Under Secretary to rectify this problem.

The efficient conduct of arms control and nonproliferation negotiations and implementation regimes often requires that expert personnel travel overseas, sometimes on short notice and sometimes for extended periods of time. The Committee expects that the

State Department, in assuming the functions formerly assigned to ACDA, will maintain the ability of the Under Secretary to dispatch expert personnel overseas as needed to pursue U.S. objectives in negotiations or compliance fora. However, the Committee also intends that the Under Secretary be attentive to opportunities to streamline and reduce the size and operations of U.S. arms control delegations overseas.Finally, effective leadership on arms control and nonproliferation matters also often requires that personnel handle very sensitive national security information. Access to such information may frequently depend, in turn, upon the willingness of personnel to accept security strictures that are more common to defense and intelligence agencies. The Director of ACDA has had independent authority to set and maintain security standards for ACDA employees. This authority will revert to the Secretary of State. To the extent that ACDA security standards or procedures may be more stringent than those applied to the rest of the Department of State, the Committee expects the Secretary to maintain such security standards or procedures as the Under Secretary may determine are necessary for the Department of State to maintain and enhance its leadership role on arms control and nonproliferation matters.

Sec. 214. Reporting requirements

Section 214 delegates to the Under Secretary of State for Arms Control and International Security responsibility for the preparation of arms control compliance reports formerly assigned to the ACDA Director under sections 37 (on verification aspects of arms control agreements) and 51 (on the annual "Pell Reports" regarding arms control compliance) of the Arms Control and Disarmament Act of 1961, as amended. The Committee considers it vital that the Under Secretary remain able to present an independent analysis of verification and compliance aspects of arms control agreements and also, therefore, that the Under Secretary be able to call upon expert personnel in these areas who will not feel obligated to downplay verification or compliance issues because of any potential impact of such issues upon overall U.S. relations with another country. The Committee expects the Under Secretary to vigorously reject any pressures to downplay his analysis or conclusions regarding arms control violations.

Sec. 215. Repeal relating to Inspector General for United States Arms Control and Disarmament Agency

Section 215 repeals Section 50 of the Arms Control and Disarmament Act relating to the Arms Control and Disarmament Agency Inspector General.

CHAPTER 3—CONFORMING AMENDMENTS

Sec. 221. References

Section 221 states that any reference in any statute, reorganization plan, executive order, regulation, agreement, determination, or other official document or proceeding to the United States Arms Control and Disarmament Agency or the Director or other official of ACDA shall be deemed to refer respectively to the Department

of State or the Secretary of State or other official of the Department of State.

Sec. 222. Repeal of establishment of ACDA

Section 222 repeals Section 21 of the Arms Control and Disarmament Act relating to the establishment of the Arms Control and Disarmament Agency.

Sec. 223. Repeal of positions and offices

Section 223 repeals Sections 22, 23, 24, and 25 of the Arms Control and Disarmament Act relating to the Director, Deputy Director, Assistant Directors, and to bureaus, offices, and divisions of the Arms Control and Disarmament Agency.

Sec. 224. Compensation of officers

Section 224 makes technical and conforming amendments to Title 5 U.S.C., sections 5313, 5314, 5315, and 5316 regarding the compensation of officials of the Arms Control and Disarmament Agency.

TITLE III—UNITED STATES INFORMATION AGENCY

CHAPTER 1—GENERAL PROVISIONS

Sec. 301. Effective date

Section 301 establishes that the effective date of the abolition of the United States Information Agency (USIA) shall take effect on the earlier of October 1, 1999, or the date of abolition of USIA pursuant to the reorganization plan described in section 601 of this Act.

CHAPTER 2 —ABOLITION AND TRANSFER OF FUNCTIONS

Sec. 311. Abolition of United States Information Agency

Abolishes the United States Information Agency upon the effective date of this title.

Sec. 312. Transfer of functions

Section 312 transfers to the Secretary of State all functions of the director of the United States Information Agency (USIA) and all functions of USIA and any offices or components of USIA.

Sec. 313. Under Secretary of State for Public Diplomacy

Section 313 creates within the Department of State an Under secretary for Public Diplomacy whose responsibilities include assisting the Secretary of State in the formation and implementation of United State public diplomacy policies, including international cultural and educational exchange programs, information, and international broadcasting.

Sec. 314. Abolition of Office of Inspector General of United States Information Agency and transfer of functions

Section 314 abolishes the Office of the Inspector General and transfers its personnel and functions to the Department of State's Inspector General's office, and makes technical and conforming amendments.

Sec. 315 Interim transfer of functions

Section 315(a) requires that the functions of the Office of Public Liaison and the Office of Congressional and Intergovernmental Affairs of the U.S. Information Agency be transferred to the Secretary of State.

Section 315(b) requires that this section take effect on the earlier of October 1, 1998, or the date of the proposed transferof these functions as required by the reorganization plan described in section 601 of this Act.

CHAPTER 3—INTERNATIONAL BROADCASTING

Sec. 321. Congressional Findings and Declaration of Purpose

Section 321 sets forth findings regarding the importance of U.S. sponsored international broadcasting. It repeats three findings set forth in the United States International Broadcasting Act of 1994 (Title III of the Foreign Relations Authorization Act for Fiscal Years 1994-1995), and add a fourth regarding the importance of international broadcasting as an instrument of U.S. foreign policy.

Sec. 322. Continued Existence of the Broadcasting Board of Governors

Section 322 provides for the retention of the Broadcasting Board of Governors as an entity described in Section 104 of Title 5 of the United States Code. The current members of the Board will remain in place and serve out their terms of office.

The Broadcasting Board of Governors (hereafter "the Board") was established by the United States International Broadcasting Act of 1994 (Title III of the Foreign Relations Authorization Act for Fiscal Years 1994-1995, P.L. 103-236). In that Act, Congress consolidated all U.S.-sponsored international broadcasting—the Voice of America, Radio and TV Marti, Worldnet TV, Radio Free Europe/Radio Liberty, and Radio Free Asia—under the direction and supervision of one governing board. The Board is part of the United States Information Agency, although in essence it is a self-contained unit within the Agency.

The provision would not alter the consolidation achieved in 1994, but would prevent the Board and the international broadcasting entities from being merged into the State Department, where the credibility and journalistic integrity of the broadcasters would be threatened. The rationale for having an arms-length distance from State is two-fold: (1) to provide "deniability" for the State Department when foreign governments voice their complaints about specific broadcasts; and (2) to provide a "firewall" between the Department and the broadcasters to ensure the integrity of the journalism.

Of course, no one denies that these entities are funded by the United States government. But the concepts of "deniability" and "firewall" have meaning. In truth, the State Department will be

able to deny responsibility for a specific broadcast—because it will have denied itself the ability to affect the content of that broadcast. It can do so because the "firewall" will have operational meaning. Whenever a foreign government complains to a U.S. diplomat that a broadcast is inconsistent with U.S. foreign policy objectives, that diplomat can plausibly deny that the broadcast is "not my department," and refer their counterpart to the Board. The Board, in turn, will exercise its oversight duties to investigate the matter, and take steps to influence overall broadcast policy, but the journalists themselves will be shielded from political interference by State Department officials.

All this is not to say that these entities are not important instruments of U.S. policy. It should go without saying that they are—and should remain so. The broadcasting agencies would continue to serve the foreign policy needs of the U.S. government: (1) a senior official of the State Department—the new Under Secretary of State for Public Diplomacy—would be a permanent voting member of the Board (as the USIA Director is now); (2) the VOA mission of telling America's story would remain intact, as would the VOA Charter; (3) the Secretary of State would provide foreign policy guidance and would be consulted about the addition or deletion of language services; (4) the statutory requirements requiring that the broadcasts be consistent with the broad foreign policy objectives of the United States would remain intact; and (5) the radios would continue to have the capability to provide surge capacity to support U.S. foreign policy objectives during crises abroad.

But the Committee believes strongly that the credibility of the journalism practiced by the various broadcast services would be at risk by placing these services inside the Department of State. This concern has been expressed by several former Directors of the Voice of America, from both Republican and Democratic Administrations, who wrote that "the direct involvement of the State Department in international broadcasting would prove detrimental to both institutions as well as seriously damage the credibility of our broadcast services."

The section also provides that the Inspector General of the Department of State will exercise the same authorities that it now has with regard to that Department. The section states, however, that the Inspector General "shall respect the professional independence and integrity of all broadcasters" covered by this bill.

Sec. 323. Conforming Amendments to the United States International Broadcasting Act of 1994

Section 323 makes several conforming amendments to the United States International Broadcasting Act of 1994. Specifically, it makes the changes to the statute required to give the new Under Secretary of State for Public Diplomacy a seat on the Board.

The section also makes several amendments to the authorities of the Board, as well as the principles and standards that the broadcasting should follow. These include an amendment requiring consultation with the Secretary of State on the additional and deletion of language services, a statement making clear that the Voice of America should continue to broadcast editorials presenting the views of the United States government, and the addition of several

authorities made necessary by the creation of a separate government agency.

Additionally, the provision changes current law to require that the Director of the International Broadcasting Bureau, which carries out the day-to-day operations of the broadcasting act, will be appointed by the President, by and with the advice and consent of the Senate. Under current law, the Director is appointed by the Chairman of the Board, with the concurrence of a majority of the Board.

Sec. 324. Amendments to the Radio Broadcasting to Cuba Act

Section 324 makes several technical amendments to the Radio Broadcasting to Cuba Act to conform to the changes made by this title.

Sec. 325. Amendments to the Television Broadcasting to Cuba Act

Section 325 makes several technical amendments to the Television Broadcasting to Cuba Act to conform to the changes made by this title.

Sec. 326. Savings Provisions

Section 326 is a standard savings provision utilized when changes in government structure occur.

Sec. 327. Report on the Privatization of RFE/RL, Incorporated

Section 327 requires a periodic report on the progress being made to fulfill the objective contained in Section 312 of the United States International Broadcasting Act of 1994, which stated that is the sense of Congress that the "funding of Radio Free Europe and Radio Liberty should be assumed by the private sector not later than December 31, 1999."

CHAPTER 4—CONFORMING AMENDMENTS

Sec. 331. References

Any reference in any statute or other official document or proceeding to the Director of the United States Information Agency or the Director of the International Communication Agency shall be deemed to refer to the Secretary of State, and any reference to USIA or the International Communication Agency shall be deemed to refer to the Department of State.

Sec. 332. Amendments to title 5, United States Code

Makes technical and conforming amendments to title 5 of the United States Code relating to officers of the United States Information Agency.

333. Ban on domestic activities

Section 333 exempts the Department of State from certain prohibitions in law relating to the domestic dissemination of certain foreign policy information.

TITLE IV—UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

CHAPTER 1—GENERAL PROVISIONS

Sec. 401. Effective date

Section 401 establishes that the effective date of the abolition of the International Development Cooperation Agency shall be the earlier of October 1, 1998, or the date of abolition of IDCA pursuant to the reorganization plan described in section 601 of this Act.

CHAPTER 2—ABOLITION AND TRANSFER OF FUNCTIONS

Sec.411. Abolition of United States International Development Cooperation Agency

Section 411(a) abolishes the International Development Cooperation Agency.

Section 411(b) exempts the Overseas Private Investment Corporation and the Agency for International Development from this abolition.

Sec.412. Transfer of functions

Section 412(a) transfers to the Secretary of State the functions of the Director of the International Development Cooperation Agency (IDCA) as described in subsection (d)

Section 412(b) transfers to the Administrator of A.I.D. all functions of the IDCA Director relating to the Overseas Private Investment Corporation.

Section 412(c) provides the authority to transfer to another federal agency or agencies as may be specified by the President in the reorganization plan submitted to Congress pursuant to section 601 of this division. If the President fails to submit the required reorganization plan, all other functions of IDCA shall be transferred to the Secretary of State.

Section 412(d) states that the functions transferred to the Secretary of State pursuant to subsection (a) are those relating to economic and development assistance allocation.

Currently, pursuant to Executive order 12163 of September 29, 1979, certain foreign assistance funds appropriated to the President are deemed apportioned to the Director of IDCA (and subsequently, the Administrator of the Agency for International Development). The Committee's intent with this section is to ensure that after enactment these funds are apportioned to the Secretary of State, and not the Administrator of A.I.D.

Sec. 413. Status of AID

Section 413 states that, unless abolished by the President pursuant to his reorganization plan, AID shall continue as an entity in the Federal Government. This section also allows the Administrator of A.I.D. to utilize the Foreign Service personnel system with respect to A.I.D. employees.

CHAPTER 3—CONFORMING AMENDMENTS

Sec. 421. References

Section 421 states that, except as otherwise provided by this Act, any reference in any statute, reorganization plan, Executive order, or other official document proceeding to the Director or any other officer of the International Development Cooperation Agency (IDCA) shall be deemed to refer to the Secretary of State, and any reference to IDCA shall be deemed to refer to the Department of State.

Sec. 422. Conforming amendments

Section 422 makes technical and conforming amendments.

TITLE V—AGENCY FOR INTERNATIONAL DEVELOPMENT

CHAPTER 1—GENERAL PROVISIONS

Sec. 501. Effective date

Section 501 requires that this section take effect on the earlier of October 1, 1998, or the date of the proposed transfer of these functions as required by the reorganization plan described in section 601 of this Act.

CHAPTER 2—REORGANIZATION AND TRANSFER OF FUNCTIONS

Sec. 511. Reorganization of Agency for International Development

Section 511(a) states that the Agency for International Development will be reorganized in accordance with this division of this Act and with the reorganization plan submitted pursuant to section 601 of this Act.

Section 511(b) requires that the functions of the offices of public affairs, press affairs and legislative affairs of the Agency for International Development be transferred to the Department of State.

The Committee believes that the transfer of A.I.D.'s legislative, press and public affairs functions into the Department of State are essential to bring coherence to the Executive Branch's congressional relations and public affairs regarding the relationship of U.S. foreign assistance with American foreign policy. The Committee recognizes that the President's reorganization proposal contemplates the transfer of only A.I.D.'s press operation into the State Department. However, since A.I.D.'s press office currently consists of fewer than eight employees and maintains a budget of $670,000, this transfer would hardly represent the streamlining and revitalization of America's foreign policy apparatus that is needed.

Today, A.I.D.'s Legislative and Public Affairs Bureau contains 52 employees and will spend $4,500,000 in Fiscal Year 1997. Its transfer and reorganization within the Department of State will serve as an essential first step in bringing renewed coordination between foreign policy-making and foreign aid distribution.

CHAPTER 3—AUTHORITIES OF THE SECRETARY OF STATE

Sec. 521. Definition of United States assistance

Section 521 provides definitions for United States assistance.

Sec. 522. Placement of Administrator of AID under direct authority of the Secretary of State

Section 522 mandates, consistent with the President's plan, that the Administrator of the Agency for International Development serves under the direct authority of the Secretary of State.

Sec. 523. Assistance programs coordination, implementation, and oversight

Section 523(a) provides the Secretary of State with the authority to coordinate all programs, projects, and activities of United States assistance under the direction of the President. This authority does not supersede the responsibility of the Secretary of Commerce in relation to the promotion of exports of United States goods and services. This authority also does not supersede the responsibility of the Secretary of the Treasury to coordinate the activities of the United States in relation to the International Financial Institutions, and the organization of multilateral efforts aimed at currency stabilization, currency convertibility, debt reduction, and comprehensive economic reform programs.

Section 523(b) articulates the specific coordination activities of the Secretary of State in relation to United States Assistance. The activities include: (1) designing of an overall assistance strategy; (2) ensuring the coordination of United States government agencies; (3) coordinating with the individual country governments and international organizations; (4) providing proper management and oversight for the agencies providing assistance; and (5) resolving policy disputes among United States government agencies with respect to assistance being provided.

Section 523(c) requires that any federal agency administering any foreign assistance must remain accountable for those funds.

Section 523(d) requires the Administrator of The Agency for International Development, at the request of the Secretary of State, to detail AID employees to the State Department for the purpose of assisting in the coordination of U.S. foreign assistance.

The changes made by section 523 are essential to bring improved coordination and rationalization to U.S. overseas economic and development assistance programs. The establishment within the Department of State of this coordination function will ensure that, in the future, foreign aid programs are being carried out in a manner consistent with our nations overall foreign policy. It furthers the President's goal of establishing the Secretary of State's pre-eminence in foreign policy-making. According to the State Department's April 17, 1997, statement regarding reorganization, one reform "...would be to further improve coordination between AID's and State's regional bureaus." This section is consisent with that objective.

Strengthened coordination between A.I.D. and the State Department is essential. The foreign aid budget has been shrinking in re-

cent years, making it more important that scarce resources be better prioritized. In addition, A.I.D. will relocate this year from Foggy Bottom to its new offices at the Ronald Reagan Federal Building, making face-to-face contact between senior A.I.D. officials and their State Department counterparts more difficult. Ensuring that coordination originates in the Department of State will increase the likelihood that foreign aid serves American interests.

A.I.D. contends that it has built, during the past 35 years, a unique cadre of foreign aid specialists who carry out foreign aid programs in more than 75 developing nations. The establishment of coordinators in the State Department will complement A.I.D.'s experience and ensure that A.I.D. does not deviate from U.S. foreign policy goals. This section in the bill grants authority to detail A.I.D. employees to the State Department to ensure that programmatic concerns are taken into mind throughout the coordination process. This will ensure that the State Department immediately has the technical expertise to review ongoing A.I.D. programs. The Committee's intent is not to create a entirely new bureaucracy at the State Department. It would be logical that the regional assistant secretaries of state serve as aid coordinators rather than following exactly the coordinator models established by the FREEDOM Support Act and the SEED Act, which created independent assistance coordinator's offices in the State Department. Finally, the Committee hopes that this section will further strengthen the relationship between our U.S. Ambassadors and A.I.D. mission directors overseas in the coordination of U.S. assistance policy in developing countries. Too often there is lack of coordination between our embassies and A.I.D.'s missions.

Sec. 524. Sense of the Senate regarding apportionment of certain funds to the Secretary of State

Section 524 expresses the sense of the Senate that the International Affairs (function 150) development and economic assistance funds appropriated to the President, should be apportioned by the Office of Management and Budget directly to The Secretary of State rather than the Administrator of the Agency for International Development.

TITLE VI—TRANSITION

CHAPTER 1—REORGANIZATION PLAN

Sec. 601. Reorganization plan

Section 601(a) requires that by October 1, 1997, or 15 days after the enactment of this Act, the President shall submit to Congress a plan for reorganization of the structures and functions of United States Arms Control and Disarmament Agency, the United States Information Agency, and the United States International Development Cooperation Agency as they relate to the Department of State.

Section 611(b) prohibits the reorganization plans for ACDA, USIA, and AID from: (1) creating a new executive department; (2) continuing a function beyond the period authorized by law for its exercise or beyond the time when it would have terminated if the

reorganization had not been made; (3) authorizing an agency to exercise a function which is not authorized by law at the time the plan is transmitted to Congress; (4) creating a new agency which is not a component or part of an existing executive department or independent agency; or (5) increasing the term of an office beyond that provided by law for the office. Other laws that may be affected by the reorganization are enforceable until the effective date of the reorganization plan in this Act. The President must ensure that the Federal Register publishes the date by which functions of ACDA, USIA, and AID are to be transferred or terminated in accordance with the reorganization plans for each agency detailed in this title.

Section 601(b) establishes that the agencies covered under this subsection are the United States Arms Control and Disarmament Agency, the United States Information Agency, the United States International Development Cooperation Agency, and the Agency for International Development.

Section 601(c) establishes the required elements of the plan for reorganization. The required elements will include: identification of the functions of each agency that will be transferred to the Department; identification of the effects on personnel of the agencies as it relates to transfers, separations, and terminations; identification of the effects on Department personnel as it relates to transfers, separations, and terminations; specification of the steps that the Secretary will take to reorganize internally the functions of the Department; specification of the agency funds to be transferred to the Department as a result of the reorganization; specification of the potential allocation within the Department of unexpended agency funds as a result of reorganization; specification of plans to address the disposition of various administrative and logistical liabilities of each agency as a result of reorganization; and recommendation of additional amendments to the laws of the United States that may be required as a result of reorganization.

Section 601(d) provides for the possible abolition of the Agency for International Development, and in lieu of abolition, a plan for reorganization of the Agency.

Section 601(e) allows the President to amend or modify the reorganization plan on the basis of consultations with Congress.

Section 601(f) establishes the effective date of implementation of this act, by statute or Presidential determination.

CHAPTER 2—REORGANIZATION AUTHORITY

Sec. 611. Reorganization authority.

Section 611(a) authorizes the Secretary of State to complete the reorganization as set forth in this Act. This authority does not allow for the abolition of entities established in this or any other act. This authority does not allow for the alteration of the delegation of functions contained in this or any other act.

Section 611(b) sets the requirements and limitations of the reorganization. The reorganization may not create a new executive department, continue a function beyond the termination set forth in this Act, authorize a new agency to exercise a function not authorized by law, create a new agency which is not a part of an existing

executive department or independent agency, or increase the term of office beyond that which is provided by law.

Sec. 612. Transfer and allocation of appropriations and personnel

Section 612(a) provides that personnel, assets, liabilities, contracts, property, records, and unexpended appropriations balances of the abolished agencies, that are associated with functions that will be transferred to the Department of State, shall be transferred to the Department of State.

Section 612(b) requires that unexpended and unobligated funds transferred pursuant to this division may only be used for purposes for which the funds were originally authorized and appropriated by Congress.

Sec. 613. Incidental transfers

Section 613 authorizes the Director of the Office of Management and Budget to make, in consultation with the Secretary of State, such incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations as may be necessary to carry out the provisions of this title. The Director provides for the termination of the affairs of all agencies terminated by this title and for other measures and dispositions that may be necessary to achieve the purposes of this title.

This section should not be construed as anything more than an authorization for the Director of OMB to deal with issues that were not adequately addressed in the reorganization plans submitted to and approved by the Congress. This authority should in no manner supersede that given to the Secretary of State in other sections of this title.

Sec. 614. Savings provisions.

Section 614(a) provides that orders, determinations, rules, regulations, contracts, and other administrative actions, issued or allowed by the President or a federal agency covering functions that will be transferred to the Department of State shall continue if they were in effect at the time the title takes effect. They shall continue until the President or the Secretary of State or another authorized official terminates, modifies, or revokes them.

Section 614(b) clarifies that any proposed rules or applications etc. relating to functions that will be transferred and that are pending before an agency at the time this title takes effect shall not be affected by the transition. Those proceedings shall continue as if the transition did not exist until they are otherwise modified or terminated by an authorized official, a court of law or a new law. However, this subsection further clarifies that this section shall not be interpreted to mean that any of the proceedings detailed above will be saved from termination or modification due to the transition.

Section 614(c) allows that suits pending before the effective date of this title shall continue as if this title had not been enacted.

Section 614(e) allows administrative actions relating to functions that will be transferred under this title to continue as if the title had not been enacted.

Sec. 615. Property and facilities

Section 615 requires the Secretary to review the property and facilities transferred to the Department to determine whether they are required by the Department.

Sec. 616. Authority of Secretary of State to facilitate transition

Section 616 establishes that the Secretary has the authority to utilize agency personnel that have been transferred due to reorganization. The Secretary also has the authority to utilize funds appropriated for the functions provided for as a result of reorganization, as needed.

Sec. 617. Final report.

Not later than January 1, 2000, a year after the transition is to have come to a close, the President is to submit a final report to Congress detailing how all funds appropriated to and operations of the Arms Control and Disarmament Agency, the United States Information Agency and the International Development Cooperation Agency were disposed of or distributed within the government.

This section is intended to provide the Congress and the American public a detailed accounting and an itemized description of where the functions and funds of the agencies that were abolished were divided up within the Department of State. The Committee hopes that the President will utilize this report to provide a detailed history of the transition events of the three years preceding the submission of the report.

TITLE VII—FUNCTIONS, CONDUCT, AND STRUCTURE OF UNITED STATES FOREIGN POLICY FOR THE 21ST CENTURY

This title proposes the creation of a bipartisan "Commission on the Functions, Conduct, and Structure of United States Foreign Policy for the 21st Century." The purpose of the Commission would be to engage in a dispassionate comprehensive review of American foreign policy—the structures, procedures, roles personnel, missions, management, funding, and policy priorities—as America heads into the twenty-first century. The goal of this provision is to review foreign policy and foreign policy-related activities of all U.S. government agencies participating in the conduct of American foreign policy.

The provision sets out a detailed series of timetables for reports and recommendations from the Commission and responses from the Executive branch. It is expected that these reports and responses will lead to serious considerations for reform and, where necessary, change in the manner in which we conduct foreign policy and national security.

Title VII also includes an important requirement that the Secretary of State provide, on an annual basis, a national foreign affairs strategy report describing the priorities and resources required to advance successfully the national interests, values and principles of the United States. This would require consultation between the Department of State and all other foreign affairs agencies in the government.

DIVISION B—FOREIGN RELATIONS AUTHORIZATION

TITLE X—GENERAL PROVISIONS

Sec. 1001. Short title

Section 1001 may be cited as the "Foreign Relations Authorization Act, Fiscal Years 1998-1999."

Sec. 1002. Definitions

Section 1002 defines the term: appropriate congressional committees.

TITLE XI—DEPARTMENT OF STATE AND RELATED AGENCIES

CHAPTER 1—AUTHORIZATIONS OF APPROPRIATIONS

Sec. 1101. Authorizations of appropriations

This section authorizes appropriations under the heading "Administration of Foreign Affairs" for fiscal years 1998 and 1999. It includes funds for executive direction and policy formulation, conduct of diplomatic relations with foreign governments and international organizations, effective implementation of consular programs and its border security component, the acquisition and maintenance of office space and living quarters for the United States missions abroad, provision of security for those operations, information resource management, and domestic public information activities. It authorizes funds for the salaries, expenses, and allowances of the officers and employees of the Department, both in the United States and abroad and the expenses of the Office of the Inspector General. This section also authorizes funds for activities such as relief and repatriation loans to United States citizens abroad and for other emergencies of the Department; and authorizes appropriations for protection of foreign missions and officials and for the American Institute in Taiwan.

The Committee encourages the use of readily available multiply, micro-layered, strong security films as an alternative measure to address the security needs of U.S. embassies and/or other Department of State facilities around the world. In addition, such film may also be used to address energy efficiency issues as well as severe weather-related conditions.

Sec. 1102. Migration and refugee assistance

This section authorizes appropriations for fiscal years 1998 and 1999 under the heading "Migration and Refugee Assistance" to enable the Secretary of State to provide assistance and make contributions for migrants and refugees, including contributions to international organizations such as the United Nations High Commissioner for Refugees and the International Committee of the Red Cross, through private voluntary agencies, governments, and bilateral assistance, as authorized by law.

Sec. 1103. Asia Foundation

The Asia Foundation, founded in 1954, is a private, non- governmental grant-making organization that advances U.S. interests in

the Asia-Pacific region by promoting democracy, the rule of law, trade and investment liberalization, and peaceful relations within the region. Many of the democratic institutions that exist in Asia today and thousands of government, business and the nongovernmental sector leaders have benefited directly from Asia Foundation programs. The Committee supports the Foundation's work and believes the authorized level of funding is necessary to support programs that serve the interests of the United States.

CHAPTER 2—AUTHORITIES AND ACTIVITIES

Sec. 1121. Reduction in required reports

This provision has been requested by the Administration. Section 1121 repeals Section 161(c), second sentence, 22 U.S.C. 4171 note, on required reports on competency of foreign language experts at embassies. Repeals Section 502B (b), 22 U.S.C. 2304 (b), on required reports on human rights in countries that receive security assistance. Repeals Section 705 (c), P.L. 99-83, on required reports on emigration from Haiti. Repeals Section 123 (e) (2), P.L. 99-93, on required reports on Operation, Maintenance, Security, Alteration, Repair of Foreign Service facilities. Repeals Section 203 (c), P.L. 99-529, on required reports on military training and other nonlethal assistance for Haiti. Repeals Sections 5 and 6, P.L. 96-236; 7 U.S.C. 3605 and 3606, on required reports on implementation of the sugar agreement. Repeals Section 514, P.L. 97-121, the Foreign Assistance and Related Programs Appropriations Act, a one time report on appropriations. Repeals Section 209 (c) and (d), P.L. 100-204, on required reports on audience survey of Worldnet program and notification of selected surveyor. Repeals Section 228 (b), P.L. 102-138; 22 USC 2452 note, on required reports on Near and Middle East research and training.

Sec. 1122. Authority of the Foreign Claims Settlement Commission.

The Administration has requested this authority. This section amends section 4 of the International Claims Settlement Act to permit the Foreign Claims Settlement Commission to preadjudicate claims by U.S. citizens in a category determined by the Secretary of State. Currently the Commission only has general authority to adjudicate claims after a settlement has been reached by the Department with a foreign government. According to the Administration, preadjudication by the Commission of claims by U.S. citizens prior to such an agreement provides the Department with important information on the value and validity of claims by the U.S. public in advance of the negotiation and conclusion of an agreement.

According to the Department, it faced difficulties when the Commission could not preadjudicate claims by U.S. citizens against Cambodia and Albania in advance of the negotiation and conclusion of settlement agreements with those countries, and special legislation was necessary to authorize the Commission to adjudicate Nazi persecution claims. The Administration has argued that this amendment would greatly facilitate claims settlement practices by providing a mechanism for obtaining further information from U.S. citizens about their claims in advance of actual negotiation.

Sec. 1123. Procurement of services

This section amends the State Department Basic Authorities Act to enable the Department to use personal services contracts to obtain expert and other support services for international claims and proceedings. Currently, the law allows the Legal Adviser's Office to obtain these services by contracting with firms. In many cases, the same services could be obtained at half the cost by contracting with an individual. This amendment would permit the Department, for example, to hire an individual accountant or records manager to work on a particular project, rather than having to retain an accounting firm to perform the same task, usually at more than twice the cost.

Sec. 1124. Fee for use of diplomatic reception rooms

The Administration has requested this authority. Department of State Diplomatic Reception Room facilities (DRR) are used from time to time for receptions and dinners by non-governmental groups sponsored by a Departmental official where the event is affiliated with or in support of official U.S. Government business. The outside group is responsible for its own catering costs of events held outside of regular working hours. Such costs include overtime pay for security officers, elevator operators and similar charges.

This legislation would clarify the Department's authority to charge and retain a fee to cover direct incremental costs incurred when outside groups use the DRR (currently State Department relies upon a GSA authority that would benefit from greater clarity) and also would give the Department the authority to charge and retain a fee to cover broader indirect costs associated with the event.

Sec. 1125. Prohibition on judicial review of Department of State counterterrorism and narcotics-related rewards program

The Administration has requested this authority. This section amends section 36 of the State Department Basic Authorities Act to make clear that determinations by the Secretary regarding counterterrorism and narcotics-related rewards are not subject to judicial review. This provision would conform the State Department Rewards Program to similar provisions in various statutes comprising reward authorities of the Attorney General, including 18 U.S.C. 3072 which applies to the Attorney General's authority to grant rewards related to domestic terrorism.

Sec. 1126. Office of the Inspector General

This section requires that the Office of the Inspector General (OIG) of the Department of State to develop and provide employees a handbook setting out its policies and procedures for investigating individuals, and the rights to counsel of such individuals. It also requires the OIG to submit a report on the guidelines for public disclosure of information regarding and on-going investigation, and the instances of such disclosure for the year ending December 31, 1997.

Sec. 1127. Reaffirming United States international telecommunications policy.

This section clarifies that the Diplomatic Telecommunications Service Program Office (DTS-PO) will utilize full and open competition in the procurement of telecommunications services; make efforts to promote the participation of all commercial private sector providers, and implement these requirements at the prime contracting level and at the subcontracting level, unless the fixed price contracts make it more costly to require a prime contractor to compete his subcontracts because of time constraints on the contract, or other similar impediments to staying within the fixed price.

CHAPTER 3—PERSONNEL

Sec. 1141. Elimination of statutory establishment of a certain positions of the Department of State

This provision has been requested by the Administration. This section would repeal the requirement for the establishment of a Deputy Assistant Secretary of State for Burden sharing.

Sec. 1142. Restriction on lobbying activities of former United States chiefs of mission

This provision amends Section 207 of title 18, United States Code, regarding "Restrictions on former officers, employees, and elected officials of the executive and legislative branches", to also prohibit any person who serves in the position of chief of mission within the category of senior executive branch personnel who are restricted, for one year after they leave the chief of mission position, from knowingly making representations on behalf of someone with an interest in a matter that is before any officer or employee of the department or agency in which they served.

Sec. 1143. Recovery of costs of health care services

This provision has been requested by the Administration. This section, which implements recommendations of the Department of State's Office of the Inspector General, amends section 904 of the Foreign Service Act of 1980 to authorize the Department to recover and retain the costs incurred by the Department for health care services provided to eligible USG employees and their families and to other eligible individuals. The proposed legislation would permit the Department to recover and retain such costs from third- party payers, and to recover directly from the employee if the employee chooses to be uninsured. The Departments of Defense and Veterans Affairs, as well as the Indian Health Service, already have similar authority.

Sec. 1144. Nonovertime differential

This provision has been requested by the State Department. This provision allows the Secretary of State to substitute another day in lieu of Sunday for purposes of Sunday premium pay in countries where the normal workweek includes Sunday. Sunday premium pay (an additional 25% of a day's basic pay) is paid to eligible employees under Title 5 when they work on Sunday as part of their regular (not overtime) schedules. It is paid primarily in 16 Islamic countries where Sunday is part of the normal work week. This authority would allow the Secretary of State to recognize the officially

recognized day of rest and worship, in lieu of Sunday, as the day for which employees would be eligible for premium pay in keeping with the customary business week of the host country. Approximately $750,000 was spent in 1994 by the Department alone to provide Sunday premium pay at 16 Islamic posts. The Department notes that commissioned foreign service officers are not eligible for premium pay. Eligible recipients include junior officers and specialists, information management personnel and watch staff. The Committee understands that this provision will in no way restrict the religious practices of State Department employees.

Sec. 1145. Clarification of remedial authority of the Foreign Service Grievance Board

Section 1145 amends subsection 1107(c) of the Foreign Service Act of 1980, as amended, to make clear that the Board's authority to order remedies is limited to those actions specified in section 1107(b) of the Act. The amendment is necessary because the Board has occasionally relied on other statutes as authority for directing remedies not authorized by section 1107(b) of the Act. For example, the Board recently held that it can use the authority vested in courts by the Fair Labor Standards Act to direct the Department of State to pay liquidated damages even though the Foreign Service Act does not give it the power to grant such a remedy. Similarly, the amendment to section 1107(f) is intended to clarify the remedial authority of the Board in discrimination cases. Section 1107(f) was added to the Foreign Service Act by Section 153(c) of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (P.L. 102-138, 105 Stat. 673).

Sec. 1146. Pilot program for foreign affairs reimbursement

This section amends section 701 of the Foreign Service Act of 1980 which addresses the Department's authorities and responsibilities with respect to training. New subsection 701(e)(1) authorizes the Secretary to provide appropriate training and related services at the institute on a reimbursable basis to employees of United States companies that do business abroad, and to family members of such employees. This authority does not apply to language training.

In addition, this section would allow the institute to charge a fee for access by corporate entities to "related services" such as the Overseas Briefing Center's Information Center or other research/information/facilitative services the Foreign Service Institute provides federal customers. Through the Information Center, individuals can gain information about the range of services available in certain cities where the Department has overseas posts (e.g. information about schools, medical services, and other services of interest to individuals and families that are posted abroad). Fees charged would cover the pro rata share of operating such services (e.g. staff salaries and benefits, contractual expenses, administrative overhead, etc.)

New subsection 701(e)(2) authorizes the Secretary to provide job-related training and related services to employees of companies under contract to the Department of State, who are performing services to the Department primarily in the United States, and in

some instances at posts abroad. This provision would give the Department the flexibility to provide training to certain employees of third party contractors through government facilities when it is deemed in the best interest of the U.S. Government. While there would be no reduction in the expectation that the contractor firm would provide qualified workers, there are instances where changing technology or unique factors in the federal work environment would require training in order to obtain the optimum performance from contract employees. Such training might include: word processing, PC training, employee orientation seminars, customer service, and training in USG-specific subjects such as the Non-Expendable Property Accounting (NEPA) system, or passport/visa processing.

New subsection 701(e)(3) provides that any training under section 701(e) would be on a reimbursable or advance-of-funds basis. Reimbursements or advances will be credited to the currently available applicable appropriation account.

New subsection 701(e)(4) authorizes such training only if it does not interfere with the institution's primary mission of training employees of the Department and other U.S. Government agencies. It is not intended that training allowed under this authority would include training in foreign languages.

New subsection 701(f)(1) authorizes the Secretary to provide training for Members of Congress and the Judiciary on a reimbursable basis.

New subsection 701(f)(2) provides that Legislative Branch staff members and employees of the Judiciary may take part in training programs offered by the institution including language training, on a reimbursable basis, in a previously scheduled class.

New subsections 701(f)(3) and 701(f)(4) are identical to new subsections 701(e)(3) and 701(e)(4), providing that any training under new subsections (e) and (f) is authorized only to the extent that it will not interfere with the institution's primary mission of training employees of the Department and of other agencies in the field of foreign relations.

Sec. 1147. Grants to oversee educational facilities

This section provides authority for U.S. Government agencies to make grants to overseas educational facilities. Currently, two agencies (the Department of State and USAID) jointly fund an assistance program for overseas schools administered by the Office of Overseas Schools, Department of State. Other agencies have indicated a willingness to share the financial burden of such assistance proportional to their representation abroad, but some lack the grant authority necessary to do so. This amendment corrects this, to allow agencies whose employees have children attending schools assisted by the Department to make appropriate advances or reimbursements to the Department.

Sec. 1148. Grants to remedy international child abductions

This section provides for specific grant authority for the Department of State in certain instances. Section 606(a) amends Section 7 of the International Child Abduction Remedies Act (ICARA) to allow the United States Central Authority to make grants or enter

into contracts or agreements in order to accomplish its responsibilities.

Sec. 1149. Foreign Service reform

Under current law, a Foreign Service Officer appointed to an Executive position requiring Senate confirmation may elect to receive either his/her Foreign Service salary, based on rank, or the salary that corresponds to the confirmable position. In some cases that rank-based salary is higher, in other cases lower, than the salary of the position in question.

This section ends this option, by requiring that Foreign Service Officers, as Officers commissioned by the President, receive in all such instances their regular salaries based upon rank and service.

Under current law, Foreign Service Officers may not be recommended for certain Presidential recognition for extraordinary service unless funds are available for the cash awards that accompany such recognition. The net effect may be to deny officers the recognition of their Commander in Chief, when warranted, if funds for performance pay are not available. This section would make it possible to confer a Presidential award without requiring an accompanying cash payment.

Finally, this section requires the Secretary of State to develop and implement a plan to identify officers who are ranked by promotion boards in the bottom 5% of their class for any two of the five preceding years, and recommend such officers for separation from the Foreign Service. The Committee believes that this provision will help the Department to retain the best performers, while still meeting the required personnel reduction targets.

Sec. 1150. Law enforcement availability pay

This section repeals the provision in 5 U.S.C. 5545a(a)(2) that excludes special agents in the Diplomatic Security Service of the Department's Bureau of Diplomatic Security (DS) from being eligible to receive Law Enforcement Availability Pay (LEAP). LEAP is a form of premium pay that compensates criminal investigators for being available for "unscheduled duty in excess of a 40-hour work week based on the needs of the employing agency" and because of related conditions which present themselves to such investigators. Availability pay is fixed at 25 percent of basic pay (including locality pay), and the investigator must work or be available to work an annual average of two hours of unscheduled duty per regular work day. LEAP recipients are exempt from the minimum wage and overtime pay provisions of the Fair Labor Standards Act.

Sec. 1151. Law enforcement authority of Department of State special agents overseas

This section amends Section 37 of the State Department Basic Authorities Act to clarify the authority of Special Agents of the Bureau of Diplomatic Security (DS) to provide assistance upon request to law enforcement agencies authorized to conduct law enforcement functions, including investigations, outside of the United States.

These changes would address problems of potential liability for RSOs while conducting investigative inquiries for other law en-

forcement agencies and pre-empt legal challenges to evidence obtained by RSOs on behalf of other agencies.

CHAPTER 4—CONSULAR RELATED ACTIVITIES

Sec. 1161. Consular officers

This provision will permit U.S. citizen employees abroad who are not consular officers to perform additional consular functions, including the issuance of reports of birth abroad, the authentication of foreign documents, the administration of nationality provisions in Title III of the Immigration and Nationality Act and the administration of oaths for patent purposes. With the authorities granted by section 302, these provisions will permit further improvements in the efficiency of consular staffing abroad.

Sec. 1162. Repeal of outdated consular receipt requirements

This provision has been requested by the State Department. Consular fees must be collected in accordance with 22 U.S.C. 4212-4214, which requires the consular officer to issue a detailed, individually signed receipt for each transaction, register the transaction in a book and submit a certified transcript of the registry with the accounts. These regulations were enacted in 1856 to safeguard against overcharging or other fiscal malfeasance at a time when consular officers were remunerated with consular fees rather than salaries.

The provisions of 22 U.S.C. 4212-4214 are in any event no longer necessary. Repeal of the antiquated requirements of 22 U.S.C. 4212-4214 would allow streamlined collection of all consular fees using automated methods which would nonetheless meet CFOA and FMIA standards.

Sec. 1163. Elimination of duplicate Federal Register publication for travel advisories

This provision has been requested by the State Department. This section amends Section 44908(a) of Title 49 which requires the Secretary of State to issue and publicize a travel advisory upon being notified by the Secretary of Transportation that a condition exits that threatens the safety or security of passengers, aircraft or crew traveling to or from a foreign airport, including by publishing the travel advisory in the Federal Register. The proposed amendment would strike the requirement for Federal Register publication by the Secretary of State, since it essentially duplicates a similar requirement in 49 U.S.C. 44907(d)(1)(A)(i), which requires the Secretary of Transportation to publish a notice in the Federal Register whenever he determines that a foreign airport maintains inadequate security.

Similarly duplicative and unnecessary is the International Maritime and Port Security Act, 46 U.S.C. App. 1801, et seq, requirement that the Secretary of State publish a travel advisory in the Federal Register whenever the Secretary of State is notified by the Secretary of Transportation that the latter has determined that a port does not maintain and administer effective security measures. Publication by the Secretary of State of a travel advisory in the Federal Register is always preceded by the publication of a notice

of determination in the Federal Register by the Secretary of Transportation.

Sec. 1164. Inadmissibility of members of former Soviet Union intelligence services

Section 1164 will deny United States visas to individuals who were employed by the intelligence services of the Union of Soviet Socialist Republics prior to the collapse of the Soviet Union at the end of 1991. The purpose behind the provision is to respond to actions by the Russian government to deny entry, to the Russian Federation, for U.S. citizens who were employed by United States intelligence agencies during the Cold War. The United States government currently lets bygones be bygones with such individuals, with the exception of individuals who broke U.S. law or who cause a continued threat to U.S. national security. However, the Russian government has capriciously attempted to cast a wide net to keep out any and all U.S. citizens with an intelligence background. This action has deprived many retired. American intelligence officers with the ability to pursue careers with international corporations or other fields in which they may have high qualifications in language skills, personal contacts and interest.

The Committee hope that this provision will build pressure to revise this unfair policy is for the United States to impose reciprocal sanction against retired Russian intelligence officers. The State Department refuses to take this step. Therefore, Americans who risked their lives in the defense of democracy during the Cold War are left without options while the agents of the former Soviet Union enjoy all the privileges of access, travel and business in the United States, a country against which they acted as sworn enemies. Until the Russian government relents on this matter the Committee supports this change in U.S. law.

As a result of discussions during mark-up, this provision was amended to provide waiver authority to the Executive Branch.

Sec. 1165. Denial of visas to aliens who have confiscated property claimed by nationals of the United States

Section 1165 gives the Secretary of State discretionary authority to deny visas to any foreign national who has confiscated or has directed or overseen the confiscation or expropriation of property the claim to which is owned by a national of the United States or who converts or has converted for personal gain confiscated or expropriated property the claim to which is owned by a national of the United States. This provision does not apply to property cases covered under the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (P.L. 104-114).

Section 1165 exempts from its coverage any properties in territories that are in dispute as a result of war between United Nations member states and in which the ultimate resolution of the dispute territory has not been resolved. Examples of territories which may be covered by this exemption include lands in dispute as a result of the Peru-Ecuador conflict, the so-called "Soccer War" between El Salvador and Honduras, and the conflicts in the Middle East between U.N. member states.

This section also requires each Chief of Mission to provide the Secretary of State with a list of those foreign nationals who have confiscated or converted American properties where the property remains in dispute. The Secretary of State must report to Congress, on a semi-annual basis, in those instances where a foreign national who has confiscated or converted an American property has been granted a visa.

The Committee notes that, other than the Cuba-specific visa denial provision in the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act, there are no sanctions on foreign officials or foreign private individuals if they wrongfully take an American's property overseas.

According to the most recent State Department report on "U.S. Citizen Expropriation Claims and Certain Other Commercial and Investment Disputes" (dated October 1, 1996), more than 700 American citizens had contacted U.S. Embassies about expropriation claims or commercial disputes, in 36 countries. These figures do not include the 5911 certified claims against Cuba.

The largest number of these property cases are in the Western Hemisphere. In Nicaragua alone, there are over 1000 properties in dispute. There 28 cases in Costa Rica, some two dozen in Honduras, and about a dozen in the Dominican Republic.

The Committee recognizes that some properties in question are expropriated by the foreign government in a so-called legal process, but without the rightful owner receiving compensation. Many properties are stolen by officials, acting for private gain, or wealthy businessmen who bribe local officials or hire thugs to run off the legal owner. Section 1165 gives the Secretary of State the authority to deny visas for any illegal property taking.

The Committee believes that without the authority provided by this section, U.S. Embassies are limited in their ability to help American citizens either receive compensation or their property. The Committee has received countless pleas from both American property claimants and U.S. officials for this type of authority. The Committee expects the Secretary of State to implement Section 1165 to achieve the prompt, adequate, and effective resolution of American property claims overseas.

Sec. 1166. Inadmissibility of aliens supporting international child abductors

This provision is intended to deny visas to aliens or family members of such aliens who assist in the abducting of children.

TITLE XII—OTHER INTERNATIONAL ORGANIZATIONS AND COMMISSIONS

CHAPTER 1—AUTHORIZATION OF APPROPRIATIONS

This section authorizes $3,941,000 for fiscal year 1998 and $3,500,000 for fiscal year 1999 under the heading "International Conferences and Contingencies". It authorizes funds for certain aspects of official United States Government participation in regularly scheduled or planned multilateral intergovernmental conferences, meetings and related activities.

The Committee urges the State Department to work toward officially endorsing the creation of an Organization for Security and Cooperation in Europe (OSCE) private sector advisory body. We support the Department's efforts at the June 11-13 Economic Forum of the OSCE in Prague to strongly advocate the case for an OSCE Business Congress. We urge that follow-up efforts continue, including consideration of devoting Department resources to cover start-up costs that would demonstrate a U.S. commitment to the advisory body as well as a focus on U.S. business interests. This would in turn help promote interest in and contributions from U.S. businesses to cover future financial needs of the Business Congress.

Sec. 1202. International commissions

This section authorizes appropriations for fiscal years 1998 and 1999 under the heading "International Commissions". It authorizes funds necessary to enable the United States to meet its obligations as a participant in international commissions including those commissions dealing with American boundaries and related matters with Canada and Mexico, and international fisheries commissions.

CHAPTER 2—GENERAL PROVISIONS

Sec. 1211. International criminal court participation

This section requires that any participation of the United States in an international criminal court is subject to the advise and consent of the Senate and statutory implementing legislation.

Sec. 1212. Withholding of assistance for parking fines owed by foreign countries

Section 1212 expands upon current law which requires withholding the proportional amount of foreign aid to what a country owes Washington, D.C. in parking fines, plus ten percent. Section 1212 expands this requirement to New York City, and Virginia, and Maryland.

According to the Mayor's office in New York City, United Nations diplomats received 125,000 parking tickets in 1996, which represent approximately $6,875,000 in unpaid fines. These fines will likely never be paid because diplomatic immunity prevents New York City from prosecuting offenders. Current law has encouraged various countries to pay parking fines to the government of the District of Columbia.

Sec. 1213. United States membership in the International Parliamentary Union

This section requires either a cap of $500,000 on U.S. payments to the Inter Parliamentary Union or withdrawal by the United States. The fund also requires that funds allocated for travel by members of Congress be returned to the State Department.

This provision was recommended by the Secretary of the Senate as a result of the lack of member interest despite U.S. annual dues of $1 million. Approximately $492,000 has accumulated for member travel, but never expended.

Sec. 1214. Reporting of foreign travel by United States officials

Section 1214 requires any officer or employee of United States Executive agencies attending any international conference or in engaging in any other foreign travel to submit a report to the Director of the Office of International Conferences of the Department of State stating the purpose, duration and estimated cost of the travel. The requirement does not apply to the President, the Vice President, or any person traveling on a delegation led by the President or Vice President, or any officer or employee of the Executive Office of the President, or the foreign travel of officers or employees of United States Executive agencies who are carrying out intelligence or intelligence-related activities, or law enforcement activities or the deployment of members of the Armed forces of the United States or U.S. Government officials engaged in sensitive diplomatic missions.

On June 6 1996, the Foreign Relations Committee held a hearing on United Nations World Conferences in which foreign travel by employees of Executive agencies was examined.

TITLE XIII—UNITED STATES INFORMATIONAL, EDUCATIONAL, AND CULTURAL PROGRAMS

CHAPTER 1—AUTHORIZATION OF APPROPRIATIONS

Sec. 1301. Authorization of appropriations

This section authorizes funds to be appropriated for fiscal years 1998 and 1999 to carry out international information activities, educational and cultural exchange programs under the U.S. Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Act of 1961, Reorganization Plan Number 2 of 1977, the Radio Broadcasting to Cuba Act, the Television Broadcasting to Cuba Act, the National Endowment for Democracy Act, the United States International Broadcasting Act of 1994, and to carry out other authorities in law consistent with such purposes.

Sec. 1302. National Endowment for Democracy

This section authorizes $30,000,000 for fiscal year 1998 and $30,000,000 for fiscal year 1999 to carry out the National Endowment for Democracy Act. The section prescribes in law current National Endowment for Democracy (NED) practice, that 55 percent of funding will be divided equally between the four major NED grantees: the International Republican Institute (IRI), the National Democratic Institute (NDI), the Free Trade Union Institute (FTUI), and the Center for International Private Enterprise (CIPE).

CHAPTER 2—USIA AND RELATED AGENCIES AUTHORITIES AND ACTIVITIES

Sec. 1311. Authorization to receive and recycle fees

This provision has been requested by USIA. Section 810 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1475e) (the "Smith-Mundt Act") currently authorizes USIA to receive fees from English-teaching and library services, and Agency-produced publications, and not to exceed $100,000 of

payments from motion picture and television produced by the Agency under the authority of the Act. Those fees need not be covered into the Treasury as miscellaneous receipts, but may be credited each fiscal year to the appropriate appropriation of USIA.

This section would expand the above Smith-Mundt authority to also authorize USIA to receive and "recycle" fees for educational advising and counseling abroad and for services rendered in the U.S. by the Agency's Exchange Visitor Program office. A study conducted in 1994 determined that the latter could generate as much as $1.5 million annually.

It is anticipated that the monies would be generated by a charge on each Form IAP-66 issued by the Agency. That form enables the exchange visitor to obtain a J nonimmigrant visa and enter the U.S. as a participant in a USIA-designated exchange visitor program. (There would be no charge levied on Forms IAP-66 used in connection with exchange programs administered by federal agencies.)

The Agency is currently providing educational advising services at approximately 60 posts abroad. For Fiscal Year 1997, the Agency estimated that it could reasonably expect to collect approximately $800,000 in fees for educational advising. For Fiscal Years 1998 and 1999, the Agency estimates that approximately $1.5 million will be collected for such services.

The proposal would also permit the Agency to recycle monies received from the sale of advertising by the Voice of America. USIA estimates that if granted this authority, it could collect approximately $1,000,000 in advertising revenues.

Sec. 1312. Appropriations transfer authority

This provision has been requested by USIA. In 1992 Congress amended Section 701 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1476) to permit USIA appropriations to exceed corresponding authorization levels by five or ten percent, depending on the accounts. This authority provides that when funds are authorized to be appropriated to specific accounts for two fiscal years, in the second fiscal year of a two- year authorization the appropriators may transfer portions of the authorized amounts to other accounts, subject to certain limitations.

The proposed amendment would make the transfer authority available in either fiscal year and would make such authority permanent. Similar authority was granted to the Department of State in the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, which amended Section 24(d) of the State Department Basic Authorities Act.

Sec. 1313. Expansion of the Muskie Fellowship Program

This provision has been requested by USIA. When Congress enacted the Edmund S. Muskie Fellowship Program in 1992 (Section 227 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993), the statute allowed for fellowships in only four fields of study: business administration, economics, law, and public administration. The proposed amendment would add four additional fields of study to the program: journalism and communication, edu-

cation administration, public policy, and library and information sciences.

Sec. 1314. Au Pair extension

This section permanently authorizes the au pair program.

Sec. 1315. Radio broadcasting to Iran in the Farsi language

This section provides $2,000,000 per fiscal year for surrogate broadcasting in the Farsi language by Radio Free Europe/Radio Liberty, such broadcasts to be named Radio Free Iran.The Committee firmly believes that the United States must do all it can to isolate the government of Iran, prevent Iran's acquisition of weapons of mass destruction and deny Iran access to the earnings that enable it to pursue nuclear weapons and sponsor terrorism.

However, the Committee is equally persuaded that it is important for the United States to distinguish the regime in Iran from the people of that country. The people of Iran have lost their political, civil and religious freedoms since the Islamic Revolution. Access to free thought, ideas and information through broadcasting in Farsi will, the Committee hopes, do for the people of Iran what Radio Free Europe/Radio Liberty did for the people of the East bloc during the Cold War.

Sec. 1316. Voice of America broadcasts

This section requires the Voice of America to devote daily broadcasting time to information regarding the products, cultural and educational facilities and potential trade with officials of each of the states of the United States. These broadcasts are directed to include interactive discussions with state officials.

Sec. 1317. Working group on government sponsored international exchanges

This section adds a new subsection (g) to section 112 of the Mutual Education and Cultural Exchange Act of 1961, also known as the Fulbright-Hays Act (22 U.S.C. 2460), establishing within the United States Information Agency a senior level inter-agency Working Group on International Exchanges and Training, whose purpose is to improve the coordination, efficiency, and effectiveness of United States Government sponsored international exchanges and training. The Working Group will also assist the President in ensuring that all United States Government-sponsored international exchanges and training are consistent with United States foreign policy and avoid duplication of effort.

Sec. 1318. International information programs

This section makes the technical changes necessary to rename USIA's "Salaries and Expenses" appropriations account the "International Information Programs" accounts, as requested by USIA.

Sec. 1319. Authority to administer summer travel and work programs

This section would allow USIA to continue to administer the summer travel and work program without mandatory preplacement requirements. This program is self financing and requires no U.S.

funding. Students from Europe have been visiting the United States on the Summer Work and Travel Program since 1964. This program has allowed students of average means to enter the U.S. on J1 visas and to work for three months. Over 15,000 students participate in the program annually.

TITLE XIV—THE PEACE CORPS

Sec. 1401. Short title.

This section establishes the title as the Peace Corps reauthorization.

Sec. 1402. Authorization of appropriations

Section 1401 amends the Peace Corps Act (22 U.S.C. 2502(b)) to provide the authorization to appropriate $234,000,000 for fiscal year 1998 and $234,000,000 for 1999.

Sec. 1403. Amendments to the Peace Corps Act

Section 1403 makes certain modifications to current law regarding personal services contractors, overseas travel, and other technical changes.

TITLE XV—UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY

CHAPTER 1—AUTHORIZATION OF APPROPRIATIONS

Sec. 1501. Authorization of appropriations

This section authorizes appropriations of $39 million for FY 1998.

CHAPTER 2—AUTHORITIES

Sec. 1511. Statutory construction

This provision reinstates a clarification contained in the Arms Control and Disarmament Act since 1963, but removed in the 102nd Congress. Section 1511 makes clear that the Arms Control and Disarmament Agency cannot authorize policies or actions which would interfere with, restrict, or prohibit the acquisition, possession, or use of firearms by an individual for the lawful purpose of personal defense, sport, recreation, education or training.

TITLE XVI—FOREIGN POLICY

Sec. 1601. Payment of Iraqi claims

This provision establishes a process for the adjudication of claims resulting from the freezing of all Iraqi assets in the U.S. following the Iraqi invasion of Kuwait in 1990.

Sec. 1602. United Nations Membership for Belarus

This section will ensure that if the Government of Belarus chooses to forgo its sovereignty and reunite with the Russian Federation,

it will no longer be treated as a sovereign state for purposes of international law. This measure is intended to put on notice those in Belarus who seek to return to the days of the Soviet Union that this time that, unlike throughout the Cold War, Belarus will not even be allowed a seat at the United Nations. The Committee finds the undemocratic leadership of Belarus to be leading the nation in the wrong direction, but so far conditions for sovereignty are still identifiable. The Committee does not intend this provision to be activated until, in the view of the Secretary of State, Belarus has forfeited its sovereignty. If this point is reached the Committee further recommends that the United States government downgrade its Embassy in Minsk to the status of Consulate, that no United States bilateral exchanges or visits be scheduled with Belarusian officials—including the President—except as appropriate through Moscow or at appropriate levels of state and local government in the United States.

Sec. 1603. United States policy with respect to Jerusalem as the capital of Israel

Section 1603(a) authorizes the appropriation of $25,000,000 for fiscal year 1998 and $75,000,000 for fiscal year 1999 for the construction of a U.S. Embassy in Jerusalem. This tracks the language of the Jerusalem Embassy Relocation Act, and should serve as a further reminder to the President that the Congress is committed to the placement of the U.S. Embassy in united Jerusalem, the capital of the State of Israel.

Section 1603(b) prohibits the expenditure of appropriations authorized by this Act for a consulate or diplomatic facility in Jerusalem unless that consulate or diplomatic facility is under the supervision of the U.S. Ambassador to Israel. The Committee finds that no purpose is served by the existence of an free-standing consul in the city of Jerusalem, except to provide the false appearance of independence from other U.S. diplomatic representation in the State of Israel.

Section 1603(c) prohibits the expenditure of appropriations authorized by this Act for the publication of any official U.S. government document that does not list Jerusalem as the capital of the State of Israel. Section 1604(d) requires that for persons born in Jerusalem, the Secretary of State, upon request, designate Israel as the place of birth on official U.S. documents such as passports, birth registrations, or certifications of nationality. On U.S. passports and other official documentation, it is customary to put the country of birth and not the city.

Sec. 1604. Special envoy for Tibet

The provision requires the President to appoint a special envoy for Tibet.

Sec. 1605 Prohibition on financial transactions with countries supporting terrorism

Section 1605 amends section 2332d(a) of title 18, USC, relating to financial transactions with terrorists states by eliminating the authority of the Secretary of Treasury to write regulations for section 2332d(a) of title 18, USC, and provides certain exceptions to

the prohibition contained therein. Specifically, the exceptions on the prohibition against financial transactions are for diplomatic activities, providing humanitarian relief, and activities of journalist. The President may waive the prohibitions on financial transactions with terrorist states if he determines it is in United States national security interests.

Section 1605 is necessary because the regulations written for section 321 of the Anti-terrorism and Effective Death Penalty Act of 1996 were diametrically opposite to the intent of the provision, which clearly stated that financial transactions between U.S. persons and terrorists states were prohibited. Specifically, the regulations permitted virtually all financial transactions between U.S. citizens and Sudan and Syria. Furthermore, the only transactions the regulations would have prohibited were those which might further terrorism within the United States, even though section 321 prohibited transactions which further international terrorism.

Section 1605 is identical to S.873, introduced on June 10, 1997. The African Affairs Subcommittee held an extensive hearing on this matter on May 15, 1997.

Sec. 1606 United States policy with respect to the involuntary return of persons in danger of subjection to torture

Section 1606 prohibits the United States from expelling, extraditing, or otherwise to effect the involuntary return of any person to a country in which there are reasonable grounds for believing the person would be in danger of subjection to torture.

Sec. 1607 Reports on the situation in Haiti

This section requires a semi-annual report to Congress, beginning January 1, 1998, on the U.S. military and Coast Guard presence in Haiti, the number of armed incidents involving U.S. personnel, and the estimated cumulative cost of U.S. activities in and around Haiti during the reporting period.

Section 1506 repeals an earlier congressionally-mandated reporting requirement contained in P.L. 103-423 (October 25, 1994). Many of the reporting elements of the 1994 law are no longer relevant. The Committee repealed the provision in P.L. 103-423 at the request of the Department of State. The Committee believes that continued U.S. involvement in Haiti requires some continued accountability as to the nature, extent and cost of U.S. efforts in Haiti.

Sec. 1608. Report on an alliance against narcotics trafficking in the Western Hemisphere

This section expresses the sense of Congress that the President, during his travels in the Western Hemisphere in 1997, and through other consultative means, discuss with the democratic governments of the hemisphere the prospect of forming a multilateral alliance to address problems related to illegal drug trafficking. It specifically asks the President to seek the input of other governments as to the possibility of forming structures (1) to develop a regional, multilateral strategy to deal with the drug trafficking threat and (2) to establish mechanisms to improve multilateral coordination.

Section 1608 requires a report to Congress no later than October 1, 1997 on the reactions of these governments to such a proposal, the feasibility and advisability of forming such an alliance, an assessment of the U.S. national interests in such an alliance being formed, including the President's evaluation of how to improve multilateral cooperation and the allocation of resources if the President determines that such an alliance is not in the national interests of the United States. This report shall be unclassified, but may contain a classified annex.

The committee finds that efforts to counter drug trafficking in the Western Hemisphere have been hampered by policies that approach this transnational problem as a series of bilateral relationships. This dynamic has created the impression that antidrug policy is a struggle between the governments of the United States and our hemispheric neighbors, rather than a common battle against the narcotics mafias.

One proposal that has been put forward to move the hemisphere towards a new approach is the formation of a multilateral alliance among the nations in our hemisphere most directly threatened by the narcotics trade. Such an alliance would seek to launch collective strategies incorporating firm goals and timetables to address the production, transport, and consumption of illegal drugs. As part of an alliance, these nations could explore establishing a permanent mechanism for coordination and intelligence-sharing. The Committee is aware of discussions involving U.S. facilities in Panama as a site for a Multilateral Counterdrug Center.

Whether through the establishment of an alliance or through other means, the Committee finds that there is an urgent need for better multilateral cooperation and coordination to address the severe transnational problems associated with drug trafficking.

Sec. 1609. Report on greenhouse gas emissions agreement

This section requires that the President prepare a detailed and comprehensive report on the economic and environmental impacts of the final negotiating text of any proposed international agreement under the U.N. Framework Convention on Climate Change (FCCC) to reduce greenhouse gas emissions. The report must be completed six months prior to any vote by the parties to the treaty. The Committee expects that this report will provide an in- depth analysis and assessment of the impact of the agreement on U.S. employment, trade, consumer activities, competitiveness, and the environment. The Committee is concerned about the lack of hard information to date, given the advanced state of negotiations by parties to the FCCC, and the expected conclusion of the negotiations in Kyoto, Japan.

Sec. 1610. Reports and policy concerning diplomatic immunity

Section 1610 asks the Secretary of State to explore the possibility of having states waive diplomatic immunity, or have the diplomat's country prosecute, when a criminal act is committed. The report included Section 1610 requires that the Secretary of State report to Congress how many Americans have diplomatic immunity, how many foreign diplomats in the U.S. have immunity, and the cases where diplomats escaped justice because of immunity.

Sec. 1611. Italian confiscation of property case

Section 1611. states that the Congress urges the Italian government to seek a negotiated settlement with an American citizen whose property was confiscated over twenty years ago without fair and proper compensation. Mr. Pier Talenti has made every effort to work within the Italian judicial system to reach an agreement on resolving his claim. However, despite explicit language on compensation for expropriated property contained in the 1948 Friendship Treaty signed by the United States and Italy, to date, the Italian government refuses to properly compensate Mr. Talenti. The validity of Mr. Talenti's claim is demonstrated by the decision of the Department of State last August to espouse his case and formally press the Italian government to promptly negotiate a settlement.

The Congress should support American citizens who seek fair and proper compensation when their property has been confiscated by another government. This provision is an effort to encourage the Italian government to abide by their treaty obligations and reach an agreement with Mr. Talenti to resolve his case.

DIVISION C—UNITED NATIONS REFORM

TITLE XX—GENERAL PROVISIONS

Sec. 2001. Short title

Section 2001 states that this division may be cited as "United Nations Reform."

Sec. 2002. Definitions

Section 2002 defines the terms: appropriate congressional committee, designated specialized agency, secretary general, United Nations member, United Nations peacekeeping operation.

Sec. 2003. Nondelegation of certification requirements

Section 2003 expresses that the Secretary of State may not delegate the authority in this chapter to make any certification.

TITLE XXI—AUTHORIZATION OF APPROPRIATIONS

Sec. 2101. Assessed contributions to the United Nations and affiliated organizations

This section authorizes $938 million for fiscal year 1998 and $900 million for fiscal year 1999 for all assessed contributions to international organizations, subject to the following certifications and conditions:

(1) Of those funds, it makes available in fiscal years 1998 and 1999, $80,000,000 on a semi-annual basis only when the Secretary of State certifies to the Congress that no action has been taken by the United Nations to increase the United Nations 1998-99 budget of $2,533,000,000 during that period without finding an offset elsewhere in the United Nations budget during that period.

(2) This section withholds 20 percent of the funds made available for the United Nations until the Secretary of State certifies that the Office of Internal Oversight Services (OIOS) continues to function as an independent inspector general. This section requires the Director of the OIOS to report directly to the Secretary General on the adequacy of his resources and to notify in writing each program, project, or activity funded by the United Nations that it has the authority to audit, inspect, or investigate it.

(3) This section prohibits U.S. funding of U.N. global conferences. The U.N. Global Conferences referred to in this section are those organized on a one-time basis with universal participation to address a single subject, such as environment or population, outside of the normal course of regularly scheduled deliberations by existing U.N. bodies and directed to the achievement of a binding international agreement, or other legal instrument, on a particular matter (such as, the negotiation on the control and elimination of anti-personnel land mines in the U.N. Conference on anti-personnel land mines in the U.N. Conference on Conventional Weapons and the U.N. Conference on Disarmament).

(4) The section requires annual withholding of $50,000,000 until the Secretary of State certifies that in fiscal year 1998 that 1,000 authorized posts have been suppressed at the United Nations, and that in fiscal year 1999 the United Nations is maintaining a vacancy rate of at least five percent for professional staff and 2.5 percent for general services staff. Both policies have been presented by Secretary General Kofi Annan as part of the 1998-99 budget for the United Nations.

The Committee intends that the transfer of posts due to changes in UN budget methodology, or for any other purpose, must not be counted toward the 1,000 post suppression. For example, posts from the jointly-financed activities which still exist, but are deleted from the UN staffing table because of the use of net budgeting, would not be included in the 1,000 post suppression.

Furthermore, the Committee has the assurance of the Administration that the suppression of posts will result in an actual reduction in UN employees. The 1,000 post target will not be reached solely by eliminating vacant posts.

The Committee strongly believes that no UN funding should be appropriated for posts which must remain vacant under this provision. Under current practice, the UN appropriates funds to vacant posts at a reduced level in order to be able to fulfill salary obligations when a position is filled. Given that the vacancies under this provision would be mandatory, funding would not be necessary.

Furthermore, the Committee concurs with the stated position of the UN Secretary General that 500 posts should remain vacant. This would result in considerable cost savings and streamline the UN workforce.

(5) This section requires the Secretary of State to certify that no United States contributions have been used to fund other international organizations out of the United Nations regular

budget. This certification is not intended to refer to the U.N. giving grants or payments to other organizations. The Committee intends to ensure that no portion of the U.S. contribution to the United Nations regular budget be directly used to fund the operating costs of another organization. Should any such organization be funded out of the regular budget, the provision will require that the U.S. withhold from its U.S. assessment to the U.N. budget the U.S. share of the amount budgeted for such organizations.

(6) The amount authorized in this account is capped at $900,000,000 after fiscal year 1998. Additional authorization is required to exceed this amount. When the assessments owed by the United States to international organizations surpass the authorized amount, this section requires the United States to either withdraw from an organization or take action so that organization, in the next biennium, reduces the total obligations of the United States below the authorization ceiling.

(7) This section also requires that the United States continue to press its policy that the organizations in this account should have procedures in place to return excess contributions to member states when contributions exceed expenditures.

Section 2102 United Nations Policy on Israel and the Palestinians

This section provides that it shall be the policy of the United States to assist Israel in gaining acceptance into a United Nations regional bloc. It states further that it shall be the policy of the United States to seek the abolition of the U.N. Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Palestinian People and other Arabs of the Occupied Territories; the U.N.'s Committee on the Exercise of the Inalienable Rights of the Palestinian People; the U.N.'s Division for the Palestinian Rights; and the U.N.'s Division on Public Information on the Question of Palestine. The Secretary of State is required to consult with the appropriate congressional committees on steps taken to these ends, including efforts to bring Israel into the Western Europe and Others Groups of the U.N.

The Committee objects to the United Nations failure to include Israel in a regional grouping, the only longstanding member of the United Nations to be so excluded, as well the continued existence of the various anti-Israel committees at the United Nations, is proof of U.N. bias against the State of Israel. The Committee believes that inclusion of Israel in a regional grouping would promote the peace process.

The Committee urges the Secretary of State to do everything possible to attain the stated policy goals of this section, and pledges to follow this question closely.

Sec. 2103. Assessed contributions for international peacekeeping activities

This section authorizes $200 million for fiscal year 1998 and $205 million for fiscal year 1999 for assessed peacekeeping operations and activities. This section also consolidates many current reporting requirements regarding international peacekeeping activities.

Sec. 2104. Data on costs incurred in support of United Nations peace and security operations

This section requires the United States to report annually to the United Nations on the total costs of United Nations peacekeeping activities—including assessed, voluntary and incremental costs—to the United Nations. The section also requires the United States to request that the United Nations prepare and publish a report that compiles similar information for other United Nations member states.

Sec. 2105. Reimbursement for goods and services provided by the United States to the United Nations

This section requires that the United States seek and receive reimbursement for any assistance, including personnel, services, supplies, equipment, and facilities, to the United Nations, United Nations assessed peacekeeping operations, and bilateral assistance designed to assist that country to participate in the peacekeeping operation. This section is intended to ensure that the U.S. Government is reimbursed by the U.N. for military assistance (including civil police programs) it provides in support of the U.N. or U.N. peacekeeping operations, whether this assistance is provided to the U.N. or to another country participating in such an operation.

This section is prospective in its application and permits the President to waive the provision if he determines that an important national interest exists. However, such a waiver is subject both to notification requirements of section 634A of the Foreign Assistance Act and a joint resolution of disapproval by Congress if Congress disapproves of the President's determination.

The provision also exempts this section from applying to direct assistance for U.S. military personnel. The Administration requested this provision, and understands that it is designed only to allow for incidental costs in support of U.S. troops such as extra blankets, latrines, or other similar services that the U.N. does not ordinarily supply for troops carrying out a U.N. peacekeeping operation.

As drafted, the Committee believes that this section does not hamper, deter, or delay the President in his ability to use any authority to provide assistance under any constitutional authorization.

Sec. 2106. Restrictions on United States funding for United Nations peace operations

This section limits U.S. funding of peacekeeping activities to the peacekeeping budget of the United Nations, and prohibits the funding of such activities out of the regular budget, unless the President determines and notifies Congress that an important national security interest exists. The Committee expects that this comprehensive reporting will quantify all costs to the United States for peacekeeping activities, and enable the Congress to consider those costs in relation to the proposed operation or expansion of an operation prior to action by the United Nations Security Council.

Sec. 2107. United States policy regarding United Nations peacekeeping missions

This section makes clear that the policy of the United States is to limit the size and scope of United Nations peacekeeping missions. It is not the policy of the United States to support major U.N. peacekeeping operations such as the United Nations Protection Force (UNPROFOR) in the former Yugoslavia. Smaller peacekeeping missions should be considered on a case by case basis (with full consultation with Congress as required in section 2102 of this Act). The Committee expects that a clear statement of this policy will save United States taxpayers millions of dollars as it limits the scope and mandate of United Nations peacekeeping missions.

TITLE XXII—ARREARS PAYMENTS AND REFORM

CHAPTER 1—ARREARAGE TO THE UNITED NATIONS

Subchapter A—Authorization of Appropriations; Disbursement of Funds

Sec. 2201. Authorization of appropriations

This section authorizes $100,000,000 in fiscal year 1998, $475 million in fiscal year 1999, and $244 million in fiscal year 2000 for the repayment of arrears to the United Nations, United Nations peacekeeping activities, United Nations specialized agencies, and other international organizations.

Sec. 2202. Disbursement of funds

This section outlines the manner in which disbursements will be made, and requires that certification of specified reforms be completed prior to any disbursement of funds by the United States. This section also requires a 30 day notification by the Secretary of State to Congress prior to the disbursement of any funds.

Subchapter B—United States Sovereignty

Sec. 2211. Certification requirements

This section identifies the certifications that will be required for payout of the funds authorized in fiscal year 1998. Specifically, the Secretary must certify that:

(1) a contested arrears account, or some other appropriate mechanism, has been created for the U.S. This account represents the difference between what the United Nations says is owed by the United States and the amount recognized by the United States Congress. Thus, the sum of the obligations that the Congress is authorizing in this legislation is the total that the Congress shall authorize to be appropriated to the U.N. for its arrears under the regular and peacekeeping budgets. Agreement must be reached with the United Nations that any monies identified in this account will not affect the voting rights of the United States as contained in Article 19 of the United Nations charter.

(2) the United States Constitution controls U.S. law and no action by the United Nations or any of its agencies has caused the U.S. to violate the Constitution.

(3) neither the United Nations nor its specialized agencies have exercise authority over the United States or taken forward steps to require that the U.S. cede sovereignty.

(4) U.S. law does not give the United Nations any legal authority to tax the American people; no taxes or comparable fees have in fact been imposed; and there has been no effort sanctioned by the United Nations to develop, advocate or promote such a taxation proposal.

(5) the United Nations has not taken formal steps to create or develop a standing army under Article 43 of the United Nations Charter.

(6) interest fees have not been levied on the U.S. for any arrears owed to the United Nations.

(7) neither the United Nations nor its specialized agencies have exercised any authority or control over public or private property in the United States.

(8) the United Nations has not engaged in external borrowing, nor have the financial regulations of the United Nations or any of its specialized agencies been amended to permit borrowing, nor has the United States paid any interest for any loans incurred through external borrowing by the United Nations or its specialized agencies.

Subchapter C—Reform of Assessments and United Nations Peace Operations

Sec. 2221. Certification requirements

This section requires that the Secretary shall not make her 1999 certification if she determines the 1998 certifications are no longer valid, and prior to payment of authorized arrears in fiscal year 1999, certify that the following requirements have been met:

(1) The share of the total regular budget assessment for the United Nations and its specialized agencies does not exceed 22 percent for any member.

(2) The share of the total peacekeeping budget for each United Nations assessed peace operation does not exceed 25 percent for any member.

(3) The mandates of two peace operations funded from the regular budget, the United Nations Truce Supervision Organization (UNTSO) and the United Nations Military Observer Group in India and Pakistan (UNMOGIP) are subject to annual review by the Security Council, and the Congressional notification requirements for peacekeeping activities set out in section 2102(c) of this Act.

Subchapter D—Budget and Personnel Reform

Sec. 2231. Certification requirements

This section requires that the Secretary shall not make her FY 2000 certification if she determines that the 1998 and 1999 certifications are no longer valid, and prior to payment of authorized arrears in fiscal year 1999 certify that the following requirements have been met:

(1) The share of the total regular budget assessment for the United Nations and its specialized agencies does not exceed 20 percent for any member.

(2) The three largest specialized agencies, the International Labor Organization, the Food and Agriculture Organization, and the World Health Organization have each established an internal inspector general office comparable to the Office of Internal Oversight Services established in the United Nations following a similar certification requirement in the Foreign Relations Authorization Act, FY94-95 (section 401 of P.L. 103-236).

(3) The United Nations is implementing budget procedures that require the budget agreed to at the start of a budgetary cycle to be maintained, and the system wide identification of expenditures by functional categories. For purposes of this section, system-wide identification of expenditures by functional categories is defined to mean an object class distribution of resources. The object class distribution should accompany the initial regular assessed budget estimates for both the United Nations and its specialized agencies.

(4) The United Nations and the International Labor Organization, the Food and Agriculture Organization, and the World Health Organization have each established an evaluation system that requires a determination as to the relevance and effectiveness of each program. The United States is required to seek a "sunset" date for each program unless the program demonstrates relevance and effectiveness.

The Committee strongly objects to the incorporation of funding for terminated programs into the baseline of the UN budget for the next biennium. Funding for programs which have ceased and one-time expenditures should not be carried over into the next budget cycle. The sunset of programs should result in financial savings for the member states.

(5) The United States must have a seat on the United Nations Committee on Administrative and Budgetary Questions (ACABQ). Until 1997, the United States has served on this committee since the creation of the United Nations. This committee is key to the budgetary decisions at the United Nations and the United States, as the largest contributing nations, should have a seat on this Committee.

(6) The General Accounting Office (GAO) shall have access to United Nations financial data so that the GAO may perform nationally mandated reviews of all United Nations operations.

(7) The United Nations is enforcing a personnel system based on merit and is enforcing a worldwide availability of its international civil servants; a code of conduct is being implemented that requires, among other standards, financial disclosure statements by senior United Nations officials; a personnel evaluation system is being implemented; periodic assessments are being completed by the United Nations to determine total staffing levels and reporting of those assessments; and the United States has completed a review of the United Nations allowance system, including recommendations for reductions in allowances.

(8) The International Labor Organization, the Food and Agriculture Organization, and the World Health Organization have each approved a budget that reflects a decline in the budget approved for 2000-01 from the levels agreed to for 1998-99.

(9) The International Labor Organization, the Food and Agriculture Organization, and the World Health Organization have each established procedures require the budget agreed to at the start of a budgetary cycle to be maintained; the system wide identification of expenditures by functional categories; and approval of supplemental budget requests to the secretariat in advance of appropriations for those requests.

CHAPTER 2—MISCELLANEOUS PROVISIONS

Sec. 2241. Statutory construction on relation to existing laws

This section makes clear that this Act does not change or reverse any previous provision of law regarding restriction on funding to international organizations.

Sec. 2242. Prohibition on payments relating to UNIDO and other organizations from which the United States has withdrawn or rescinded funding

This section prohibits payment to organizations from which the United States has withdrawn or from which Congress has rescinded funding, including the United Nations Industrial Organization and the World Tourism Organization.

COST ESTIMATE

In accordance with rule XXVI, paragraph 11(a) of the Standing Rules of the Senate, the Committee provides the following estimates of the cost of this legislation prepared by the Congressional Budget Office:

CBO REPORT

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 13, 1997.

Hon. JESSE HELMS,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed table on the costs of a bill to reauthorize programs for the State Department for fiscal years 1998 and 1999, to reorganize the U.S. foreign policy apparatus, and to reform the United Nations, as ordered reported by the Committee on Foreign Relations on June 12, 1997. The table shows amounts that the bill would specifically authorize to be appropriated, based on information provided by your staff. These authorizations total $5.9 billion for fiscal year 1998, $6.2 billion for fiscal year 1999, and $0.2 billion for fiscal year 2000.

In the short time available, CBO has not been able to complete its review of the bill. Consequently, we have not determined whether the bill includes other provisions that might affect future appro-

priations, direct spending, or receipts, including some that might be subject to pay-as-you-go procedures. We do not yet know whether the bill contains intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Joseph C. Whitehill, who can be reached at 226-2840.

Sincerely,

JUNE E. O'NEILL

Enclosure

ESTIMATED BUDGETARY IMPACT OF AUTHORIZATIONS IN A BILL ORDERED REPORTED BY THE SENATE COMMITTEE ON FOREIGN RELATIONS ON JUNE 12,1997 [1]

[by fiscal year, in millions of dollars]

	1997	1998	1999	2000	2001	2002
SPENDING SUBJECT TO APPROPRIATION						
Spending under Current Law [2].						
Budget Authority	5,845	0	0	0	0	0
Estimated Outlays	6,162	1,119	325	118	10	0
Proposed Changes.						
Estimated Authorization Level	---	5,901	6,222	244	0	0
Estimated Outlays	---	4,796	5,892	1,172	274	112
Spending under the Bill [2].						
Estimated Authorization Level	5,845	5,901	6,222	244	0	0
Estimated Outlays	6,162	5,916	6,218	1,289	284	112

[1] Note: This estimate includes the amounts specifically authorized in the bill. CBO has not completed its analysis of other aspects of the bill.

[2] The 1997 level is the amount appropriated for that year.

EVALUATION OF REGULATORY IMPACT

In accordance with rule XXVI, paragraph 11(b) of Standing Rules of the Senate, the committee has concluded that there is no regulatory impact from this legislation.

ADDITIONAL VIEWS OF SENATOR RICHARD G. LUGAR

I disagree strongly with the Committee's decision to approve Division C in the bill, particularly Title XXII, pertaining to the United Nations and the payment of past U.S. debts. The Chairman and the Ranking Member have worked hard to forge a workable formula for paying our arrears. Unfortunately, Title XXII contains thirty- eight separate "benchmarks" or preconditions to our payments. These benchmarks make it unlikely the U.N. will reform along the lines we desire or that we will pay back our debts. Consequently, I believe our position in the U.N. could be weakened further, the fiscal crises will continue, and our ability to attain our interests in the U.N. will be impaired.

The Committee should have debated whether the United States should retain membership in the United Nations and whether the United Nations should be a viable institution or one hobbled by inefficiency and fiscal stress. If we want to remain in the United Nations, which I believe we should, then we should improve our leverage to promote American interests. If we prefer a weak, feckless and financially stressed organization, the price of membership may be too high, and we should consider withdrawing from it. I believe the actions of the Committee failed to resolve our arrears problem with the United Nations and may have weakened the case for the reforms we have championed.

This was one of the most important Senate votes on the United Nations in recent history. The Committee avoided a serious debate and, in the end, failed to protect our interests.

Much more is at stake than the solvency of the United Nations, as important as its financial credibility is. Whenever we back away from honoring our commitments, other nations take careful notice. Our leverage on a host of foreign policy and national security issues is jeopardized. The Committee failed to appreciate the interconnections that the arrears issue has with other foreign policy issues and with the quality of our relations among friends and allies.

For the first time in recent years, the Congress has the opportunity to address the arrears issue in a constructive and meaningful manner. At the urging of many members, President Clinton proposed a viable international affairs budget for Fiscal Year 1998. The Budget Committees, operating under enormous difficulties, provided full funding and remarkably broad latitude, through a "special allowance" in the Budget Resolution, to address the international arrears problem in its entirety. The opportunity to wipe the slate clean of our arrears may not happen again. Although the Committee mark provided a strong and credible funding level as a whole, it failed to seize the opportunity to solve our arrears problem. I fear we will be re-visiting this issue again and again.

Title XXII of the bill includes a lengthy and detailed list of some thirty-eight mandated "benchmarks" that must be achieved over the next three years. Many of these pre-conditions to our payments of past debts may be sound policy goals. They include a permanent reduction of our annual dues from 25% to 20% of the regular U.N. budget and from 31% to 25% of the peacekeeping budget. But these reforms will not be easy to achieve if the other 183 members of the United Nations do not believe we are serious about paying our

debts. The bill mandates that the President must certify in each of the next three years that every one of the thirty-eight pre-conditions has been met before we pay portions of our past debts. It is very unlikely that these "benchmarks" will be met in the time mandated; therefore, U.S. funds are unlikely to be released. If so, the net result of the bill could be fewer real reforms at the United Nations and a weakened organization less able and less inclined to promote our interests.

There is much misunderstanding about the amount and nature of our arrears. Only 5%, some $54 million, of the total $1.021 billion amount we acknowledge we owe is actually owed to the United Nations. The bulk of our debt—$658 million—is our share of the costs of peacekeeping activities that we voted for and asked other nations to support with their troops.

Nearly two-thirds of our total arrears are for past peacekeeping operations, but none of this would go to the United Nations. The United Nations is merely a conduit for payments to those countries who supported peacekeeping operations with troops and equipment. They took the risks and shared the costs in peacekeeping activities that we judged to be in our national interest. We owe these funds to other countries, not to the United Nations Secretariat or to its employees. Most of this debt is owed to our NATO allies, including France ($60.1 million), Great Britain ($41 million), the Netherlands ($21 million), Pakistan ($20.1 million), Germany ($18.3 million), Belgium ($17.3 million), Italy ($17.2 million), India ($16.11 million), and Canada ($14.2 million).

In this bill, we are asking our NATO allies to pay more than they pay now for future peacekeeping operations and for the regular budget as a condition of our paying back past dues that we are obligated to pay. It makes good sense to seek a reduction in our contributions, but this should not be a pre-condition for paying what we already owe. We would be scornful of any other nation that made similar demands. This is not what an honorable and responsible nation should propose.

It should be pointed out that even as we attempt to eradicate past arrears with the funds authorized in the bill, the bill creates new arrears. The bill underfunds the requests for both the International Organization and the International Peacekeeping accounts. Thus, as we attempt to eradicate past arrears, we are adding new debt at the same time. This contradictory action sends a confused signal about our seriousness in paying our arrears and weakens our leverage for achieving the reforms we seek. The United Nations will more likely serve United States interests if we are current in our obligations than if we remain a major debtor.

By approving Title XXII of this bill, the Committee is passing up an opportunity to resolve the arrears problem. The Committee also is missing an opportunity to restore U.S. leverage needed to achieve reform at the United Nations. Finally, it is passing up a chance to strengthen our role and participation in international organizations that bring tangible benefits to all Americans and real potency to our foreign policy.

ADDITIONAL VIEWS OF SENATORS RUSSELL D. FEINGOLD AND JOHN F. KERRY ON INTERNATIONAL BROADCASTING

We strongly oppose the provisions in this bill that would establish a new, independent federal agency to administer U.S. international broadcasting programs. We believe that creating a new federal agency within a bill designed to consolidate foreign policy programs is directly contrary to the purpose of the underlying legislation. In an era when government downsizing is sorely needed, it makes little sense to create a new federal agency.

There are five primary reasons why we oppose these provisions. First, the provisions reinstate a structure that allowed fiscal abuse and mismanagement to thrive for two decades. The structure that is being proposed by this bill is virtually identical to the Board for International Broadcasting (BIB), an independent federal agency that was abolished by the International Broadcasting Act of 1994. The BIB structure historically had been a breeding ground for fiscal abuses. The General Accounting Office and BIB Inspector General filed numerous reports over two decades documenting the fiscal abuses that this "independent" structure generated. Senator Howard Pastore in 1976 said of the fiscal mismanagement problem under the BIB structure, "The abuse has reach the point of becoming almost scandalous." Extensive executive salaries and "perks" plagued the programs. Time after time, curbs were imposed to bring the spending into check, only to be thwarted by the agency. By finally abolishing this agency in 1994, this Committee ended two decades of uncontrolled mismanagement and fiscal abuse.

Second, the provisions undermine the commitment of the Congress to privatization. The 1994 legislation included a commitment to privatize Radio Free Europe/Radio Liberty (RFE/RL) by December 31, 1999. It makes no sense to recreate an independent agency to administer the grants for RFE/RL for the two and a half years left before this deadline. If the Congress creates this new independent agency, the agency will find a justification to continue.

If RFE/RL is actually going to be privatized by the end of 1999, as called for by the 1994 legislation, we would ask what this new federal agency is supposed to do. The majority of the Board's operations—calculated by budget, personnel or operating hours—are concerned with the Voice of America. Since it makes little sense to create a new agency simply to run VOA, we are concerned that the structure in this bill will give a new lease on life to the surrogate radios that are scheduled to lose their federal support in 1999. Radio Free Asia (RFA) also has a sunset date in the authorizing legislation that terminates its authority in 1998. We would like to know what this new agency will do after these dates. We fear that it will soon find reasons to argue that it needs to continue to exist, and spend taxpayer dollars lobbying to do so. Most likely, it will lobby to continue federal funding of RFE/RL to justify its own existence.

Third, these provisions create a new federal agency. In an era of government downsizing and in a bill that is designed to consolidate the foreign policy agencies of the U.S. government, it is hard to believe that the members of this Committee, many of whom are deeply committed to downsizing the federal government and achieving

deficit reduction, would opt to have a hand in creating a new federal agency. Not only do the broadcasting provisions ensure that the links with the State Department, and all the budgetary and policy oversight that those links imply, are severed, but establishing a separate agency will lead to the creation of all the legal structures that an independent agency requires. While this bill does not authorize any additional operating funds for international broadcasting, it does create an entity that will certainly require more administrative costs in the future. Rather than using the accounting, personnel, and support services of the State Department, this new entity will require its own legal office, its own personnel department, and its own publication office. In future years, it will either require additional funds or will use its scarce dollars on overhead rather than on programming.

The record is clear that the independent agency structure being recreated is likely to entail heavy administrative costs. At the time Congress abolished the BIB, RFE/RL was spending 25 percent of its budget on administrative costs compared to 12 percent by VOA. Now, for example, it is estimated that the Broadcasting Board of Governors (BBG) receives approximately $28 million in administrative services—such as buildings, security, and payroll—from the U.S. Information Agency (USIA). The new agency will have to assume these costs—either by receiving new funding or cutting back on programming services to protect administrative overhead—and the Committee will surely be asked to authorize additional monies for these purposes, rather than reduce broadcasts. What other demands may develop from this new bureaucracy remain unknown.

Fourth, in an age of dramatic changes in communications technology—with the Internet, CNN, and cellular telephone available just about anywhere in the world—it is becoming even less clear why the American taxpayer should foot the bill for a new federal agency to report local news abroad. The United States created RFE/RL when there were very few sources of independent news. Now, a dissident group in one country can trade electronic mail with its supporters or compatriots in other countries.

Finally, the proponents of the creation of a new independent agency to administer RFE/RL assert that such a structure is needed to protect the journalistic independence of these radios. Currently, RFE/RL is funded almost entirely by the federal taxpayers. As long as RFE/RL continues to receive federal funding, it can never be truly "independent". The 1994 legislation contained "compromise" provisions which allowed RFE/RL to be operated as a "grantee" rather than a direct federal program in order to protect its so-called journalistic independence. Such provisions would continue to exist if the broadcasting programs were consolidated with USIA in the State Department. But, it is clear that the best form of journalistic independence will come with privatization. For along with being the recipient of funds billed to taxpayers and appropriated by Congress, the Board is appointed by the President of the United States. We do not see how putting all the broadcasting services into one agency under these conditions constitutes "journalistic independence," when Board members are appointed by the President. This is in addition to the fact that these programs are per-

ceived around the world as creations and products of the U.S. government.

If it is important for the United States government to have radio and television broadcasting services, then why can't those services be incorporated into the State Department with the protections that were established by the 1994 legislation to preserve journalistic integrity. The best way for these programs to have the independence they need and desire is simple: privatization.

The provisions in the bill concerning international broadcasting are contrary to the spirit of the remainder of the reorganization provisions which mandate the streamlining of the foreign policy apparatus of the U.S. government. In a bill such as this, there is no reason to recreate an independent federal agency.

EVALUATION OF REGULATORY IMPACT

In accordance with rule XXVI, paragraph 11(b) of Standing Rules of the Senate, the Committee has concluded that there is no regulatory impact from this legislation.

MINORITY VIEWS OF SENATOR PAUL SARBANES

United Nations

It is my strongly held view that the interests of the United States have been served by our Nation's active participation in the United Nations and the United Nations system. Over the years since the end of the Second World War, the UN has often been an effective means of promoting U.S. foreign policy interests. When we work with and through the UN, we can leverage our resources and influence in order to achieve a much greater impact than we could unilaterally. In the last decade, however, our status as the UN's biggest debtor has affected our credibility and undermined our leadership with our allies and within the international community. The United States owes over $1 billion to the UN for regular activities and peacekeeping, more than any other country, and nearly two-thirds of the total amount owed by all countries to the UN.

There has been a misperception that the UN can somehow dictate policies to the United States and force us to undertake actions that do not serve US interests. This is simply not the case. UN peacekeeping operations cannot be established without the concurrence of the United States. As a key member of the UN Security Council, we are one of five countries with veto power over all resolutions which are considered by the Council.

As a country we pride ourselves for following the rule of law, and holding our citizens responsible for meeting various legal obligations. In fact, we try to urge other countries to follow our example and live up to those standards, both domestically and internationally. It is often a tremendous challenge to get countries to respect the basic rights of their citizens and to act in accordance with international law. We ourselves are not meeting those high standards as they relate to the UN. We undertook commitments under the UN Charter, and we have a responsibility to make good on them. This legislation seeks to impose unilaterally a host of conditions for the release of funds. I have no doubt that if some other

country delinquent in meeting its obligations showed up with such demands we would be outraged.

I very much regret that the Committee did not take the approach to the repayment of our arrears and our current obligations proposed by my colleague from Indiana, Senator Lugar. Senator Lugar's amendments would have addressed previous obligations in a straightforward manner and would have fully met current obligations thereby breaking the cycle of growing debts and waning influence.

Instead the Committee's approach by seeking unilaterally to micro-manage the United Nations may alter the very nature of our relationship with the UN to our continued detriment.

Reorganization

I oppose the Committee's legislation to reorganize the foreign policy agencies of the Executive Branch. I do not believe that such a reorganization should be forced on an administration which has indicated that it is willing to undertake such an effort, and is in the process of a developing a plan to do so. It is my view that the administration should have an opportunity to present its own plan to the Congress. It is my judgment that the Committee's legislation goes well beyond the President's approach in several instances and that we should, on a matter of this importance and a matter particularly within the purview of the Executive Branch, give the administration the opportunity to develop fully its own reorganization plan.

CHANGES IN EXISTING LAW

It is the opinion of the Committee that it is necessary to dispense with the requirements of subsection 26.12(b) of the Standing Rules of the Senate in order to expedite the business of the Senate.