



Staff Contact: Russ Vought (x68581)

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Appropriations Policy Brief

H.R. 3057 – Foreign Operations Appropriations Act for FY 2006

BY THE NUMBERS:

In Millions of Dollars

	FY05	FY06 Bush Request	FY06 Committee	Cmte v. Request	Cmte v. FY05
Appropriations	19,699	22,830	20,270	-2,560	+571
<i>Emergency Approps</i>	3,775	0	0	0	-3,775
TOTAL	23,474	22,830	20,270	-2,560	-3,204

Excluding Emergency Appropriations, the Committee Bill is:

- **\$571 million (2.9%) more than last year**
- **\$2.56 billion (11.2%) less than the request**

Budget Compliance: According to CBO, the bill is within the 302(b) allocation of the Foreign Operations Appropriations Subcommittee.

Unauthorized Appropriations: According to the Committee report, the bill appropriates \$19.9 billion for unauthorized appropriations, roughly the entire bill. The Rules of the House prohibit this practice, but the rule governing consideration of the bill waives this restriction.

Items of Note:

Global AIDS, Tuberculosis, and Malaria Funding: Includes \$2.7 billion to combat international HIV/AIDS, including \$1.9 billion for the State Department's Global HIV/AIDS Initiative and \$775 million for USAID. Such funding levels exceed the last year's level and the President's request by \$416 million and \$131 million respectively.

Export-Import Bank: Provides \$163 million, an increase of \$64 million or 65% for the Export-Import Bank. In the past, some conservatives have expressed concern that the Bank subsidizes corporations that export to other countries. For instance, in FY2000, Boeing, General Electric, and United Technologies were among the top beneficiaries of the Bank.

Economic Support Fund: Contains \$2.5 billion for global economic support, including \$240 million for Israel, \$495 million for Egypt, \$250 million for Jordan, \$40 million for Lebanon, and \$20 million for Cyprus.

Russian Assistance to Iran: Withholds 60% of the funds allocated for the Government of the Russian Federation until the President certifies that they terminated any arrangements to provide nuclear assistance to Iran and are providing access to humanitarian relief for Chechen refugees.

Millennium Challenge Accounts: Provides \$1.8 billion for Millennium Challenge Accounts – President Bush’s initiative to “restructure” foreign aid to reward (and therefore provide incentives to) those countries exhibiting certain best practices that lead to economic independence. This amount is \$262 million above last year and \$1.3 billion below the request. The bill allows up to \$75 million to be used for administrative expenses.

Foreign Military Financing: Contains \$4.4 billion for foreign military financing, including \$2.3 billion for Israel (an increase of \$77 million) and \$1.3 billion for Egypt (an increase of \$11 million). Such funding levels for Israel and Egypt fully meet the President’s request. The bill bars such funding for Sudan and Guatemala.

Magen David Adom and the Red Cross: Retains language that withholds the annual contribution to the International Committee of the Red Cross if the Magen David Adom Society of Israel is denied participation. The Society is being denied participation because it refuses to use the Red Cross emblem instead of the Red Shield of David. According to the Committee Report: “This limitation will not, and is not intended to, restrict funding for humanitarian assistance programs that may be programmed through the ICRC using other funds provided in this account. It is only intended to affect the funding the United States provides on an annual basis to the ICRC bureaucracy in Geneva.” For more information about the Magen David Adom Society, which performs emergency medical services in Israel, please see: <http://www.magendavidadom.org/aboutus.asp>

Pro-Life Provisions: Maintains the Kemp-Kasten language that allows the President to take funding away from any group that supports a coercive population control program; maintains the Tiahrt language to require family planning be voluntary; maintains the ban on foreign aid funding for abortion; and maintains the ban on using Peace Corps funds for abortion.

UNFPA Funding: Provides \$34 million for the United Nations Population Fund (UNFPA), provided that the UNFPA does not fund abortions and that the U.S. contribution is not spent in China. **Note:** Since FY02, the Bush Administration has determined that “UNFPA’s support of, and involvement in, China’s population-planning activities allows the Chinese government to implement more effectively its program of coercive abortion” (Source: Secretary Powell, July 21, 2002). This determination has triggered the Kemp-Kasten statutory language and thus UNFPA has not received any U.S. taxpayer funds in the past few years, despite the fact that the appropriations committee continues to earmark funds for the organization. Because UNFPA refuses to stop its collusion with the enforcers of China’s brutal one-child policy, it is expected the FY06 funds allocated in this bill would again be frozen. For further background see: <http://johnshadegg.house.gov/RSC/Unfpa.pdf> and <http://johnshadegg.house.gov/RSC/China.pdf>

Funding Commodities in Surplus: Restricts funding for expanding production of any commodity for export by a country other than the U.S., if the commodity is likely to be in surplus on the world market and if such assistance will injure U.S. producers.

Relocation of U.S. Businesses and Workers Rights: Prohibits funds from being used to provide an incentive for U.S. businesses to relocate outside the U.S. if such a relocation will reduce employment in the U.S. In addition, funding is prohibited for any activity that contributes to a violation of internationally recognized worker rights.

Prohibition On Assistance to Governments That Support Terrorism: Prohibits assistance to countries that support international terrorism, including Cuba, Libya, North Korea, Iran and Syria, and countries that export lethal military equipment to such countries.

Assistance to the PLO: Contains several specific restrictions on providing assistance to the PLO (See Sections 544, 547, 550, and 558).

Palestinian State: Prohibits funding to support a Palestinian State unless certain conditions are met (See Section 555). The President is allowed to waive this prohibition if it is vital to national security.

Debt Relief for the Poorest Countries: Authorizes the reduction of debt owed to the U.S. by the poorest countries so long as appropriations have been made in advance.

Presidential Terminations and Reductions:

International Fund for Ireland: Contains \$13.5 million in economic support for Northern Ireland, \$5 million less than last year and \$5 million more than the request. Northern Ireland's current unemployment is less than the U.S.

Assistance for the Independent States of the Former Soviet Union: Reduces funding for the Independent States of the Former Soviet Union from \$556 million to \$477 million (\$5 million less than requested). The Administration requested the reduction because "Russia is an upper middle income country, running a federal budget surplus and experiencing increasing real disposable income and decreasing inflation" and Armenia and Georgia are eligible for funding by the Millennium Challenge Account.

Global Environment Facility: Eliminates \$106 million in funding for the World Bank's Global Environment Facility. The Administration requested \$108 million for this account.

Earmarks:

- **University Programs:** Directs USAID to "actively consider proposals" submitted by a number of colleges and universities. For a list, see pages 24-27 of the Committee Report.
- **Esther's Aid for Needy and Abandoned Children (Rwanda):** \$150,000

Funding Summaries:

In Thousands

	FY 2005 Enacted	FY 2006 Request	FY 2006 Cmte	Cmte Vs. FY 2005	Cmte Vs. Request	Cmte Vs. FY 2005	Cmte Vs. Request
Export-Import Bank.....	98,936	225,700	163,200	64,264	-62,500	64.96%	-27.69%
OPIC Subsidy Appropriation.....	23,808	20,276	20,276	-3,532	0	-14.84%	0.00%
OPIC Admin Expenses.....	42,542	42,274	42,274	-268	0	-0.63%	0.00%
Trade & Development Agency.....	51,088	48,900	50,900	-188	2,000	-0.37%	4.09%
USAID.....	4,393,064	4,179,368	4,156,400	-236,664	-22,968	-5.39%	-0.55%
<i>Child Survival.....</i>	1,537,600	1,251,500	1,497,000	-40,600	245,500	-2.64%	19.62%
<i>Development Assistance.....</i>	1,448,320	1,103,233	1,460,000	11,680	356,767	0.81%	32.34%
<i>Int'l Disaster Assistance.....</i>	367,040	655,500	356,000	-11,040	-299,500	-3.01%	-45.69%
<i>AID Operating Expenses.....</i>	637,456	680,735	630,000	-7,456	-50,735	-1.17%	-7.45%
Economic Support Fund.....	2,462,640	3,036,375	2,558,525	95,885	-477,850	3.89%	-15.74%
Economic Assistance to Israel.....	357,120	240,000	240,000	-117,120	0	-32.80%	0.00%
Economic Assistance to Egypt.....	530,720	495,000	495,000	-35,720	0	-6.73%	0.00%
Int'l Fund for Ireland.....	18,352	0	13,500	-4,852	13,500	-26.44%	
Assistance for Eastern Europe.....	393,427	382,000	357,000	-36,427	-25,000	-9.26%	-6.54%
Assistance to the Former Soviet Union.....	555,520	482,000	477,000	-78,520	-5,000	-14.13%	-1.04%
Inter-American Foundation.....	17,856	17,826	19,500	1,644	1,674	9.21%	9.39%
African Development Foundation.....	18,848	18,850	20,500	1,652	1,650	8.76%	8.75%
Peace Corps.....	317,440	345,000	325,000	7,560	-20,000	2.38%	-5.80%
Millennium Challenge Corporation.....	1,488,000	3,000,000	1,750,000	262,000	-1,250,000	17.61%	-41.67%
Global HIV/AIDS Initiative.....	1,373,920	1,970,000	1,920,000	546,080	-50,000	39.75%	-2.54%
Int'l Narcotics Control & Law Enforcement.....	326,189	523,874	437,400	111,211	-86,474	34.09%	-16.51%
Andean Counter-drug Initiative.....	725,152	734,500	734,500	9,348	0	1.29%	0.00%
Migration & Refugee Assistance.....	763,840	892,770	790,720	26,880	-102,050	3.52%	-11.43%
Emergency Refugee & Migration Assistance Fund.....	29,760	40,000	30,000	240	-10,000	0.81%	-25.00%
Nonproliferation, anti-terrorism, de-mining.....	398,784	440,100	400,350	1,566	-39,750	0.39%	-9.03%
Conflict Response Fund.....	0	100,000	0	0	-100,000		-100.00%
International Technical Assistance (DOT).....	18,848	20,000	20,000	1,152	0	6.11%	0.00%
Debt Restructuring.....	99,200	99,750	65,000	-34,200	-34,750	-34.48%	-34.84%
Int'l Military Education & Training.....	89,012	86,744	86,744	-2,268	0	-2.55%	0.00%
Foreign Military Financing.....	4,745,232	4,588,600	4,442,300	-302,932	-146,300	-6.38%	-3.19%
<i>Military Assistance to Israel.....</i>	2,202,240	2,280,000	2,280,000	77,760	0	3.53%	0.00%
<i>Military Assistance to Egypt.....</i>	1,289,600	1,300,000	1,300,000	10,400	0	0.81%	0.00%
Peacekeeping Operations.....	103,168	195,800	177,800	74,632	-18,000	72.34%	-9.19%
Contribution to the Global Environmental Facility.....	106,640	107,500	0	-106,640	-107,500	-100.00%	-100.00%
Contribution to the Int'l Development Assoc.....	843,200	950,000	950,000	106,800	0	12.67%	0.00%
Contribution to the Multilateral Investment Guarantee.....	0	1,742	1,742	1,742	0		
Contribution to Inter-American Development Bank.....	10,912	1,742	1,742	-9,170	0	-84.04%	0.00%
Contribution to the Asian Development Bank.....	99,200	115,250	115,250	16,050	0	16.18%	0.00%
Contribution to the African Development Bank.....	109,219	141,338	141,338	32,119	0	29.41%	0.00%
Contribution to the European Bank for Reconstruction.....	35,148	1,016	1,016	-34,132	0	-97.11%	0.00%
Contribution to the Int'l Fund for Agriculture.....	14,880	15,000	15,000	120	0	0.81%	0.00%
Int'l Organizations and Programs.....	325,767	281,908	328,958	3,191	47,050	0.98%	16.69%

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