

MAKING EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR DEFENSE
AND FOR THE RECONSTRUCTION OF IRAQ AND AFGHANISTAN FOR THE
FISCAL YEAR ENDING SEPTEMBER 30, 2004, AND FOR OTHER PURPOSES

OCTOBER 30, 2003.—Ordered to be printed

Mr. YOUNG of Florida, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 3289]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3289) “making emergency supplemental appropriations for defense and for the reconstruction of Iraq and Afghanistan for the fiscal year ending September 30, 2004, and for other purposes”, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2004, and for other purposes, namely:

TITLE I—NATIONAL SECURITY

CHAPTER 1

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For an additional amount for “Military Personnel, Army”, \$12,858,870,000.

MILITARY PERSONNEL, NAVY

For an additional amount for "Military Personnel, Navy", \$816,100,000.

MILITARY PERSONNEL, MARINE CORPS

For an additional amount for "Military Personnel, Marine Corps", \$753,190,000.

MILITARY PERSONNEL, AIR FORCE

For an additional amount for "Military Personnel, Air Force", \$3,384,700,000.

*OPERATION AND MAINTENANCE**OPERATION AND MAINTENANCE, ARMY*

For an additional amount for "Operation and Maintenance, Army", \$23,997,064,000.

*OPERATION AND MAINTENANCE, NAVY**(INCLUDING TRANSFER OF FUNDS)*

For an additional amount for "Operation and Maintenance, Navy", \$1,956,258,000, of which up to \$80,000,000 may be transferred to the Department of Homeland Security for Coast Guard Operations.

OPERATION AND MAINTENANCE, MARINE CORPS

For an additional amount for "Operation and Maintenance, Marine Corps", \$1,198,981,000.

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for "Operation and Maintenance, Air Force", \$5,416,368,000.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For an additional amount for "Operation and Maintenance, Defense-Wide", \$4,355,452,000, of which—

(1) not to exceed \$15,000,000 may be used for the CINC Initiative Fund account, to be used primarily in Iraq and Afghanistan;

(2) \$32,000,000 is only for the Family Advocacy Program; and

(3) not to exceed \$1,150,000,000, to remain available until expended, may be used, notwithstanding any other provision of law, for payments to reimburse Pakistan, Jordan, and other key cooperating nations, for logistical and military support provided, or to be provided, to United States military operations in connection with military action in Iraq and the global war on terrorism: Provided, That such payments may be made in such amounts as the Secretary of Defense, with the concurrence of the Secretary of State, and in consultation with the Director of the Office of Management and Budget, may determine, in his dis-

cretion, based on documentation determined by the Secretary of Defense to adequately account for the support provided, and such determination is final and conclusive upon the accounting officers of the United States, and 15 days following notification to the appropriate congressional committees: Provided further, That the Secretary of Defense shall provide quarterly reports to the Committees on Appropriations on the use of these funds.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For an additional amount for "Operation and Maintenance, Marine Corps Reserve", \$16,000,000.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For an additional amount for "Operation and Maintenance, Air Force Reserve", \$53,000,000.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For an additional amount for "Operation and Maintenance, Air National Guard", \$214,000,000.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

For an additional amount for "Overseas Humanitarian, Disaster, and Civic Aid", \$35,500,000.

IRAQ FREEDOM FUND

(INCLUDING TRANSFER OF FUNDS)

For "Iraq Freedom Fund", \$1,988,600,000, to remain available for transfer until September 30, 2005, for the purposes authorized under this heading in Public Law 108-11: Provided, That the Secretary of Defense may transfer the funds provided herein to appropriations for military personnel; operation and maintenance; Overseas Humanitarian, Disaster, and Civic Aid; procurement; military construction; the Defense Health Program; and working capital funds: Provided further, That funds transferred shall be merged with and be available for the same purposes and for the same time period as the appropriation or fund to which transferred: Provided further, That this transfer authority is in addition to any other transfer authority available to the Department of Defense: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: Provided further, That the Secretary of Defense shall, not fewer than 5 days prior to making transfers from this appropriation, notify the congressional defense committees in writing of the details of any such transfer: Provided further, That the Secretary shall submit a report no later than 30 days after the end of each fiscal quarter to the congressional defense committees summarizing the details of the transfer of funds from this appropriation: Provided further, That not less than \$62,100,000 shall be transferred to "Other Procurement, Army" for the procurement of Up-armored High Mobility Multipurpose Wheeled Vehicles and associated

equipment: Provided further, That \$10,000,000 shall be for the Family Readiness Program of the National Guard.

PROCUREMENT

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

For an additional amount for "Procurement of Weapons and Tracked Combat Vehicles, Army", \$101,600,000, to remain available until September 30, 2006.

OTHER PROCUREMENT, ARMY

For an additional amount for "Other Procurement, Army", \$1,143,687,000, to remain available until September 30, 2006.

AIRCRAFT PROCUREMENT, NAVY

For an additional amount for "Aircraft Procurement, Navy", \$158,600,000, to remain available until September 30, 2006.

OTHER PROCUREMENT, NAVY

For an additional amount for "Other Procurement, Navy", \$76,357,000, to remain available until September 30, 2006.

PROCUREMENT, MARINE CORPS

For an additional amount for "Procurement, Marine Corps", \$123,397,000, to remain available until September 30, 2006.

AIRCRAFT PROCUREMENT, AIR FORCE

For an additional amount for "Aircraft Procurement, Air Force", \$53,972,000, to remain available until September 30, 2006.

MISSILE PROCUREMENT, AIR FORCE

For an additional amount for "Missile Procurement, Air Force", \$20,450,000, to remain available until September 30, 2006.

OTHER PROCUREMENT, AIR FORCE

For an additional amount for "Other Procurement, Air Force", \$3,438,006,000, to remain available until September 30, 2006.

PROCUREMENT, DEFENSE-WIDE

For an additional amount for "Procurement, Defense-Wide", \$418,635,000, to remain available until September 30, 2006.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

For an additional amount for "Research, Development, Test and Evaluation, Navy", \$34,000,000, to remain available until September 30, 2005.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

For an additional amount for "Research, Development, Test and Evaluation, Air Force", \$39,070,000, to remain available until September 30, 2005.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

For an additional amount for "Research, Development, Test and Evaluation, Defense-Wide", \$260,817,000, to remain available until September 30, 2005.

REVOLVING AND MANAGEMENT FUNDS**DEFENSE WORKING CAPITAL FUNDS**

For an additional amount for "Defense Working Capital Funds", \$600,000,000.

NATIONAL DEFENSE SEALIFT FUND

For an additional amount for "National Defense Sealift Fund", \$24,000,000, to remain available until expended.

OTHER DEPARTMENT OF DEFENSE PROGRAMS**DEFENSE HEALTH PROGRAM**

For an additional amount for "Defense Health Program", \$658,380,000 for Operation and maintenance.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE**(INCLUDING TRANSFER OF FUNDS)**

For an additional amount for "Drug Interdiction and Counter-Drug Activities, Defense", \$73,000,000: Provided, That these funds may be used only for such activities related to Afghanistan: Provided further, That the Secretary of Defense may transfer the funds provided herein only to appropriations for military personnel; operation and maintenance; procurement; and research, development, test and evaluation: Provided further, That the funds transferred shall be merged with and be available for the same purposes and for the same time period, as the appropriation to which transferred: Provided further, That the transfer authority provided in this paragraph is in addition to any other transfer authority available to the Department of Defense.

RELATED AGENCIES**INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT****(INCLUDING TRANSFER OF FUNDS)**

For an additional amount for "Intelligence Community Management Account", \$21,500,000, to remain available until September 30, 2005; of which \$3,000,000 may be transferred to and merged with the Department of Energy, "Other Defense Activities", and \$15,500,000 may be transferred to and merged with the Federal Bureau of Investigation, "Salaries and Expenses".

GENERAL PROVISIONS, THIS CHAPTER

(TRANSFER OF FUNDS)

SEC. 1101. Upon his determination that such action is necessary in the national interest, the Secretary of Defense may transfer between appropriations up to \$3,000,000,000 of the funds made available to the Department of Defense in this chapter: Provided, That the Secretary shall notify the Congress promptly of each transfer made pursuant to this authority: Provided further, That the transfer authority provided in this section is in addition to any other transfer authority available to the Department of Defense: Provided further, That the authority in this section is subject to the same terms and conditions as the authority provided in section 8005 of the Department of Defense Appropriations Act, 2004, except for the fourth proviso.

SEC. 1102. Funds appropriated in this Act, or made available by the transfer of funds in or pursuant to this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414).

SEC. 1103. Sections 1318 and 1319 of the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108-11; 117 Stat. 571), shall remain in effect during fiscal year 2004.

SEC. 1104. From October 1, 2003, through September 30, 2004, (a) the rates of pay authorized by section 310(a) of title 37, United States Code, shall be \$225; and (b) the rates of pay authorized by section 427(a)(1) of title 37, United States Code, shall be \$250.

SEC. 1105. DEFENSE EMERGENCY RESPONSE FUND CLOSE-OUT AUTHORITY.—(a) Section 1313 of the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108-11; 117 Stat. 569), is amended by inserting “unobligated” before “balances”.

(b) Effective November 1, 2003, adjustments to obligations that before such date would have been properly chargeable to the Defense Emergency Response Fund shall be charged to any current appropriations account of the Department of Defense available for the same purpose.

SEC. 1106. During the current fiscal year, funds available to the Department of Defense for operation and maintenance may be used, notwithstanding any other provision of law, to provide supplies, services, transportation, including airlift and sealift, and other logistical support to coalition forces supporting military and stability operations in Iraq: Provided, That the Secretary of Defense shall provide quarterly reports to the congressional defense committees regarding support provided under this section.

SEC. 1107. Notwithstanding any other provision of law, from funds made available in this Act to the Department of Defense under “Operation and Maintenance, Defense-Wide”, not to exceed \$150,000,000 may be used by the Secretary of Defense, with the concurrence of the Secretary of State, to provide assistance only to the New Iraqi Army and the Afghan National Army to enhance their capability to combat terrorism and to support U.S. military operations in Iraq and Afghanistan: Provided, That such assistance may include the provision of equipment, supplies, services, training and funding: Provided further, That the authority to provide assistance under this section is in addition to any other authority to pro-

vide assistance to foreign nations: Provided further, That the Secretary of Defense shall notify the congressional defense committees not less than 15 days before providing assistance under the authority of this section.

SEC. 1108. None of the funds provided in this chapter may be used to finance programs or activities denied by Congress in fiscal year 2004 appropriations to the Department of Defense or to initiate a procurement or research, development, test and evaluation new start program without prior notification to the congressional defense committees.

SEC. 1109. In addition to amounts made available elsewhere in this Act, there is hereby appropriated to the Department of Defense \$313,000,000, to be used only for recovery and repair of damage due to natural disasters including Hurricane Isabel, to be distributed as follows:

“Operation and Maintenance, Army”, \$47,100,000;
 “Operation and Maintenance, Navy”, \$87,600,000;
 “Operation and Maintenance, Marine Corps”, \$6,700,000;
 “Operation and Maintenance, Air Force”, \$169,300,000;

and

“Other Procurement, Air Force”, \$2,300,000.

SEC. 1110. During the current fiscal year, from funds made available in this Act to the Department of Defense for operation and maintenance, not to exceed \$180,000,000 may be used, notwithstanding any other provision of law, to fund the Commander’s Emergency Response Program, established by the Administrator of the Coalition Provisional Authority for the purpose of enabling military commanders in Iraq to respond to urgent humanitarian relief and reconstruction requirements within their areas of responsibility by carrying out programs that will immediately assist the Iraqi people, and to establish and fund a similar program to assist the people of Afghanistan: Provided, That the Secretary of Defense shall provide quarterly reports, beginning on January 15, 2004, to the congressional defense committees regarding the source of funds and the allocation and use of funds made available pursuant to the authority provided in this section.

SEC. 1111. Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report describing an Analysis of Alternatives for replacing the capabilities of the existing Air Force fleet of KC-135 tanker aircraft.

ENHANCEMENTS TO EXEMPTION FOR MEMBERS WITH COMBAT-RELATED INJURIES FROM REQUIREMENT FOR PAYMENT OF SUBSISTENCE CHARGES WHILE HOSPITALIZED

SEC. 1112. (a) EXEMPTION MADE PERMANENT.—Subsection (c) of section 1075 of title 10, United States Code (as added by section 8146(a)(2) of the Department of Defense Appropriations Act, 2004 (Public Law 108-87)), is repealed.

(b) RETROACTIVITY.—Subsection (b) of section 8146 of the Department of Defense Appropriations Act, 2004 (Public Law 108-87), is amended to read as follows:

“(b) EFFECTIVE DATE.—(1) Subsection (b)(2) of section 1075 of title 10, United States Code, as added by subsection (a), shall apply with respect to any period of hospitalization on or after September

11, 2001, because of an injury covered by that subsection that is incurred on or after that date.

"(2) The Secretary concerned (as defined in section 101 of title 37, United States Code) shall take such action as necessary to implement paragraph (1), including—

"(A) refunding any amount previously paid under section 1075 of title 10, United States Code, by a person who, by reason of paragraph (1), is not required to make such payment; and

"(B) waiving recovery of any unpaid amount for which a person has previously been charged under that section and which that person, by reason of paragraph (1), is not required to pay."

SEC. 1113. None of the funds available to the Department of Defense may be obligated to implement any action which alters the command responsibility or permanent assignment of forces until 270 days after such plan has been provided to the congressional defense committees.

SEC. 1114. Section 1074a of title 10, United States Code, is amended by adding at the end the following new subsection:

"(f)(1) At any time after the Secretary concerned notifies members of the Ready Reserve that the members are to be called or ordered to active duty, the administering Secretaries may provide to each such member any medical and dental screening and care that is necessary to ensure that the member meets the applicable medical and dental standards for deployment.

"(2) The Secretary concerned shall promptly transmit to each member of the Ready Reserve eligible for screening and care under this subsection a notification of eligibility for such screening and care.

"(3) A member provided medical or dental screening or care under paragraph (1) may not be charged for the screening or care.

"(4) Screening and care may not be provided under this section after September 30, 2004."

SEC. 1115. (a) Chapter 55 of title 10, United States Code, is amended by inserting after section 1076a the following new section:

"§ 1076b. TRICARE program: coverage for members of the Ready Reserve

"(a) **ELIGIBILITY.**—Each member of the Selected Reserve of the Ready Reserve and each member of the Individual Ready Reserve described in section 10144(b) of this title is eligible, subject to subsection (h), to enroll in TRICARE and receive benefits under such enrollment for any period that the member—

"(1) is an eligible unemployment compensation recipient; or

"(2) is not eligible for health care benefits under an employer-sponsored health benefits plan.

"(b) **TYPES OF COVERAGE.**—(1) A member eligible under subsection (a) may enroll for either of the following types of coverage:

"(A) Self alone coverage.

"(B) Self and family coverage.

"(2) An enrollment by a member for self and family covers the member and the dependents of the member who are described in subparagraph (A), (D), or (I) of section 1072(2) of this title.

"(c) **OPEN ENROLLMENT PERIODS.**—The Secretary of Defense shall provide for at least one open enrollment period each year. Dur-

ing an open enrollment period, a member eligible under subsection (a) may enroll in the TRICARE program or change or terminate an enrollment in the TRICARE program.

“(d) SCOPE OF CARE.—(1) A member and the dependents of a member enrolled in the TRICARE program under this section shall be entitled to the same benefits under this chapter as a member of the uniformed services on active duty or a dependent of such a member, respectively.

“(2) Section 1074(c) of this title shall apply with respect to a member enrolled in the TRICARE program under this section.

“(e) PREMIUMS.—(1) The Secretary of Defense shall charge premiums for coverage pursuant to enrollments under this section. The Secretary shall prescribe for each of the TRICARE program options a premium for self alone coverage and a premium for self and family coverage.

“(2) The monthly amount of the premium in effect for a month for a type of coverage under this section shall be the amount equal to 28 percent of the total amount determined by the Secretary on an appropriate actuarial basis as being reasonable for the coverage.

“(3) The premiums payable by a member under this subsection may be deducted and withheld from basic pay payable to the member under section 204 of title 37 or from compensation payable to the member under section 206 of such title. The Secretary shall prescribe the requirements and procedures applicable to the payment of premiums by members not entitled to such basic pay or compensation.

“(4) Amounts collected as premiums under this subsection shall be credited to the appropriation available for the Defense Health Program Account under section 1100 of this title, shall be merged with sums in such Account that are available for the fiscal year in which collected, and shall be available under subparagraph (B) of such section for such fiscal year.

“(f) OTHER CHARGES.—A person who receives health care pursuant to an enrollment in a TRICARE program option under this section, including a member who receives such health care, shall be subject to the same deductibles, copayments, and other nonpremium charges for health care as apply under this chapter for health care provided under the same TRICARE program option to dependents described in subparagraph (A), (D), or (I) of section 1072(2) of this title.

“(g) TERMINATION OF ENROLLMENT.—(1) A member enrolled in the TRICARE program under this section may terminate the enrollment only during an open enrollment period provided under subsection (c), except as provided in subsection (h).

“(2) An enrollment of a member for self alone or for self and family under this section shall terminate on the first day of the first month beginning after the date on which the member ceases to be eligible under subsection (a).

“(3) The enrollment of a member under this section may be terminated on the basis of failure to pay the premium charged the member under this section.

“(h) RELATIONSHIP TO TRANSITION TRICARE COVERAGE UPON SEPARATION FROM ACTIVE DUTY.—(1) A member may not enroll in the TRICARE program under this section while entitled to transitional health care under subsection (a) of section 1145 of this title

or while authorized to receive health care under subsection (c) of such section.

“(2) A member who enrolls in the TRICARE program under this section within 90 days after the date of the termination of the member’s entitlement or eligibility to receive health care under subsection (a) or (c) of section 1145 of this title may terminate the enrollment at any time within one year after the date of the enrollment.

“(i) CERTIFICATION OF NONCOVERAGE BY OTHER HEALTH BENEFITS PLAN.—The Secretary of Defense may require a member to submit any certification that the Secretary considers appropriate to substantiate the member’s assertion that the member is not covered for health care benefits under any other health benefits plan.

“(j) ELIGIBLE UNEMPLOYMENT COMPENSATION RECIPIENT DEFINED.—In this section, the term ‘eligible unemployment compensation recipient’ means, with respect to any month, any individual who is determined eligible for any day of such month for unemployment compensation under State law (as defined in section 205(9) of the Federal-State Extended Unemployment Compensation Act of 1970), including Federal unemployment compensation laws administered through the State.

“(k) REGULATIONS.—The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations for the administration of this section.

“(l) TERMINATION OF AUTHORITY.—An enrollment in TRICARE under this section may not continue after September 30, 2004.”.

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1076a the following new item:

“1076b. TRICARE program: coverage for members of the Ready Reserve.”.

SEC. 1116. Section 1074 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(d)(1) For the purposes of this chapter, a member of a reserve component of the armed forces who is issued a delayed-effective-date active-duty order, or is covered by such an order, shall be treated as being on active duty for a period of more than 30 days beginning on the later of the date that is—

“(A) the date of the issuance of such order; or

“(B) 90 days before date on which the period of active duty is to commence under such order for that member.

“(2) In this subsection, the term ‘delayed-effective-date active-duty order’ means an order to active duty for a period of more than 30 days in support of a contingency operation under a provision of law referred to in section 101(a)(13)(B) of this title that provides for active-duty service to begin under such order on a date after the date of the issuance of the order.

“(3) This section shall cease to be effective on September 30, 2004.”.

SEC. 1117. (a) Subject to subsection (b), during the period beginning on the date of the enactment of this Act and ending on September 30, 2004, section 1145(a) of title 10, United States Code, shall be administered by substituting for paragraph (3) the following:

“(3) Transitional health care for a member under subsection (a) shall be available for 180 days beginning on the date on which the member is separated from active duty.”.

(b)(1) Subsection (a) shall apply with respect to separations from active duty that take effect on or after the date of the enactment of this Act.

(2) Beginning on October 1, 2004, the period for which a member is provided transitional health care benefits under section 1145(a) of title 10, United States Code, shall be adjusted as necessary to comply with the limits provided under paragraph (3) of such section.

SEC. 1118. (a) At the time members of reserve components of the Armed Forces are called or ordered to active duty under Section 12302(a) of title 10, United States Code, each member shall be notified in writing of the expected period during which the member will be mobilized.

(b) The Secretary of Defense may waive the requirements of subsection (a) in any case in which the Secretary determines that it is necessary to do so to respond to a national security emergency or to meet dire operational requirements of the Armed Forces.

SEC. 1119. The authority to utilize funds appropriated for fiscal year 2003 for purposes provided by the first clause of section 1314(1) of Public Law 108-11, shall apply to the utilization of available funds appropriated for fiscal year 2004 for such purposes.

SEC. 1120. (a) Not later than April 30 and October 31 of each year, the Secretary of Defense shall submit to Congress a report on the military operations of the Armed Forces and the reconstruction activities of the Department of Defense in Iraq and Afghanistan.

(b) Each report shall include the following information:

(1) For each of Iraq and Afghanistan for the half-fiscal year ending during the month preceding the due date of the report, the amount expended for military operations of the Armed Forces and the amount expended for reconstruction activities, together with the cumulative total amounts expended for such operations and activities.

(2) An assessment of the progress made toward preventing attacks on United States personnel.

(3) An assessment of the effects of the operations and activities in Iraq and Afghanistan on the readiness of the Armed Forces.

(4) An assessment of the effects of the operations and activities in Iraq and Afghanistan on the recruitment and retention of personnel for the Armed Forces.

(5) For the half-fiscal year ending during the month preceding the due date of the report, the costs incurred for repair of Department of Defense equipment used in the operations and activities in Iraq and Afghanistan.

(6) The foreign countries, international organizations, and nongovernmental organizations that are contributing support for the ongoing military operations and reconstruction activities, together with a discussion of the amount and types of support contributed by each during the half-fiscal year ending during the month preceding the due date of the report.

(7) The extent to which, and the schedule on which, the Selected Reserve of the Ready Reserve of the Armed Forces is

being involuntarily ordered to active duty under section 12304 of title 10, United States Code.

(8) For each unit of the National Guard of the United States and the other reserve components of the Armed Forces on active duty pursuant to an order to active duty under section 12304 of title 10, United States Code, the following information:

(A) The unit.

(B) The projected date of return of the unit to its home station.

(C) The extent (by percentage) to which the forces deployed within the United States and outside the United States in support of a contingency operation are composed of reserve component forces.

SEC. 1121. In addition to amounts made available elsewhere in this Act, there is hereby appropriated to the Department of Defense \$100,000,000, for "Operation and Maintenance, Army": Provided, That these funds are available only for the purpose of securing and destroying conventional munitions in Iraq, such as bombs, bomb materials, small arms, rocket propelled grenades, and shoulder-launched missiles.

CHAPTER 2

DEPARTMENT OF HOMELAND SECURITY

UNITED STATES COAST GUARD

OPERATING EXPENSES

For an additional amount for "Operating Expenses", \$23,183,000, for costs related to Hurricane Isabel damage.

EMERGENCY PREPAREDNESS AND RESPONSE

DISASTER RELIEF

For an additional amount for "Disaster Relief", \$500,000,000, to remain available until expended.

GENERAL PROVISION, THIS CHAPTER

SEC. 1201. Effective upon the enactment of the Project Bio-Shield Act of 2003, the Department of Homeland Security Appropriations Act, 2004 (Public Law 108-90) is amended under the heading "Biodefense Countermeasures" by striking "securing medical countermeasures against biological terror attacks" and inserting the following: "procuring security countermeasures under section 319F-2(c) of the Public Health Service Act, as authorized under section 510(a) of the Homeland Security Act of 2002".

CHAPTER 3

MILITARY CONSTRUCTION

MILITARY CONSTRUCTION, ARMY

For an additional amount for "Military Construction, Army", \$162,100,000, to remain available until September 30, 2008: Provided, That notwithstanding any other provision of law, such funds

may be obligated or expended to carry out planning and design and military construction projects not otherwise authorized by law.

MILITARY CONSTRUCTION, NAVY

For an additional amount for "Military Construction, Navy", \$45,530,000, to remain available until September 30, 2008: Provided, That notwithstanding any other provision of law, such funds may be obligated or expended to carry out military construction projects not otherwise authorized by law.

MILITARY CONSTRUCTION, AIR FORCE

For an additional amount for "Military Construction, Air Force", \$292,550,000, to remain available until September 30, 2008: Provided, That notwithstanding any other provision of law, such funds may be obligated or expended to carry out planning and design and military construction projects not otherwise authorized by law.

FAMILY HOUSING OPERATION AND MAINTENANCE, ARMY

For an additional amount for "Family Housing Operation and Maintenance, Army", \$11,420,000.

FAMILY HOUSING OPERATION AND MAINTENANCE, NAVY AND MARINE CORPS

For an additional amount for "Family Housing Operation and Maintenance, Navy and Marine Corps", \$6,280,000.

FAMILY HOUSING OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for "Family Housing Operation and Maintenance, Air Force", \$6,981,000.

GENERAL PROVISION, THIS CHAPTER

SEC. 1301. (a) TEMPORARY AUTHORITY TO USE OPERATION AND MAINTENANCE FUNDS FOR MILITARY CONSTRUCTION PROJECTS.—During fiscal year 2004, the Secretary of Defense may use this section as authority to obligate appropriated funds available for operation and maintenance to carry out a construction project outside the United States that the Secretary determines meets each of the following conditions:

(1) The construction is necessary to meet urgent military operational requirements of a temporary nature involving the use of the Armed Forces in support of Operation Iraqi Freedom or the Global War on Terrorism.

(2) The construction is not carried out at a military installation where the United States is reasonably expected to have a long-term presence.

(3) The United States has no intention of using the construction after the operational requirements have been satisfied.

(4) The level of construction is the minimum necessary to meet the temporary operational requirements.

(b) LIMITATION ON USE OF AUTHORITY.—The total cost of the construction projects carried out under the authority of this section using, in whole or in part, appropriated funds available for oper-

ation and maintenance shall not exceed \$150,000,000 in fiscal year 2004.

(c) *NOTIFICATIONS OF OBLIGATIONS OF FUNDS.*—Within fifteen days after the date on which appropriated funds available for operation and maintenance are first obligated for a construction project under subsection (a), the Secretary of Defense shall submit to the Congressional defense committees notice of the obligation of funds and the construction project. The notice shall include the following:

- (1) Certification that the conditions specified in subsection (a) are satisfied with regard to the construction project.
- (2) A description of the purpose for which appropriated funds available for operation and maintenance are being obligated.
- (3) Relevant documentation detailing the construction project.
- (4) The total amount obligated for the construction.

(d) *QUARTERLY REPORT.*—(1) Not later than 30 days after the end of each fiscal-year quarter of fiscal year 2004, the Secretary of Defense shall submit to the congressional committees specified in subsection (f) a report on the worldwide obligation and expenditure during that quarter of appropriated funds available for operation and maintenance for construction projects.

(2) The report shall include with regard to each project the following:

- (A) Certification that the conditions specified in subsection (a) are satisfied with regard to the construction project.
- (B) A description of the purpose for which appropriated funds available for operation and maintenance are being obligated.
- (C) Relevant documentation detailing the construction project.
- (D) An estimate of the total cost of the construction project.
- (E) The total amount obligated for the construction project as of the date of the submission of the report.

(e) *RELATION TO OTHER AUTHORITIES.*—The temporary authority provided by this section, and the limited authority provided by section 2805(c) of title 10, United States Code, to use appropriated funds available for operation and maintenance to carry out a construction project are the only authorities available to the Secretary of Defense and the Secretaries of the military departments to use appropriated funds available for operation and maintenance to carry out construction projects.

(f) *CONGRESSIONAL COMMITTEES.*—The congressional committees referred to in this section are the following:

- (1) The Committee on Armed Services and the Subcommittees on Defense and Military Construction of the Committee on Appropriations of the Senate.
- (2) The Committee on Armed Services and the Subcommittees on Defense and Military Construction of the Committee on Appropriations of the House of Representatives.

TITLE II—IRAQ AND AFGHANISTAN RECONSTRUCTION AND
INTERNATIONAL ASSISTANCE

CHAPTER 1

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES

GENERAL LEGAL ACTIVITIES

For necessary expenses for "Salaries and Expenses, General Legal Activities", \$15,000,000.

DEPARTMENT OF STATE AND RELATED AGENCY

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

DIPLOMATIC AND CONSULAR PROGRAMS

(INCLUDING RESCISSION)

For necessary expenses for "Diplomatic and Consular Programs", \$156,300,000, of which \$35,800,000 shall remain available until September 30, 2006.

Of the funds appropriated under this heading in the Emergency Wartime Supplemental Appropriations Act, 2003, \$35,800,000 are rescinded.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

For necessary expenses for "Embassy Security, Construction, and Maintenance", \$43,900,000, to remain available until expended: Provided, That funds provided under this heading do not include facilities requirements specific to the United States Agency for International Development, which are provided under the heading "United States Agency for International Development, Operating Expenses of the United States Agency for International Development".

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for "Emergencies in the Diplomatic and Consular Service", \$115,500,000, to remain available until expended, which may be transferred to, and merged with, the appropriations for "Diplomatic and Consular Programs": Provided, That of the funds made available under this heading, \$65,500,000 may be transferred to, and merged with, the appropriations for "Protection of Foreign Missions and Officials"; of which \$32,000,000 is for the reimbursement of the City of New York for costs associated with the protection of foreign missions and officials during the heightened state of alert following the September 11, 2001, terrorist attacks on the United States; of which \$8,500,000 is for costs associated with the 2003 Free Trade Area of the Americas Ministerial meeting; and of which \$25,000,000 is for costs associated with the 2004 Summit of the Industrialized Nations notwithstanding the limitations of 3 U.S.C. 202(10): Provided further, That of the funds

previously appropriated under this heading, \$2,000,000 is for rewards for an indictee of the Special Court for Sierra Leone: Provided further, That any transfer of funds provided under this heading shall be treated as a reprogramming of funds under section 605 of Public Law 108-7.

INTERNATIONAL ORGANIZATIONS

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

For necessary expenses for "Contributions for International Peacekeeping Activities", \$245,000,000, to remain available until expended.

RELATED AGENCY

BROADCASTING BOARD OF GOVERNORS

INTERNATIONAL BROADCASTING OPERATIONS

For necessary expenses for "International Broadcasting Operations", for activities related to the Middle East Television Network broadcasting to Iraq, \$40,000,000.

GENERAL PROVISION—THIS CHAPTER

SEC. 2101. Funds appropriated under this chapter for the Broadcasting Board of Governors and the Department of State may be obligated and expended notwithstanding section 313 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, and section 15 of the State Department Basic Authorities Act of 1956, as amended.

CHAPTER 2

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

For an additional amount for "Operating Expenses of the United States Agency for International Development", \$38,100,000, for direct support of operations in Afghanistan, to remain available until September 30, 2005.

In addition, for direct support of operations in Iraq, \$1,900,000, which shall be transferred to and merged with "Operating Expenses of the United States Agency for International Development Office of Inspector General" for financial and performance audits of the Iraq Relief and Reconstruction Fund and other assistance to Iraq, to remain available until September 30, 2005.

CAPITAL INVESTMENT FUND

For an additional amount for "Capital Investment Fund", \$16,600,000, to remain available until expended: Provided, That the Administrator of the United States Agency for International Devel-

opment shall assess fair and reasonable rental payments for the use of space by employees of other United States Government agencies in buildings constructed using funds appropriated under this heading, and such rental payments shall be deposited into this account as an offsetting collection: Provided further, That the rental payments collected pursuant to the previous proviso and deposited as an offsetting collection shall be available for obligation only pursuant to the regular notification procedures of the Committees on Appropriations.

OTHER BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

IRAQ RELIEF AND RECONSTRUCTION FUND

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the purposes of the Foreign Assistance Act of 1961, for security, relief, rehabilitation and reconstruction in Iraq, \$18,649,000,000, to remain available until September 30, 2006, to be allocated as follows: \$3,243,000,000 for security and law enforcement; \$1,318,000,000 for justice, public safety infrastructure, and civil society, of which \$100,000,000 shall be made available for democracy building activities, and of which \$10,000,000 shall be made available to the United States Institute for Peace for activities supporting peace enforcement, peacekeeping and post-conflict peacebuilding; \$5,560,000,000 for the electric sector; \$1,890,000,000 for oil infrastructure; \$4,332,000,000 for water resources and sanitation; \$500,000,000 for transportation and telecommunications; \$370,000,000 for roads, bridges, and construction; \$793,000,000 for health care; \$153,000,000 for private sector development; and \$280,000,000 for education, refugees, human rights, and governance: Provided, That the President may reallocate up to 10 percent of any of the preceding allocations, except that the total for the allocation receiving such funds may not be increased by more than 20 percent: Provided further, That the President may increase one such allocation only by up to an additional 20 percent in the event of unforeseen or emergency circumstances: Provided further, That such reallocations shall be subject to the regular notification procedures of the Committees on Appropriations and section 634A of the Foreign Assistance Act of 1961 and notifications shall be transmitted at least 15 days in advance of the obligation of funds: Provided further, That funds appropriated under this heading shall be apportioned only to the Coalition Provisional Authority in Iraq (in its capacity as an entity of the United States Government), the Department of State, the Department of Health and Human Services, the Department of Treasury, the Department of Defense, and the United States Agency for International Development: Provided further, That upon a determination that all or part of the funds so transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: Provided further, That of the amount appropriated in this paragraph, not less than \$6,000,000 shall be made available for administrative expenses of the Department of State Bureau of International Narcotics Control and Law Enforcement Affairs and not less than \$29,000,000 shall be made available for ad-

ministrative expenses of the United States Agency for International Development for support of the reconstruction activities in Iraq: Provided further, That of the funds appropriated under this heading, up to 10 percent of such funds that are obligated, managed, or administered by an agency of the United States Government, other than the Coalition Provisional Authority, shall be made available to such agency to fully pay for its administrative expenses: Provided further, That up to 1 percent of the amount appropriated in this paragraph may be transferred to "Operating Expenses of the Coalition Provisional Authority", and that any such transfer shall be in accordance with the regular notification procedures of the Committees on Appropriations and section 634A of the Foreign Assistance Act of 1961: Provided further, That funds appropriated under this heading shall be used to protect and promote public health and safety, including for the arrest, detention and prosecution of criminals and terrorists: Provided further, That of the funds appropriated under this heading, assistance shall be made available for Iraqi civilians who have suffered losses as a result of military operations: Provided further, That contributions of funds for the purposes provided herein from any person, foreign government, or international organization, may be credited to this Fund and used for such purposes: Provided further, That the Administrator of the Coalition Provisional Authority shall seek to ensure that programs, projects and activities funded under this heading, comply fully with USAID's "Policy Paper: Disability" issued on September 12, 1997: Provided further, That the Coalition Provisional Authority shall work, in conjunction with relevant Iraqi officials, to ensure that a new Iraqi constitution preserves full rights to religious freedom and tolerance of all faiths: Provided further, That of the funds appropriated under this heading, \$100,000,000 shall be transferred to and consolidated with funds appropriated by this Act for "Economic Support Fund" for assistance for Jordan, \$100,000,000 of such funds shall be transferred to and consolidated with funds appropriated by this Act for "International Disaster and Famine Assistance" for assistance for Liberia, and \$10,000,000 of such funds shall be transferred to and consolidated with funds appropriated by this Act for "International Disaster and Famine Assistance" for assistance for Sudan.

OPERATING EXPENSES OF THE COALITION PROVISIONAL AUTHORITY

For necessary expenses of the Coalition Provisional Authority in Iraq, established pursuant to United Nations Security Council resolutions including Resolution 1483, for personnel costs, transportation, supply, equipment, facilities, communications, logistics requirements, studies, physical security, media support, promulgation and enforcement of regulations, and other activities needed to oversee and manage the relief and reconstruction of Iraq and the transition to democracy, \$933,000,000, to remain available until September 30, 2005: Provided, That the appropriation of funds under this heading shall not be construed to limit or otherwise affect the ability of the Department of Defense to furnish assistance and services, and any other support, to the Coalition Provisional Authority.

In addition, \$50,000,000, to remain available until September 30, 2005, to be used to fulfill the reporting and monitoring require-

ments of this Act and for the preparation and maintenance of public records required by this Act.

ECONOMIC SUPPORT FUND

For an additional amount for "Economic Support Fund", \$872,000,000, to remain available until December 31, 2004: Provided, That not less than \$672,000,000 is available only for accelerated assistance for Afghanistan: Provided further, That these funds are available notwithstanding section 660 of the Foreign Assistance Act of 1961, and section 620(q) of that Act or any comparable provision of law: Provided further, That these funds may be used for activities related to disarmament, demobilization, and reintegration of militia combatants, including registration of such combatants, notwithstanding section 531(e) of the Foreign Assistance Act of 1961: Provided further, That the obligation of funds made available by this Act or any prior appropriations Act for the purpose of deploying and supporting senior advisors to the United States Chief of Mission in Kabul, Afghanistan, is subject to the regular reprogramming and notification procedures of the Committees on Appropriations and section 634A of the Foreign Assistance Act of 1961: Provided further, That \$60,000,000 should be made available for assistance for Afghan women and girls and \$5,000,000 shall be made available for the Afghan Independent Human Rights Commission: Provided further, That not less than \$8,000,000 is available only for the provision of adequate dedicated air transport and support for civilian personnel at provincial reconstruction team sites: Provided further, That upon the receipt by the Speaker of the House of Representatives and the President of the Senate of a determination by the President that the Government of Pakistan is cooperating with the United States in the global war on terrorism, not to exceed \$200,000,000 appropriated under this heading may be used for the costs, as defined in section 502 of the Congressional Budget Act of 1974, of modifying direct loans and guarantees for Pakistan: Provided further, That amounts that are made available under the previous proviso for the cost of modifying direct loans and guarantees shall not be considered "assistance" for the purposes of provisions of law limiting assistance to a country.

INTERNATIONAL DISASTER AND FAMINE ASSISTANCE

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses for International Disaster and Famine Assistance utilizing the general authorities of section 491 of the Foreign Assistance Act of 1961, to respond to or prevent unforeseen complex foreign crises in Liberia and Sudan, \$110,000,000, and by transfer not to exceed 0.5 percent of the funds appropriated under any other heading in this chapter, to remain available to the Secretary of State until September 30, 2005: Provided, That funds appropriated under this heading may be made available only pursuant to a determination by the President, after consultation with the appropriate congressional committees, that it is in the national interest and essential to efforts to reduce international terrorism to furnish assistance on such terms and conditions as he may determine for such purposes, including support for peace and humanitarian intervention operations: Provided further, That none of these

funds shall be available to respond to natural disasters: Provided further, That funds made available under this heading to respond to or prevent unforeseen complex foreign crises shall be subject to the regular notification procedures of the Committees on Appropriations: Provided further, That not less than \$100,000,000 of the funds appropriated under this heading shall be made available for assistance for Liberia.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

For an additional amount for "International Narcotics Control and Law Enforcement", \$170,000,000, to remain available until December 31, 2004, for accelerated assistance for Afghanistan.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For an additional amount for "Nonproliferation, Anti-Terrorism, Demining and Related Programs", \$35,000,000, for accelerated assistance for Afghanistan.

MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

FOREIGN MILITARY FINANCING PROGRAM

For an additional amount for the "Foreign Military Financing Program", \$287,000,000, for accelerated assistance for Afghanistan.

PEACEKEEPING OPERATIONS

For an additional amount for "Peacekeeping Operations", \$50,000,000, to support the global war on terrorism.

GENERAL PROVISIONS, THIS CHAPTER

SEC. 2201. None of the funds appropriated by this Act or any unexpended funds provided in Public Law 108-11 may be used to repay, in whole or in part, principal or interest on any loan or guarantee agreement entered into by the Government of Iraq with any private or public sector entity including with the government of any country (including any agency of such government or any entity owned in whole or in part by the government of such country) or with any international financial institution, prior to May 1, 2003: Provided, That for the purpose of this section, the term "international financial institution" shall mean those institutions contained in section 530(b) of division E of Public Law 108-7.

SEC. 2202 (a) Notwithstanding any other provision of law, none of the funds appropriated by this Act under the heading "Iraq Relief and Reconstruction Fund" and under the same heading in Public Law 108-11 may be used for entering into any Federal contract (including follow-on contract) using other than full and open competition, except in accordance with the Federal Property and Administrative Procedures Act (41 U.S.C. 251 et seq.), and any exception, if deemed necessary, shall be only upon the written approval of the Administrator of the Coalition Provisional Authority and the head

of the executive agency of the United States awarding and managing such contract and such authority shall not be delegated.

(b) In any case in which procedures other than full and open competitive procedures are to be used to enter into a contract, the Administrator of the Coalition Provisional Authority or the head of such executive agency of the United States shall submit not later than 7 calendar days before the award of the contract a notification to the Committees on Appropriations, and the Committees on Government Reform and International Relations of the House of Representatives, and the Committees on Governmental Affairs and Foreign Relations of the Senate. Such notification shall provide the justification for use of other than full and open competitive procedures, a brief description of the contract's scope, the amount of the contract, a discussion of how the contracting agency identified and solicited offers from contractors, a list of the contractors solicited, and the justification and approval documents (as required under section 303(f)(1) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(f)(1)) on which was based the determination of use of procedures other than full and open competitive procedures.

(c)(1) This section shall not apply to contracts of less than \$5,000,000.

(2) This section also shall apply to any extension, amendment or modification of contracts entered into prior to the enactment of this Act using other than full and open competitive procedures using Iraq Relief and Reconstruction Funds in this Act and under Public Law 108-11 or funds made available in prior Foreign Operations, Export Financing and Related Programs Appropriations Acts.

(3) This section shall not apply to contracts authorized by the Small Business Act (15 U.S.C. 631 et seq.).

SEC. 2203. (a) DISCLOSURE REQUIRED.—

(1) **PUBLICATION AND PUBLIC AVAILABILITY.**—The Administrator of the Coalition Provisional Authority or the head of an executive agency of the United States that enters into a contract for assistance for Iraq, using funds described in paragraph (2), through the use of other than full and open competitive procedures, shall publish in the Federal Register or Federal Business Opportunities, and otherwise make available to the public, including publication on the Coalition Provisional Authority's website, not later than 7 days before the date on which the contract is entered into, the following information:

(A) The amount of the contract.

(B) A brief description of the scope of the contract.

(C) A discussion of how the executive agency and, when applicable, the Coalition Provisional Authority, identified, and solicited offers from, potential contractors to perform the contract, together with a list of the potential contractors that were issued solicitations for the offers.

(D) The justification and approval documents (as required under section 303(f)(1) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(f)(1)) on which was based the determination to use procedures other than competitive procedures.

(2) **FUNDS.**—The funds referred to in paragraph (1) are any funds under the heading "Iraq Relief and Reconstruction Fund"

in this Act, and under the same heading in Public Law 108-11.

(3) **APPLICABILITY.**—

(A) This section shall also apply to any extension, amendment or modification of contracts entered into prior to the enactment of this Act using other than full and open competitive procedures using Iraq Relief and Reconstruction Funds in this Act and under Public Law 108-11 or funds made available in prior Foreign Operations, Export Financing and Related Programs Appropriations Acts.

(B) This section shall not apply to contracts of less than \$5,000,000.

(C) This section shall not apply to contracts authorized by the Small Business Act (15 U.S.C. 631 et seq.).

(b) **CLASSIFIED INFORMATION.**—

(1) **AUTHORITY TO WITHHOLD.**—The head of an executive agency may—

(A) withhold from publication and disclosure under subsection (a) any document that is classified for restricted access in accordance with an Executive order in the interest of national defense or foreign policy; and

(B) redact any part so classified that is in a document not so classified before publication and disclosure of the document under subsection (a).

(2) **AVAILABILITY TO CONGRESS.**—In any case in which the head of an executive agency withholds information under paragraph (1), the head of such executive agency shall make available an unredacted version of the document containing that information to the chairman and ranking member of each of the following committees of Congress:

(A) The Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives.

(B) The Committees on Appropriations of the Senate and the House of Representatives.

(C) Each committee that the head of the executive agency determines has legislative jurisdiction for the operations of such department or agency to which the information related.

(c) **RELATIONSHIP TO OTHER DISCLOSURE LAWS.**—Nothing in this section shall be construed as affecting obligations to disclose United States Government information under any other provision of law.

(d) **DEFINITIONS.**—In this section and section 2202 of this Act, the terms “full and open competitive procedures” and “executive agency” have the meanings given such terms in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403).

SEC. 2204. Section 1503 of Public Law 108-11 is amended—

(1) by striking “equipment” and inserting in lieu thereof “equipment, including equipment”; and

(2) by striking “2004” and inserting in lieu thereof “2005”.

SEC. 2205. Section 1504 of Public Law 108-11 is amended by—

(1) in the first proviso, striking the first proviso, and inserting in lieu thereof: “Provided, That, subject to the notification requirements of this section, exports may be authorized of lethal

military equipment designated by the Secretary of State for use by a reconstituted (or interim) Iraqi military or police force, and of small arms designated by the Secretary of State for use for private security purposes.”; and

(2) in the last proviso, striking “2004” and inserting in lieu thereof “2005”.

SEC. 2206. Section 202(b) of the Afghanistan Freedom Support Act of 2002 (Public Law 107-327) is amended by striking “\$300,000,000” and inserting in lieu thereof “\$450,000,000”.

SEC. 2207. (a) The Director of the Office of Management and Budget, in consultation with the Administrator of the Coalition Provisional Authority (CPA) and the Committees on Appropriations, shall submit to the Committees on Appropriations not later than January 5, 2004 and prior to the initial obligation of funds appropriated by this Act under the heading “Iraq Relief and Reconstruction Fund” a report on the proposed uses of all funds under this heading on a project-by-project basis, for which the obligation of funds is anticipated during the 3 month period from such date, including estimates by the CPA of the costs required to complete each such project: Provided, That up to 20 percent of funds appropriated under such heading may be obligated before the submission of the report: Provided further, That in addition such report shall include the following:

(1) The use of all funds on a project-by-project basis for which funds appropriated under such heading were obligated prior to the submission of the report, including estimates by the CPA of the costs required to complete each project.

(2) The distribution of duties and responsibilities regarding such projects among the agencies of the United States Government.

(3) Revenues to the CPA attributable to or consisting of funds provided by foreign governments and international organizations, disaggregated by donor, any obligations or expenditures of such revenues, and the purpose of such obligations and expenditures.

(4) Revenues to the CPA attributable to or consisting of foreign assets seized or frozen, any obligations or expenditures of such revenues, and the purpose of such obligations and expenditures.

(b) Any proposed new projects and increases in funding of ongoing projects shall be reported to the Committees on Appropriations in accordance with regular notification procedures.

(c) The report required by subsection (a) shall be updated and submitted to the Committees on Appropriations every 3 months and shall include information on how the estimates and assumptions contained in previous reports have changed.

(d) The requirements of this section shall expire on October 1, 2007.

SEC. 2208. Any reference in this chapter to the “Coalition Provisional Authority in Iraq” or the “Coalition Provisional Authority” shall be deemed to include any successor United States Government entity with the same or substantially the same authorities and responsibilities as the Coalition Provisional Authority in Iraq.

SEC. 2209. Assistance or other financing under chapter 2 of this title may be provided for Iraq and Afghanistan notwithstanding

any other provision of law not contained in this Act that restricts assistance to foreign countries and section 660 of the Foreign Assistance Act of 1961: Provided, That funds made available for Iraq pursuant to the authority of this section shall be subject to the regular reprogramming notification procedures of the Committees on Appropriations and section 634A of the Foreign Assistance Act of 1961, except that notification shall be transmitted at least 5 days in advance of obligation.

SEC. 2210. Funds made available in chapter 2 of this title are made available notwithstanding section 10 of Public Law 91-672 and section 15 of the State Department Basic Authorities Act of 1956, as amended.

SEC. 2211. Notwithstanding any other provision of law, the Overseas Private Investment Corporation is authorized to undertake any program authorized by title IV of the Foreign Assistance Act of 1961 in Iraq: Provided, That funds made available pursuant to the authority of this section shall be subject to the regular reprogramming notification procedures of the Committees on Appropriations.

SEC. 2212. In addition to transfer authority otherwise provided in chapter 2 of this title, any appropriation made available in chapter 2 of this title may be transferred between such appropriations, to be available for the same purposes and the same time as the appropriation to which transferred: Provided, That the total amount transferred pursuant to this section shall not exceed \$100,000,000: Provided further, That the Secretary of State shall consult with the Committees on Appropriations prior to exercising the authority contained in this section: Provided further, That funds made available pursuant to the authority of this section shall be subject to the regular notification procedures of the Committees on Appropriations, except that notification shall be transmitted at least 10 days in advance of the obligation of funds.

SEC. 2213. Public Law 107-57 is amended—

(1) in section 1(b), by striking “2003” wherever appearing (including in the caption), and inserting in lieu thereof “2004”;

(2) in section 3(2), by striking “Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002, as is” and inserting in lieu thereof “annual foreign operations, export financing, and related programs appropriations Acts for fiscal years 2002, 2003, and 2004, as are”; and

(3) in section 6, by striking “2003” and inserting in lieu thereof “2004”.

SEC. 2214. The Afghanistan Freedom Support Act of 2002 (Public Law 107-327), is amended in section 108(a), by striking “\$425,000,000 for each of the fiscal years 2003 through 2006” and inserting in lieu thereof “\$1,825,000,000 for fiscal year 2004 and \$425,000,000 for each of fiscal years 2005 and 2006”.

SEC. 2215. REPORTS ON IRAQ AND AFGHANISTAN. (a)(1) The Coalition Provisional Authority (CPA) shall, on a monthly basis until September 30, 2006, submit a report to the Committees on Appropriations which details, for the preceding month, Iraqi oil production and oil revenues, and uses of such revenues.

(2) The first report required by this subsection shall be submitted not later than 30 days after enactment of this Act.

(3) The reports required by this subsection shall also be made publicly available in both English and Arabic, including through the CPA's Internet website.

(b) The Secretary of State, in consultation with the heads of other relevant Federal agencies, shall submit a report to the Committees on Appropriations not later than 90 days after enactment of this Act detailing:

(1) the amount of debt incurred by the Government of Saddam Hussein in Iraq, the impact forgiveness of such debt would have on reconstruction and long-term prosperity in Iraq, and the estimated amount that Iraq will pay, or that will be paid on behalf of Iraq, to a foreign country to service such debt during fiscal year 2004;

(2) the efforts of the Government of the United States to increase resources contributed by foreign countries and international organizations, including the United Nations, to the reconstruction and rehabilitation of Iraq and to increase international participation in peacekeeping and security efforts in Iraq;

(3) the manner in which the needs of people with disabilities are being addressed in the development and implementation of programs, projects and activities funded by the United States Government in Iraq and Afghanistan;

(4) the progress being made toward indicting and trying leaders of the former Iraqi regime for war crimes, genocide, and crimes against humanity; and

(5) the efforts of relevant Iraqi officials and legal advisors to ensure that a new Iraqi constitution preserves religious freedom and tolerance of all faiths.

(c) Title III of Public Law 107-327 is amended as follows by inserting the following new section:

"SEC. 304. REPORTS.

"The Secretary of State shall submit reports to the Committees on Foreign Relations and Appropriations of the Senate, and the Committees on International Relations and Appropriations of the House of Representatives on progress made in accomplishing the 'Purposes of Assistance' set forth in section 102 of this Act utilizing assistance provided by the United States for Afghanistan. The first report shall be submitted no later than December 31, 2003, and subsequent reports shall be submitted in conjunction with reports required under section 303 of this title and thereafter through December 31, 2004."

SEC. 2216. None of the funds appropriated or otherwise made available under chapter 2 of title II of this Act may be obligated or expended for any activity in contravention of Articles 1 and 4 of the Optional Protocol to the Convention on the Rights of the Child on the Involvement of Children in Armed Conflicts.

SEC. 2217. PARTICIPATION OF WOMEN IN AFGHANISTAN AND IRAQ RECONSTRUCTION. (a) GOVERNANCE.—Activities carried out by the United States with respect to the civilian governance of Afghanistan and Iraq shall, to the maximum extent practicable—

(1) include the perspectives and advice of women's organizations in Afghanistan and Iraq, respectively;

(2) promote the high level participation of women in future legislative bodies and ministries and ensure that human rights

for women are upheld in any constitution or legal institution of Afghanistan and Iraq, respectively.

(b) **POST-CONFLICT RECONSTRUCTION AND DEVELOPMENT.**—Activities carried out by the United States with respect to post-conflict stability in Afghanistan and Iraq shall, to the maximum extent practicable—

(1) encourage the United States organizations that receive funds made available by this Act to provide significant financial resources, technical assistance and capacity building to counterpart organizations led by Afghans and Iraqis, respectively;

(2) increase the access of women to, or ownership by women of, productive assets such as land, water, agricultural inputs, credit, and property in Afghanistan and Iraq, respectively;

(3) provide long-term financial assistance for education for girls and women in Afghanistan and Iraq, respectively; and

(4) integrate education and training programs for former combatants in Afghanistan and Iraq, respectively, with economic development programs to—

(A) encourage the reintegration of such former combatants into society; and

(B) promote post-conflict stability in Afghanistan and Iraq, respectively.

(c) **MILITARY AND POLICE.**—Activities carried out by the United States with respect to training for military and police forces in Afghanistan and Iraq shall include training, designed in consultation with women's organizations in Afghanistan and Iraq, respectively, on the protection, rights, and particular needs of women.

TITLE III—INSPECTOR GENERAL OF THE COALITION PROVISIONAL AUTHORITY.

SEC. 3001. INSPECTOR GENERAL OF THE COALITION PROVISIONAL AUTHORITY.

(a) **PURPOSES.**—The purposes of this section are as follows:

(1) To provide for the independent and objective conduct and supervision of audits and investigations relating to the programs and operations of the Coalition Provisional Authority (CPA).

(2) To provide for the independent and objective leadership and coordination of, and recommendations on, policies designed to—

(A) promote economy efficiency, and effectiveness in the administration of such programs and operations; and

(B) prevent and detect fraud and abuse in such programs and operations.

(3) To provide for an independent and objective means of keeping the head of the Coalition Provisional Authority fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress for corrective action.

(b) *OFFICE OF INSPECTOR GENERAL.*—There is hereby established the Office of the Inspector General of the Coalition Provisional Authority.

(c) *APPOINTMENT OF INSPECTOR GENERAL; REMOVAL.*—(1) The head of the Office of the Inspector General of the Coalition Provisional Authority is the Inspector General of the Coalition Provisional Authority, who shall be appointed by the Secretary of Defense, in consultation with the Secretary of State.

(2) The appointment of Inspector General shall be made solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations.

(3) The nomination of an individual as Inspector General shall be made not later than 30 days after the date of the enactment of this Act.

(4) The Inspector General shall be removable from office in accordance with the provisions of section 3(b) of the Inspector General Act of 1978 (5 U.S.C. App.).

(5) For purposes of section 7324 of title 5, United States Code, the Inspector General shall not be considered an employee who determines policies to be pursued by the United States in the nationwide administration of Federal law.

(6) The annual rate of basic pay of the Inspector General shall be the annual rate of basic pay provided for positions at level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(d) *ASSISTANT INSPECTORS GENERAL.*—The Inspector General shall, in accordance with applicable laws and regulations governing the civil service—

(1) appoint an Assistant Inspector General for Auditing who shall have the responsibility for supervising the performance of auditing activities relating to programs and operations of the Coalition Provisional Authority; and

(2) appoint an Assistant Inspector General for Investigations who shall have the responsibility for supervising the performance of investigative activities relating to such programs and operations.

(e) *SUPERVISION.*—(1) Except as provided in paragraph (2), the Inspector General shall report directly to, and be under the general supervision of, the head of the Coalition Provisional Authority.

(2) Neither the head of the Coalition Provisional Authority, any other officer of the Coalition Provisional Authority, nor any other officer of the Department of Defense, the Department of State, or the United States Agency for International Development shall prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena during the course of any audit or investigation.

(f) *DUTIES.*—(1) It shall be the duty of the Inspector General to conduct, supervise, and coordinate audits and investigations of the treatment, handling, and expenditure of appropriated funds by the Coalition Provisional Authority in Iraq, and of the programs, operations, and contracts carried out utilizing such funds, including—

(A) the oversight and accounting of the obligation and expenditure of such funds;

(B) the monitoring and review of reconstruction activities funded by such funds;

(C) the monitoring and review of contracts funded by such funds;

(D) the monitoring and review of the transfer of such funds and associated information between and among the Coalition Provisional Authority, other departments, agencies, and entities of the Federal Government, and private and nongovernmental entities; and

(E) the maintenance of records on the use of such funds to facilitate future audits and investigations of the use of such funds.

(2) The Inspector General shall establish, maintain, and oversee such systems, procedures, and controls as the Inspector General considers appropriate to discharge the duty under paragraph (1).

(3) In addition to the duties specified in paragraphs (1) and (2), the Inspector General shall also have the duties and responsibilities of inspectors general under the Inspector General Act of 1978.

(4) In carrying out the duties, responsibilities, and authorities of the Inspector General under this section, the Inspector General shall coordinate with, and receive the cooperation of, the Inspector General of the Department of Defense.

(5) In carrying out the duties, and responsibilities, and authorities of the Inspector General under this section, the Inspector General shall coordinate with, and receive the cooperation of the Inspector General of the United States Agency for International Development.

(g) **POWERS AND AUTHORITIES.**—(1) In carrying out the duties specified in subsection (f), the Inspector General shall have the authorities provided in section 6 of the Inspector General Act of 1978.

(2) The Inspector General shall carry out the duties specified in subsection (f)(1) in accordance with section 4(b)(1) of the Inspector General Act of 1978.

(h) **PERSONNEL, FACILITIES, AND OTHER RESOURCES.**—(1) The Inspector General may select, appoint, and employ such officers and employees as may be necessary for carrying out the duties of the Inspector General, subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

(2) The Inspector General may obtain services as authorized by section 3109 of title 5, United States Code, at daily rates not to exceed the equivalent rate prescribed for grade GS-15 of the General Schedule by section 5332 of such title.

(3) To the extent and in such amounts as may be provided in advance by appropriations Acts, the Inspector General may enter into contracts and other arrangements for audits, studies, analyses, and other services with public agencies and with private persons, and make such payments as may be necessary to carry out the duties of the Inspector General.

(4)(A) Upon request of the Inspector General for information or assistance from any department, agency, or other entity of the Federal Government, the head of such entity shall, insofar as is practicable and not in contravention of any existing law, furnish such

information or assistance to the Inspector General, or an authorized designee.

(B) Whenever information or assistance requested by the Inspector General is, in the judgment of the Inspector General, unreasonably refused or not provided, the Inspector General shall report the circumstances to the head of the Coalition Provisional Authority and to the appropriate committees of Congress without delay.

(5) The head of the Coalition Provisional Authority shall provide the Inspector General with appropriate and adequate office space at the central and field office locations of the Coalition Provisional Authority, together with such equipment, office supplies, and communications facilities and services as may be necessary for the operation of such offices, and shall provide necessary maintenance services for such offices and the equipment and facilities located therein.

(i) **REPORTS.**—(1) Not later than March 30, 2004, and every calendar quarter thereafter, the Inspector General shall submit to the appropriate committees of Congress a report summarizing the activities of the Inspector General and the Coalition Provisional Authority during the 120-day period ending on the date of such report. Each report shall include, for the period covered by such report, a detailed statement of all obligations, expenditures, and revenues associated with reconstruction and rehabilitation activities in Iraq, including the following:

(A) Obligations and expenditures of appropriated funds.

(B) A project-by-project and program-by-program accounting of the costs incurred to date for the reconstruction of Iraq, together with the estimate of the Coalition Provisional Authority of the costs to complete each project and each program.

(C) Revenues attributable to or consisting of funds provided by foreign nations or international organizations, and any obligations or expenditures of such revenues.

(D) Revenues attributable to or consisting of foreign assets seized or frozen, and any obligations or expenditures of such revenues.

(E) Operating expenses of the Coalition Provisional Authority and of any other agencies or entities receiving appropriated funds.

(F) In the case of any contract described in paragraph (2)—

(i) the amount of the contract or other agreement;

(ii) a brief discussion of the scope of the contract or other agreement;

(iii) a discussion of how the Coalition Provisional Authority identified, and solicited offers from, potential contractors to perform the contract, together with a list of the potential contractors that were issued solicitations for the offers; and

(iv) the justification and approval documents on which was based the determination to use procedures other than procedures that provide for full and open competition.

(2) A contract described in this paragraph is any major contract or other agreement that is entered into by the Coalition Provisional Authority with any public or private sector entity for any of the following purposes:

(A) To build or rebuild physical infrastructure of Iraq.

(B) To establish or reestablish a political or societal institution of Iraq.

(C) To provide products or services to the people of Iraq.

(3) Not later than June 30, 2004, and semiannually thereafter, the Inspector General shall submit to the appropriate committees of Congress a report meeting the requirements of section 5 of the Inspector General Act of 1978

(4) The Inspector General shall publish each report under this subsection in both English and Arabic on the Internet website of the Coalition Provisional Authority.

(5) Each report under this subsection may include a classified annex if the Inspector General considers it necessary.

(6) Nothing in this subsection shall be construed to authorize the public disclosure of information that is—

(A) specifically prohibited from disclosure by any other provision of law;

(B) specifically required by Executive order to be protected from disclosure in the interest of national defense or national security or in the conduct of foreign affairs; or

(C) a part of an ongoing criminal investigation.

(j) REPORT COORDINATION.—(1) The Inspector General shall also submit each report under subsection (i) to the head of the Coalition Provisional Authority.

(2)(A) Not later than 30 days after receipt of a report under paragraph (1), the head of the Coalition Provisional Authority may submit to the appropriate committees of Congress any comments on the matters covered by the report as the head of the Coalition Provisional Authority considers appropriate.

(B) A report under this paragraph may include a classified annex if the head of the Coalition Provisional Authority considers it necessary.

(k) TRANSPARENCY.—(1) Not later than 60 days after the date of the submittal to Congress of a report under subsection (i), the head of the Coalition Provisional Authority shall make copies of such report available to the public upon request, and at a reasonable cost.

(2) Not later than 60 days after the date of the submittal to Congress under subsection (j)(2) of comments on a report under subsection (i), the head of the Coalition Provisional Authority shall make copies of such comments available to the public upon request, and at a reasonable cost.

(l) WAIVER.—(1) The President may waive the requirement under paragraph (1) or (3) of subsection (i) for the inclusion in a report under such paragraph of any element otherwise provided for under such paragraph if the President determines that the waiver is justified for national security reasons.

(2) The President shall publish a notice of each waiver made under this subsection in the Federal Register no later than the date on which the reports required under paragraph (1) or (3) of subsection (i) are submitted to Congress. The reports required under paragraph (1) or (3) of subsection (i) shall specify whether waivers under this subsection were made and with respect to which elements.

(m) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term “appropriate committees of Congress” means—

(1) the Committees on Appropriations, Armed Services, and Foreign Relations of the Senate; and

(2) the Committees on Appropriations, Armed Services, and International Relations of the House of Representatives.

(n) FUNDING.—(1) Of the amounts appropriated for fiscal year 2004 for the Operating Expenses of the Coalition Provisional Authority in title II of this Act, \$75,000,000 shall be available to carry out this section.

(2) The amount available under paragraph (1) shall remain available until expended.

(o) The Office of Inspector General shall terminate 6 months after the authorities and duties of the Coalition Provisional Authority cease to exist.

TITLE IV—GENERAL PROVISIONS, THIS ACT

SEC. 4001. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 4002. The amounts provided in this Act are designated by the Congress as an emergency requirement pursuant to section 502 of H. Con. Res. 95 (108th Congress).

SEC. 4003. For purposes of computing the amount of a payment for an eligible local educational agency under section 8003(a) of the Elementary and Secondary Education Act (20 U.S.C. 7703(a)) for school year 2003–2004, children enrolled in a school of such agency who would otherwise be eligible to be claimed for payment under section 8003(a)(1)(B) of such Act, but due to the deployment of both parents or legal guardians, or a parent or legal guardian having sole custody of such children, or due to the death of a military parent or legal guardian while on active duty (so long as such children reside on Federal property as described in section 8003(a)(1)(B)), are no longer eligible under such section, shall be considered as eligible students under such section, provided such students remain in average daily attendance at a school in the same local educational agency they attended prior to their change in eligibility status.

This Act may be cited as the “Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004”.

And the Senate agree to the same.

BILL YOUNG,
 JERRY LEWIS,
 HAL ROGERS,
 FRANK WOLF,
 JIM KOLBE,
 JAMES T. WALSH,
 JOE KNOLLENBERG,
 JOHN P. MURTHA,
 NITA M. LOWEY,
 CHET EDWARDS,
Managers on the Part of the House.

TED STEVENS,
 THAD COCHRAN,
 ARLEN SPECTER,
 PETE DOMENICI,

CHRISTOPHER BOND,
MITCH MCCONNELL,
CONRAD BURNS,
RICHARD C. SHELBY,
JUDD GREGG,
ROBERT F. BENNETT,
BEN NIGHTHORSE CAMPBELL,
LARRY CRAIG,
KAY BAILEY HUTCHISON,
MIKE DEWINE,
SAM BROWNBACK,
DANIEL K. INOUE,
ERNEST P. HOLLINGS
(except title II),
PATRICK J. LEAHY
(except title II),
TOM HARKIN
(except title II),
BARBARA A. MIKULSKI
(except title II),
HARRY REID
(except title II),
PATTY MURRAY
(except title II),
BYRON L. DORGAN
(except title II),
DIANNE FEINSTEIN
(except title II),
TIM JOHNSON
(except title II),
MARY L. LANDRIEU
(except title II),

Managers on the Part of the Senate.

**JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF
CONFERENCE**

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3289) making emergency supplemental appropriations for defense and for the reconstruction of Iraq and Afghanistan for the fiscal year ending September 30, 2004, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effects of the action agreed upon by the managers and recommended in the accompanying conference report.

Report language included by the House in the report accompanying H.R. 3289 (H. Rept. 108-312) and included by the Senate in the report accompanying S. 1689 (S. Rept. 108-160) should be complied with unless specifically addressed in this statement of the managers. The statement of the managers, while repeating some report language for emphasis, is not intended to negate the language referred to above unless expressly provided herein.

TITLE I—NATIONAL SECURITY

CHAPTER 1

DEPARTMENT OF DEFENSE—MILITARY

Chapter 1 of the conference agreement recommends \$64,702,554,000 for the Department of Defense, instead of \$64,702,854,000 as proposed by the House and \$65,147,554,000 as proposed by the Senate.

The following table provides details of the supplemental appropriations in this chapter.

(In thousands of dollars)

	Request	House	Senate	Conference
Military Personnel:				
Military Personnel, Army	12,858,870	12,188,870	12,858,870	12,858,870
Military Personnel, Navy	816,100	816,100	816,100	816,100
Military Personnel, Marine Corps	753,190	753,190	753,190	753,190
Military Personnel, Air Force	3,384,700	3,384,700	3,384,700	3,384,700
Total Military Personnel	17,812,860	17,142,860	17,812,860	17,812,860
Operation and Maintenance:				
O&M, Army	24,190,464	24,257,664	24,946,464	23,997,064
O&M, Navy	2,106,258	1,934,058	1,976,258	1,956,258
O&M, Marine Corps	1,198,981	1,198,981	1,198,981	1,198,981
O&M, Air Force	5,948,368	5,598,368	5,516,368	5,416,368
O&M, Defense-Wide	4,618,452	4,485,452	4,218,452	4,355,452
O&M, Marine Corps Reserve	16,000	16,000	16,000	16,000
O&M, Air Force Reserve	53,000	53,000	53,000	53,000
O&M, Air National Guard	214,000	214,000	214,000	214,000

(In thousands of dollars)

	Request	House	Senate	Conference
Overseas Humanitarian, Disaster and Civic Aid	35,500	35,500	35,500	35,500
Iraq Freedom Fund	1,988,600	2,086,600	1,988,600	1,988,600
Total Operation and Maintenance	40,369,623	39,879,623	40,163,623	39,231,223
Procurement:				
Missile Procurement, Army	6,200		6,200	
Procurement of WTCV, Army	46,000	101,600	104,000	101,600
Other Procurement, Army	930,687	1,250,287	1,078,687	1,143,687
Aircraft Procurement, Navy	128,600	158,600	128,600	158,600
Other Procurement, Navy	76,357	76,357	76,357	76,357
Procurement, Marine Corps	123,397	123,397	123,397	123,397
Aircraft Procurement, Air Force	40,972	53,972	40,972	53,972
Missile Procurement, Air Force	20,450	20,450	20,450	20,450
Other Procurement, Air Force	3,441,006	3,418,006	3,441,006	3,438,006
Procurement, Defense-Wide	435,635	418,635	435,635	418,635
Total Procurement	5,249,304	5,621,304	5,455,304	5,534,704
Research, Development, Test and Evaluation:				
RDT&E, Navy	34,000	34,000	34,000	34,000
RDT&E, Air Force	39,070	39,070	39,070	39,070
RDT&E, Defense-Wide	265,817	195,817	265,817	260,817
Total RDT&E	338,887	268,887	338,887	333,887
Revolving and Management Funds:				
Defense Working Capital Funds	600,000	600,000	600,000	600,000
National Defense Sealift Fund	24,000	24,000	24,000	24,000
Total Revolving & Management Funds ...	624,000	624,000	624,000	624,000
Other Department of Defense Programs:				
Defense Health Program	658,380	658,380	658,380	658,380
Drug Interdiction & Counter-Drug Activities, Defense	73,000	73,000	73,000	73,000
Total Other	731,380	731,380	731,380	731,380
Related Agencies:				
Intelligence Community Management Account	21,500	21,500	21,500	21,500
General Provisions:				
Storm Damage (Sec. 1109)		413,300		313,000
Munitions Security and Destruction (Sec. 1121)				100,000
Grand Total Chapter 1	65,147,554	64,702,854	65,147,554	64,702,554

FISCAL YEAR 2004 APPROPRIATIONS REPORTING REQUIREMENTS

The conferees agree with the House report on this subject, except that the comprehensive financial analysis and update for fiscal year 2004 should be submitted to the congressional defense committees once, and no later than April 30, 2004.

CLASSIFIED PROGRAMS

Recommended adjustments to classified programs are addressed in a classified annex accompanying this conference report.

MILITARY PERSONNEL

The conference agreement recommends \$17,812,860,000 for the military personnel accounts, the amount proposed by the President's request and the Senate, instead of \$17,142,860,000 as proposed by the House. The conferees' recommendation will fund incremental costs of pays and allowances for active duty and Reserve personnel deployed in support of Operation Iraqi Freedom, Operation Enduring Freedom, and Operation Noble Eagle through the end of fiscal year 2004.

The conferees do not agree to transfer \$670,000,000 from Military Personnel, Army to Operation and Maintenance, Army, as proposed by the House, to support contracting for civilian security guards to replace Reserve component soldiers who are currently performing security duty for Army installations.

OPERATION AND MAINTENANCE

The conference agreement recommends \$39,231,223,000 for the Operation and maintenance accounts, instead of \$39,879,623,000 as proposed by the House, and \$40,163,623,000 as proposed by the Senate. Adjustments to the Operation and maintenance accounts are shown below:

[In thousands of dollars]	<i>Change from request</i>
Operation and Maintenance, Army:	
Unit Level Maintenance	155,000
SAPI Plates, Rapid Fielding Initiative, UXO/EOD Cleanup	300,000
Depot Maintenance Second Destination Transportation	127,600
Theater Communications	72,000
AAFES Support for Deployed Forces	10,000
CPA Admin and ops costs (transferred to Title II)	- 858,000
Operation and Maintenance, Navy: Excess Increased OPTEMPO, Operations Support Costs	- 150,000
Operation and Maintenance, Air Force:	
Unjustified Incremental Contingency, Operations Support Costs	- 350,000
Excess Inter/Intra-Theater Airlift	- 132,000
Excess DPEM	- 50,000
Operation and Maintenance, Defense-Wide:	
Counter-Terrorism Train and Equip	- 50,000
Reduction to Classified Programs	- 28,000
Excess Support to Key Cooperating Nations	- 200,000
DLA-DPAO	15,000

AAFES SUPPORT FOR DEPLOYED FORCES

The conferees recommend an additional \$10,000,000 in Operation and Maintenance, Army only for Army and Air Force Exchange System support to forces deployed for Operations Iraqi Freedom, and Operation Enduring Freedom. The total amount provided in the conference agreement for Army and Air Force Exchange System support to deployed forces is \$40,000,000.

REST AND RECUPERATION TRAVEL

The conferees recommend that of the funds provided in Operation and Maintenance, Army, \$55,000,000 be used only for covering the travel costs of troops on rest and recuperation leave. Specifically, these funds shall be used to cover any additional costs in-

curred by troops returning from the Iraq or Afghanistan theaters to reach their home of record (in the United States, or its territories and commonwealths) from established disembarkation points in the United States. Department officials may use these funds to cover troop travel costs from established disembarkation points to places other than their home of record in a manner consistent with current Department of Defense travel regulations and guidelines. Further, the conferees agree that, to the maximum extent practicable, the commercial airline industry should charge Armed Forces members and their families the lowest available fares for air travel in connection with rest and recuperation leave.

FAMILY ADVOCACY PROGRAM

The conferees recommend that of the funds provided in Operation and Maintenance, Defense-Wide, \$32,000,000 be used only for the Family Advocacy Program to address wartime community needs such as family counseling, domestic violence training and prevention programs, and readjustment counseling for military personnel.

NATIONAL GUARD FAMILY READINESS PROGRAM

The conferees recommend that of the funds provided in the Iraq Freedom Fund, \$10,000,000 shall be used only for the Family Readiness Program of the National Guard, which provides information, referral and outreach assistance to military families during the deployment process.

PROCUREMENT

The conference agreement recommends \$5,534,704,000 for the Procurement accounts, instead of \$5,621,304,000 as proposed by the House and \$5,455,304,000 as proposed by the Senate.

Recommendations for the Procurement accounts are shown below:

[In thousands of dollars]

	House	Senate	Conference
Missile Procurement, Army	0	6,200	0
Multiple Launch Rocket System	0	.....	0
Weapons, Tracked Combat Vehicles, Army	101,600	104,000	101,600
Paladin	0	.....	0
Rapid Equip Force	6,000	.....	6,000
Rapid Fielding Initiative	26,200	.....	26,200
Enhanced Separate Brigades	11,400	.....	11,400
APS-5 Replenishment	58,000	58,000	58,000
Other Procurement, Army	1,250,287	1,078,687	1,143,687
Logistics Support Equipment	30,500	.....	30,500
C2 Equipment	42,200	.....	42,200
Radio Frequency Identification Tags	3,400	.....	3,400
Technical Collection (Guardrail)	8,000	.....	8,000
Enhanced Separate Brigades	122,500	.....	122,500
Up-armored HMMWVs	177,200	.....	177,200
Rapid Equip Force	47,100	.....	47,100
Rapid Fielding Initiative	76,600	.....	76,600
Base Camp Housing Units	344,687	.....	344,687
Mobile Search Devices	12,600	.....	12,600
Basic Language Translation Service	2,000	.....	2,000
Packbots	5,000	.....	5,000

[In thousands of dollars]

	House	Senate	Conference
Joint Tactical Terminals	41,100	.....	41,100
Joint Communications Support Element	7,500	.....	7,500
Classified	10,300	.....	10,300
APS-5 Replenishment	190,600	84,000	84,000
Theater Stabilized Communications	83,000	64,000	83,000
Portable Radio Jammers	46,000	.....	46,000
Aircraft Procurement, Navy	158,600	128,600	158,600
E-2C Outer Wing Panels	1,500	.....	1,500
Aircraft Spares	59,100	.....	59,100
EA-6B Outer Wing Panels	70,000	.....	70,000
EA-6B Wing Center Section	15,000	.....	15,000
F-18 Equipment	13,000	.....	13,000
Other Procurement, Navy	76,357	76,357	76,357
C2 Equipment	5,800	.....	5,800
OPN Spares	27,200	.....	27,200
Explosive Ordnance Disposal Equipment	24,957	.....	24,957
Medical Support Equipment—Fleet Hospitals	13,200	.....	13,200
Global Broadcast Service (Shipboard)	4,500	.....	4,500
Classified Program	700	.....	700
Procurement, Marine Corps	123,397	123,397	123,397
M88A2 Recovery Vehicle	8,300	.....	8,300
MK48 Light Armored Vehicle (LVS) Mod	13,100	.....	13,100
Light Armored Vehicle	23,200	.....	23,200
AAV Reliability, Availability, Maintainability Upgrade	78,797	.....	78,797
Aircraft Procurement, Air Force	53,972	40,972	53,972
War Consumables Recap	35,702	.....	35,702
Technical Collection (RC-135 and U2)	13,000	.....	13,000
Aircraft Common Support Equipment	5,270	.....	5,270
Missile Procurement, Air Force	20,450	20,450	20,450
Predator (Hellfire Missiles)	4,850	.....	4,850
Classified Programs	15,600	.....	15,600
Other Procurement, Air Force	3,418,006	3,441,006	3,438,006
Theater Deployable Communications	38,500	.....	38,500
Other Logistics Equipment	68,700	.....	68,700
Medical/Dental Equipment Losses	13,665	.....	13,665
CPA Counter Intelligence Support	3,810	.....	3,810
Replace Theater Communications	85,000	.....	85,000
Aircraft Refueling Vehicles	25,000	.....	25,000
Support Equipment	20,306	.....	20,306
All-purpose Remote Transport System	1,500	.....	1,500
Technical Collection (RC-135 and U2)	0	.....	0
Red Horse Reconstitution	25,900	.....	25,900
Diego Garcia Vehicles	14,625	.....	14,625
Classified Programs	3,121,000	.....	3,121,000
Classified Adjustment .....	.....	.....	20,000
Procurement, Defense-Wide	418,635	435,635	418,635
MC-130P Quick Engine Change Kits (SOCOM)	13,800	.....	13,800
MH-53 Gearbox (SOCOM)	7,700	.....	7,700
Critical C4I Equipment (SOCOM)	36,600	.....	36,600
SOF Soldier Systems (SOCOM)	23,800	.....	23,800
SOF Ammunition (SOCOM)	23,900	.....	23,900
SOF Intelligence Systems (SOCOM)	13,100	.....	13,100
Psychological Operations (PSYOP) Equipment (SOCOM)	14,800	.....	14,800
Target Tracking and Locating Devices (SOCOM)	2,700	.....	2,700
Inflatable Antennas	6,500	.....	6,500
CENTRIX	17,700	.....	17,700
Information Assurance	16,200	.....	16,200
Worldwide Base Stations	6,000	.....	6,000
NSC Data Replication (DISA)	3,900	.....	3,900
Iraq Communications Backbone (DISA)	6,100	.....	6,100
CENTCOM Global C2 System (GCCS) Joint Hardware (DISA)	1,500	.....	1,500
Improved Imagery Capability (NIMA)	21,600	.....	21,600
Decontamination Equipment	8,000	.....	8,000
Collective Protection	17,535	.....	17,535

(In thousands of dollars)

	House	Senate	Conference
Classified Programs	177,200	194,200	177,200
Total, Procurement	5,621,304	5,455,304	5,534,704

UP-ARMORED HMMWVs

The conferees recommend a total of \$239,300,000 for Up-armored HMMWVs and associated equipment to support requirements in Iraq. This amount includes \$177,200,000 in "Other Procurement, Army", as proposed in the budget request, and \$62,100,000 from amounts made available in the Iraqi Freedom Fund. The conferees agree that this funding will provide for a total of 1,065 Up-armored HMMWVs which is an increase of 318 above the budget request.

EQUIPMENT SHORTAGES

The conferees note that, despite recent efforts by the Department of Defense to address equipment shortages, many individuals and units in the active and reserve forces continue to experience shortages in equipment that would enhance both survivability and mission effectiveness. The conferees believe that it must be the Secretary of Defense's highest priority to eliminate such shortages. Accordingly, the conferees encourage the Secretary of Defense to apply additional funds provided in this Act for the most pressing needs. The conferees also direct the Secretary of Defense to submit quarterly update reports to the congressional defense committees, starting December 31, 2003 through December 31, 2004, that identify significant soldier equipment, weapon system, or spare parts shortages in the Iraq and Afghanistan theaters of operation for all major active and reserve component units. These updates also should present the solutions and timetables for procuring and distributing equipment and parts to address any identified shortages.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

The conference agreement recommends \$333,887,000 for the Research, Development, Test and Evaluation accounts, instead of \$268,887,000 as proposed by the House and \$338,887,000 as proposed by the Senate.

Recommendations for the Research, Development, Test and Evaluation accounts are shown below:

(In thousands of dollars)

	House	Senate	Conference
Research, Development, Test and Evaluation, Navy	34,000	34,000	34,000
Classified Programs	34,000		34,000
Research, Development, Test and Evaluation, Air Force	39,070	39,070	39,070
Classified Programs	39,070		39,070
Research, Development, Test and Evaluation, Defense-Wide	195,817	265,817	260,817
Classified Programs	195,817		260,817
Total, Research, Development, Test and Evaluation	268,887	338,887	333,887

GENERAL PROVISIONS—THIS CHAPTER

The conferees agree to retain and amend section 1101, as proposed by the House, which provides the Secretary of Defense with \$3 billion in additional transfer authority, only for funds in this chapter. The Senate included similar language.

The conferees agree to retain section 1102, as proposed by the House, which provides that funds appropriated in this Act are deemed specifically authorized for the purposes of section 504 of the National Security Act of 1947. The Senate included similar language.

The conferees agree to retain section 1103, as proposed by the House, which extends the authorization during fiscal year 2004 of travel and transportation allowances for family members of service members who are ill or injured on active duty in support of Operation Iraqi Freedom, Operation Enduring Freedom or Operation Noble Eagle; and authorizes the Department to provide civilian clothing for wear by the service member during their hospital stay. The Senate included similar language.

The conferees agree to retain section 1104, as proposed by the House, which extends the authorization for the Department to make the higher rates of Imminent Danger Pay and Family Separation Allowance to all eligible service members during fiscal year 2004. The Senate included similar language.

The conferees agree to retain section 1105, as proposed by the House, which provides that adjustments to obligations that would have been properly chargeable to the Defense Emergency Response Fund shall be charged to any current appropriations account of the Department of Defense for the same purpose. The Senate included similar language.

The conferees agree to retain and amend section 1106, as proposed by the House and Senate, which allows the Department to use funds for supplies, services, transportation, and other logistical support of troops to support military and stability operations in Iraq and directs the Secretary of Defense to provide quarterly reports to the congressional defense committees.

The conferees agree to retain and amend section 1107, as proposed by the House, which provides \$150,000,000 from funds available in "Operation and Maintenance, Defense-Wide" to provide training and equipment only to the New Iraqi Army and the Afghan National Army to combat terrorism and support U.S. military operations. The Senate included similar language.

The conferees agree to retain section 1108, as proposed by the House, which prohibits funds provided in this Act to finance programs or activities denied by Congress, or to initiate a new start program without prior notification to the congressional defense committees. The Senate included similar language.

The conferees agree to retain and amend section 1109, as proposed by the House, to provide \$313,000,000 in funding for Operation and Maintenance and Procurement accounts, as opposed to \$413,300,000 as recommended by the House, only for the military services to accomplish recovery and repair made necessary by recent natural disasters including Hurricane Isabel. These funds are allocated as follows:

Operation and Maintenance, Army	\$47,100,000
Operation and Maintenance, Navy	87,600,000
Operation and Maintenance, Marine Corps	6,700,000
Operation and Maintenance, Air Force	169,300,000
Other Procurement, Air Force	2,300,000

Of the amount provided in this section for "Operation and Maintenance, Air Force", \$6,500,000 is for repair of facilities at the NASA Langley Research Center, including facilities used for Department of Defense research programs.

The conferees agree to retain section 1110, as proposed by the House, which makes \$180,000,000 from funds available in this Act for operation and maintenance for the Commander's Emergency Response Program for military commanders to respond to urgent humanitarian needs in Iraq and Afghanistan.

The conferees agree to retain section 1111, as proposed by the House, which requires the Secretary of Defense to provide a description of an Analysis of Alternatives for replacing Air Force KC-135 aircraft.

The conferees agree to retain section 1112, as proposed by the House, which exempts members of the armed forces from the requirement to pay subsistence charges while hospitalized, makes the exemption permanent, and makes the exemption retroactive to September 11, 2001. The Senate included similar language.

The conferees agree to retain and amend section 1113, as proposed by the Senate, which prohibits use of funds in this Act to alter command responsibility or permanent assignment of forces until 270 days after notification to the congressional defense committees.

The conferees agree to retain and amend section 1114, as proposed by the Senate, which authorizes administering Secretaries to provide medical or dental screening or care at no cost for all members of the Ready Reserve who are ordered to active duty.

The conferees agree to retain and amend section 1115, as proposed by the Senate, which provides the TRICARE benefit to inactive Reservists and their family members, if they are eligible for unemployment compensation or not eligible for health care benefits under an employer-sponsored health benefits plan.

The conferees agree to retain and amend section 1116, as proposed by the Senate, which amends section 1074 of title 10, U.S.C. to expand the time period a Reservist would be considered to be on active duty for the purpose of TRICARE eligibility.

The conferees agree to retain and amend section 1117, as proposed by the Senate, which amends the Transitional Assistance Medical Program (TAMP) benefit program from 60 days to 180 days beginning on the date on which the member is separated from active duty.

These four new provisions (sections 1114, 1115, 1116, and 1117) enhance TRICARE access for members of the National Guard and Reserve Components. It is the conferees' intent that these provisions constitute a one-year demonstration program to determine whether a permanent benefit beyond fiscal year 2004 should be authorized.

The conferees direct the Department of Defense to report to the congressional defense committees no later than May 30, 2004 on the implementation of this demonstration program and its asso-

ciated impact on recruiting and retaining both active and reserve component personnel.

Based on information provided to the Congress from the Congressional Budget Office, the conferees have been advised that the cost of this demonstration program is approximately \$200,000,000. However, the conferees recognize that these are estimates based on projected utilization rates. Accordingly, the conferees assume that not more than \$400,000,000 shall be required to implement this demonstration program in fiscal year 2004.

The conferees further direct the Department of Defense, no later than April 15, 2004, to provide the congressional defense committees the cost estimates of this demonstration program based on actual and projected utilization rates.

The conferees agree to retain and amend section 1118, as proposed by the Senate, which requires the Department to notify each Reservist who is ordered to active duty in writing of the expected period during which they will be mobilized.

The conferees agree to retain and amend section 1119, as proposed by the Senate, which provides that authority in section 1314(1) of Public Law 108-11, making funds available to build an Infantry Brigade Rifle Range for the South Carolina National Guard, shall apply to the use of available funds appropriated for fiscal year 2004.

The conferees agree to include a new provision, section 1120, which directs the Secretary of Defense to submit biannual reports on Iraq and Afghanistan to the Congress.

The conferees agree to include a new provision, section 1121, which provides an additional \$100,000,000 for securing and destroying conventional munitions in Iraq.

CHAPTER 2

DEPARTMENT OF HOMELAND SECURITY

UNITED STATES COAST GUARD

OPERATING EXPENSES

The conferees agree to provide an additional \$23,183,000 for "Operating Expenses" to repair damages the Coast Guard incurred during Hurricane Isabel.

EMERGENCY PREPAREDNESS AND RESPONSE

DISASTER RELIEF

The conferees agree to provide an additional \$500,000,000 for disaster relief activities associated with recently declared disasters, such as Hurricane Isabel and the California wildfires.

OTHER ACTIVITIES

Within current authorities, the conferees direct the Emergency Preparedness and Response Directorate to work expeditiously with the Borough of Versailles, Pennsylvania, and the National Energy Technology Laboratory to remediate the problem where high gas

readings due to the over 600 abandoned gas wells force the evacuation of residents and businesses in Versailles.

SCIENCE AND TECHNOLOGY

The conferees are aware that the Department of Homeland Security has begun research and development on Man-Portable Air Defense Systems (MANPADS) countermeasures for commercial airliners pursuant to the "Program Plan for the Development of an Antimissile Device for Commercial Aircraft" prepared by the Under Secretary for Science and Technology. Upon the completion of research and development, the Department of Homeland Security should consider aircraft enrolled in the Civil Reserve Air Fleet in deployment of countermeasures.

GENERAL PROVISION, THIS CHAPTER

Sec. 1201. The conferees agree to amend the Department of Homeland Security Appropriations Act, 2004 (Public Law 108-90) to make Biodefense Countermeasures funding subject to the authorization of the Project Bioshield Act of 2003, upon the enactment of that Act.

PROVISIONS NOT ADOPTED

The conference agreement deletes section 334 of the Senate bill changing the Federal share of the cost of any disaster relief payment for damage caused by Hurricane Isabel.

The conference agreement deletes section 5008 of the Senate bill on equipping aircraft with countermeasures against the threat of shoulder-fired missiles.

CHAPTER 3

DEPARTMENT OF DEFENSE

MILITARY CONSTRUCTION

ITEMS OF GENERAL INTEREST

As a result of the United States' commitment to fighting the Global War on Terrorism, there has been an increase in operational requirements in the Central Command's area of responsibility. The footprint of American military forces has expanded to include the construction and management of military facilities in overseas locations to house service members and to stage operational resources. The conferees direct the Central Command to report to the congressional defense and military construction subcommittees, in both classified and unclassified form, on its master plan for facilities in the Central Command area of responsibility, including the operational requirements and the planned disposition of equipment, aircraft and personnel, no later than December 1, 2003.

MILITARY CONSTRUCTION, ARMY

The conference agreement appropriates \$162,100,000 for Military Construction, Army, instead of \$185,100,000 as proposed by the House and \$119,900,000 as proposed by the Senate. Of the

funds appropriated, \$119,900,000 is provided to finance projects required to support the Global War on Terrorism and Operation Iraqi Freedom as follows:

Location/facility	Project description	Cost
Iraq: Al Fallujah (MEK)	Power Plant and Electrical Distribution	\$8,000,000
Iraq: Baghdad—Victory Base	Entry Control Points	4,000,000
Iraq: Baghdad FOB Falcon	Power Plant and Electrical Distribution	7,000,000
Iraq: Balad Airfield	Theater-wide Postal Distribution Facility	7,000,000
Iraq: Balad Airfield	Power Plant and Electrical Distribution	16,000,000
Iraq: Balad	Base Camp Water Treatment Plant	9,800,000
Iraq: Balad	Base Camp Wastewater Treatment Plant	10,500,000
Iraq: Baghdad—Victory Base	Power Plant	11,500,000
Iraq: Baghdad—Radwaniya Palace Complex	Sensitive Compartmented Information Facility	6,000,000
Iraq: Baghdad—Radwaniya Palace Complex	Joint Operations Center	3,500,000
Iraq: Baghdad—Radwaniya Palace Complex	Training Facility	2,200,000
Iraq: Taji Military Complex	Power Plant and Electrical Distribution	16,500,000
Iraq: Tikrit—Camp Speicher	Power Plant and Electrical Distribution	15,500,000
Worldwide Various	Planning and Design	2,400,000
Total		119,900,000

An additional \$42,200,000 is provided to repair facilities damaged by Hurricane Isabel at Fort Monroe, Virginia. As proposed by the House, the conferees agree to include bill language that authorizes the use of funds for planning and design and for construction. The conferees recommend a reduction of \$23,000,000 from the amount proposed by the House for unspecified minor construction funds because the request was not explained in sufficient detail to justify the appropriation.

MILITARY CONSTRUCTION, NAVY

As proposed by the House, the conference agreement appropriates \$45,530,000 for Military Construction, Navy, to repair two Naval facilities damaged by Hurricane Isabel. The Senate bill contained no similar provision.

MILITARY CONSTRUCTION, AIR FORCE

As proposed by the House and the Senate, the conference agreement appropriates \$292,550,000 for Military Construction, Air Force, to finance various projects around the world in support of the Global War on Terrorism and Operation Iraqi Freedom. As proposed by the House, the conferees agree to include bill language that authorizes the use of funds for planning and design and for construction.

FAMILY HOUSING OPERATION AND MAINTENANCE, ARMY

The conference agreement appropriates \$11,420,000 for Family Housing Operation and Maintenance, Army, instead of \$8,151,000 as proposed by the House. The Senate bill contained no similar provision. These funds are provided for storm related damage caused by Hurricane Isabel at Fort Monroe, Fort Eustis, Fort Story, Fort Lee, and Fort Belvoir in Virginia. The conferees agreed to increase the amount proposed by the House in view of additional information received regarding storm damage.

FAMILY HOUSING OPERATION AND MAINTENANCE, NAVY AND
MARINE CORPS

As proposed by the House, the conference agreement appropriates \$6,280,000 for Family Housing Operation and Maintenance, Navy and Marine Corps. The Senate bill contained no similar provision. These funds are provided for storm related damage caused by Hurricane Isabel at various sites in North Carolina and Virginia.

FAMILY HOUSING OPERATION AND MAINTENANCE, AIR FORCE

As proposed by the House, the conference agreement appropriates \$6,981,000 for Family Housing Operation and Maintenance, Air Force. The Senate bill contained no similar provision. These funds are provided for storm related damage caused by Hurricane Isabel at Langley AFB, Virginia.

GENERAL PROVISION—THIS CHAPTER

The conference agreement includes one general provision, section 1301, as proposed by the House and modified by the Senate. This provision gives the Secretary of Defense authority to use up to \$150,000,000 in operation and maintenance funds for construction projects that support Operation Iraqi Freedom or the Global War on Terrorism. The purpose of the provision is to provide troops in the field flexibility to construct emergency projects using operation and maintenance funds. The provision requires DOD to submit a quarterly report that describes the project, includes supporting documentation, and provides the amount of funds obligated for these purposes. The Senate modification requires DOD to provide Congress with notification of the project 15 days after obligation of funds.

TITLE II—IRAQ AND AFGHANISTAN RECONSTRUCTION AND
INTERNATIONAL ASSISTANCE

CHAPTER 1

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES

GENERAL LEGAL ACTIVITIES

The conference agreement includes \$15,000,000 for "Salaries and Expenses, General Legal Activities," as proposed by the House, instead of no funds as proposed by the Senate. This funding will support additional Civil Division expenses related to the administration of the September 11th Victims Compensation Program.

DEPARTMENT OF STATE AND RELATED AGENCY

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

DIPLOMATIC AND CONSULAR PROGRAMS

The conference agreement includes \$156,300,000 under this account as proposed by the House, instead of \$35,800,000 as proposed by the Senate. This funding will cover costs related to increased diplomatic and border security and opening a mission in Iraq. The conference agreement includes \$109,500,000 for requirements related to the provision of consular services; \$11,000,000 for increased security measures in Afghanistan; and \$35,800,000, available until September 30, 2006, for costs associated with the re-establishment of a diplomatic mission in Iraq. The conference agreement rescinds \$35,800,000 provided under Public Law 108-11, as proposed in both the House and Senate bills.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

The conference agreement includes \$43,900,000 under this account as proposed by the House, instead of no funds as proposed by the Senate. The conference agreement includes the costs of establishing a temporary embassy annex compound in Afghanistan to support embassy surge staffing requirements associated with accelerated assistance activities. The conference agreement assumes that the funding provided under this heading, when combined with funding provided elsewhere in this Act for USAID requirements, will support the acquisition and construction of a collocated temporary embassy annex compound in Afghanistan.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

The conference agreement includes \$115,500,000 under this heading, instead of \$50,000,000 as proposed by the House and \$90,500,000 as proposed by the Senate. The conference agreement includes \$50,000,000 for anticipated costs of terrorism rewards, and includes language that allows funds under this account to be transferred to, and merged with, the Diplomatic and Consular Programs account to maintain funding levels for the fiscal year 2004 Border Security program. The conference agreement also includes \$65,500,000 for costs associated with the protection of foreign missions and officials in New York City, as well as security and protection costs associated with the 2003 Free Trade in the Americas Ministerial and the 2004 Summit of the Industrialized Nations. In addition, the conference agreement includes language allowing the use of prior year funds under this heading for rewards for an indictee of the Special Court in Sierra Leone. The conferees are concerned that an indictee of the Special Court for Sierra Leone, who has been charged by the Special Court with being "most responsible" for the atrocities committed during Sierra Leone's civil war, is not yet in the custody of the Special Court. The conferees direct the Department to use all available means to bring about the handover of this indictee of the Special Court.

INTERNATIONAL ORGANIZATIONS

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

The conference agreement includes \$245,000,000 for assessed costs of United Nations peacekeeping in Liberia as proposed in the House bill, instead of no funds as proposed by the Senate.

RELATED AGENCY

BROADCASTING BOARD OF GOVERNORS

INTERNATIONAL BROADCASTING OPERATIONS

The conference agreement includes \$40,000,000 under this heading as proposed by the House, instead of no funds as proposed by the Senate. The amount provided in the conference agreement shall be only for the initiation of Middle East Television Network broadcasting to Iraq.

GENERAL PROVISION—THIS CHAPTER

The conference agreement includes language waiving provisions of existing legislation that require authorizations to be in place prior to the expenditure of any appropriated funds.

FOREIGN OPERATIONS, EXPORT FINANCING, RELATED AGENCIES APPROPRIATIONS

CHAPTER 2

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

The conference report recommends \$40,000,000 for "Operating Expenses of the United States Agency for International Development", which includes \$1,900,000 for the United States Agency for International Development (USAID), Office of Inspector General. This amount for Operating Expenses is the same as the House and Senate levels. The level for the Office of Inspector General is \$2,100,000 less than the Senate bill; the House did not address this matter. The managers have included language reserving these funds for support of relief and reconstruction in Afghanistan, including short-term costs associated with facilities required by the USAID in the existing embassy compound or in Department of Defense facilities elsewhere in Kabul until an interim, secure compound adjacent to the embassy is available. It is the managers' intention that embassy facilities and vehicles funded by USAID be used primarily by USAID personnel, and be available for other agencies only with the prior written concurrence of the USAID mission director in Kabul and, when feasible, on a reimbursable basis.

Should United States military air transport remain scarce or unavailable to support reconstruction in Afghanistan, and to the extent required by security conditions in the field, a portion of this

appropriation may be used for dedicated contract air service within Afghanistan and access to neighboring countries. The conferees expect the Department of State Coordinator for Afghan Assistance and USAID to consult with the Committees prior to obligating funds for this purpose.

The conference report provides for operating expenses of USAID in Iraq elsewhere in this chapter.

CAPITAL INVESTMENT FUND

The conference report recommends \$16,600,000 for the Capital Investment Fund of the United States Agency for International Development to remain available until expended, instead of \$60,000,000 as proposed by the Senate. The House bill did not address this matter.

The conferees have provided full funding for an interim secure facility in Kabul, Afghanistan, primarily for the use of United States Agency for International Development, Department of State, and other federal agencies that are implementing and evaluating United States reconstruction and security assistance for Afghanistan.

The conference agreement includes language requiring the Administrator of the United States Agency for International Development to assess fair and reasonable rental payments for the use of space by employees of other United States Government agencies in buildings constructed using funds appropriated under this heading, and provides that such rental payments shall be deposited into this account as an offsetting collection. Such rental payments shall be available for obligation only pursuant to the regular reprogramming notification procedures of the Committees on Appropriations.

IRAQ RELIEF AND RECONSTRUCTION FUND

(INCLUDING TRANSFERS OF FUNDS)

The conference report recommends \$18,649,000,000, to remain available until September 30, 2006, for the "Iraq Relief and Reconstruction Fund" (the Fund), the same level as recommended by the House and \$200,000,000 above the Senate. This figure represents a reduction of \$1,655,000,000 below the request and an increase of \$16,174,000,000 above the level provided in the fiscal year 2003 Emergency Wartime Supplemental Appropriations Act when this account was created. The supplemental request proposed an appropriation of \$20,304,000,000 to remain available until expended.

The conference report provides \$1,890,000,000 for the oil infrastructure function instead of \$2,100,000,000 as proposed by the House and \$1,900,000,000 as proposed by the Senate.

The following table provides amounts for functional categories and programs within categories. The total amount for these functional categories is reflected in the bill language as proposed by both the House and Senate. The following table provides the baseline for the financial plan required in section 2207 of this Act.

IRAQ RELIEF AND RECONSTRUCTION FUND

(Budget authority, dollars in millions) ¹

Category and description	Supplemental request	Conference agreement
Security and law enforcement:		
Police training and technical assistance	950	950
Traffic police	50	50
Border Enforcement	150	150
Facilities Protection Services	67	67
Subtotal, Law enforcement	1,217	1,167
Establishment of the New Iraqi Army (NIA)		
(NIA Facilities)	(745)	(745)
(NIA Equipment)	(879)	(879)
(NIA Operations and Training)	(375)	(375)
Iraq Civil Defense Corps	76	76
(Operations and Personnel)	(58.4)	(58.4)
(Equipment)	(17.2)	(17.2)
Subtotal, National Security	2,076	2,076
Total, Security and Law Enforcement	3,293	3,243
Justice, Public Safety Infrastructure and Civil Society:		
Witness Protection Program	100	75
Other technical investigative methods	10	10
Penal facilities	400	100
Reconstruction and modernization of detention facilities	109	109
Facilities protection, mine removal, fire service, and public safety facility and equipment repairs	500	400
(Demining)	(61)	(61)
Public safety training and facilities	274	199
National Security Communications Network	150	90
Investigations of crimes against humanity	100	75
Judicial security and facilities	200	150
Democracy building activities		100
United States Institute of Peace		10
Total, Justice, Public Safety Infrastructure and Civil Society	1,843	1,318
Electric Sector:		
Generation	2,900	2,810
Transmission	1,550	1,550
Network infrastructure	1,000	1,000
Automated monitoring and control system	150	150
Institutional strengthening	25	25
Security	50	50
Total, Electric Sector	5,675	5,560
Oil Infrastructure:		
Infrastructure	1,200	1,200
Emergency supplies of refined petroleum products	900	690
Total, Oil Infrastructure	2,100	1,890
Water Resources and Sanitation:		
Potable water	2,830	2,830
Water conservation	30	30
Sewerage	697	675
Solid waste management/trash trucks	153	153
Other solid waste management		22
Subtotal, Public Works Projects	3,710	3,557

(Budget authority, dollars in millions) ¹

Category and description	Supplemental request	Conference agreement
Pumping stations and generators	150	150
Irrigation and drainage systems	130	130
Major irrigation projects	130	130
Dam repair, rehab, and new construction	125	125
Umm Qasr to Basra water pipeline and treatment plant	200	200
Marsh projects	100	
Basra Channel Flushing	40	40
Subtotal, Water Resources projects	875	775
Total, Water Resources and Sanitation	4,585	4,332
Transportation and Telecommunications Projects:		
Airports	165	165
Umm Qasr Port rehab	45	45
Railroad rehab and restoration	303	300
Iraqi Telecom and Postal Corporation	124	100
(Postal IT ZIP Codes)	(9)	(-)
Iraqi Communications systems	109	95
(Business practices for Iraqi TV and radio)	(10)	(-)
(Numbering scheme 911 initiative)	(4)	(-)
Iraqi Communications operations	89	75
Undistributed reduction, transportation and telecommunications		-280
Total, Transportation and Telecommunications Projects	835	500
Roads, Bridges, and Construction:		
Housing construction	100	
Public buildings construction and repair	130	130
Roads and bridges	240	240
Total, Roads, Bridges, and Construction	470	370
Health care:		
Nationwide hospital and clinic improvements ²	393	493
Equipment procurement and modernization	300	300
Initiate 700m Basrah hospital project	150	
Health care partnerships	7	
Total, Health Care	850	793
Private Sector Development:		
American-Iraqi Enterprise Fund	200	
Expanded network of Employment Centers	8	8
Training	145	100
Micro-Small-Medium Enterprises		45
Total, Private Sector Development	353	153
Education, Refugees, Human Rights, Democracy, and Governance:		
Migration and Refugee Assistance	105	105
Local Information Centers	90	
Property Claims Tribunal	30	30
Banking system modernizations	30	30
Business training courses	20	
Human rights	15	15
Education		90
Civic programs	10	10
Total, Education, Refugees, Human Rights, and Governance	300	300
Transfer/financing		210

(Budget authority, dollars in millions)¹

Category and description	Supplemental request	Conference agreement
Total, Iraq Relief and Reconstruction Fund	20,304	18,649

¹ Figures in parenthesis are included in amounts above.² Includes \$50 million for pediatric facility in Basra.

The table above indicates programs that were supported in the House and Senate and those that raised questions and concerns and were reduced or eliminated, such as the procurement of trash trucks, development of business courses, zip code and 911 projects, housing projects, and the construction of two prisons for \$400,000,000 at \$50,000 per bed.

The conferees have included bill language providing that the Iraq Relief and Reconstruction Fund shall be used to protect and promote public health and safety, including the arrest, detention and prosecution of criminals and terrorists.

The conference report includes bill language, as proposed by the House that allows, but limits reallocations between functional categories, so that any category can be reduced by not more than 10 percent or increased by more than 20 percent. Acknowledging the unique circumstances in Iraq, the conferees have included language that the President may increase one such allocation by up to an additional 20 percent in the event of unforeseen or emergency circumstances. Transfers and reallocations between program, project and activities in the table above, if necessary, would be made subject to the standard notification procedures of the Committees on Appropriations. The conferees note that within the functional categories none of the funds provided are available to support any program, project or activity for which funds have been denied or restricted unless the Appropriations Committees are notified 15 days in advance and approve such reprogramming of funds.

Under section 2207 of the general provisions of this chapter, the conference report includes a requirement by the Office of Management and Budget, in consultation with the CPA and the Committees on Appropriations, to submit a financial plan beginning on January 5, 2004 and quarterly thereafter. This financial plan is similar to that proposed by the House under the heading "Iraq Relief and Reconstruction Fund".

The conferees have reinstated bill language, enacted in the fiscal year 2003 Iraq Relief and Reconstruction Fund but not included in the supplemental request, which specifies agencies that may receive apportionment from the Fund. Consistent with previous language, the conference report again lists the Department of Defense, the Department of Health and Human Services, the Department of State, the Department of Treasury and the United States Agency for International Development. The managers have added the Coalition Provisional Authority (CPA) to this list, and allow the CPA to receive direct apportionment of IRRF funds for the first time, with the understanding that the CPA establishes a Chief Financial Officer operating in accordance with the responsibilities and functions specified in the Chief Financial Officer Act.

The conferees have included bill language, similar to that in the Senate bill, that requires the Administrator of the CPA to seek

to ensure that programs in Iraq comply with the "Policy Paper: Disability."

The conference agreement includes a provision, similar to one in P.L. 108-11, which requires assistance to be made available to Iraqi civilians who have suffered losses as a result of military operations. The managers support medical, rehabilitation, shelter, microcredit, and other appropriate assistance to these individuals and expect all relevant agencies and organizations to coordinate efforts in providing this assistance.

The conferees have provided \$29,000,000 for the ongoing operating costs of USAID and \$6,000,000 for the State Department Bureau of International Narcotics Control and Law Enforcement. The managers expect the Office of Management and Budget to ensure that agencies supporting the CPA and the reconstruction effort in Iraq are fully financed for administrative expenses through the funds appropriated in the Iraq Relief and Reconstruction Fund, in an amount equal to up to 10 percent of programs administered. The conference report also includes bill language providing that up to 1 percent of the total appropriated for the Fund may be transferred to "Operating Expenses of the Coalition Provisional Authority."

The conference agreement includes bill language, similar to that included in House and Senate bills that the CPA shall work, in conjunction with relevant Iraqi officials, to ensure that a new Iraqi constitution preserves full rights to religious freedom and tolerance of all faiths. The conferees also expect that the CPA will work with Iraqis to include the guarantee of a number of other fundamental rights and individual freedoms, particularly basic human rights that were violated or denied during the tyrannical regime of Saddam Hussein.

The conference agreement includes language similar to that contained in the Senate bill providing \$100,000,000 for democracy building activities in Iraq. The managers endorse Senate report language on the use of these funds, and believe that elections are essential to restoring Iraqi sovereignty. The conferees expect the Committees on Appropriations to be consulted on the use of democracy building and governance funds in Iraq. The conference report also includes bill language providing \$10,000,000 for the United States Institute for Peace for activities to support peace enforcement, peacekeeping and post-conflict peacebuilding.

The managers include \$70,000,000 for education \$10,000,000 to support women's programs, and endorse Senate report language recommending \$20,000,000 for media outreach activities in Iraq.

Finally, the managers have provided for the transfer of \$210,000,000 to support other high priority foreign assistance programs, including \$100,000,000 for Jordan, \$100,000,000 for Liberia, and \$10,000,000 for Sudan.

OPERATING EXPENSES OF THE COALITION PROVISIONAL AUTHORITY

The conference report recommends \$983,000,000 for "Operating Expenses of the Coalition Provisional Authority" under this new heading as proposed by the House, instead of providing for administrative costs of the Coalition Provisional Authority (CPA) in Iraq within the total amount under the heading "Operation and

Maintenance, Army” as requested in the supplemental request and included in the Senate bill. The conference agreement provides an amount that is \$125,000,000 above the House bill, reflecting \$75,000,000 for the expenses of a new CPA Inspector General and office as provided in Title III of this Act, and \$50,000,000 for reporting and monitoring requirements and other supporting costs. The conferees have included language to ensure that the Department of Defense is able to continue to furnish assistance and services and any other support to the CPA.

The CPA currently oversees the reconstruction of Iraq, especially the non-military programs described in the Iraq Relief and Reconstruction Fund section of this report, from building waste water treatment systems to renovating health care centers to training law enforcement officials to providing computer training for Iraqi youth.

The conference report acknowledges CPA’s leadership and role. The managers expect to be kept updated on the progress of reconstruction efforts, roles and missions of supporting agencies, and implementation of programs funded by this Act.

The managers note that transparency is crucial for ensuring efficient, accountable reconstruction activities in Iraq. Therefore, this recommendation provides for the first time a direct operating appropriation for the CPA, and, under the Iraq Relief and Reconstruction Fund, the organization is given the authority to receive direct apportionment of program/project funds. The conferees expect that the Office of Management and Budget will transmit to the Committees on Appropriations by January 5, 2004, a budget justification for this new Operating Expenses account, including information required by OMB Circular A-11, such as standard financial information, program and financing and object classification schedules, and personnel summary data.

The conference report does not alter the reporting relationship of the Administrator of the CPA to the President through the Secretary of Defense. However, it does further transparency by clarifying the operational cost of United States reconstruction efforts in Iraq as part of United States foreign assistance, and the scope of the non-military reconstruction efforts.

Since the CPA is less than a year old and it is possible that the organization could require additional operational resources during this year, the managers also have included bill language in the Iraq Relief and Reconstruction Fund that provides authority, if needed, to transfer up to 1 percent for CPA’s operating expenses.

ECONOMIC SUPPORT FUND

The conference report recommends \$872,000,000 for the “Economic Support Fund” as proposed by the House, instead of \$422,000,000, as proposed by the Senate, primarily for reconstruction in Afghanistan. These funds would remain available for obligation until December 31, 2004.

The recommendation reserves \$672,000,000 for accelerated assistance for Afghanistan. The managers note the increasing terrorist activity against the Government of Afghanistan, international Coalition forces, and private non-governmental organizations providing relief and reconstruction assistance within Afghani-

stan, and concludes that the pace of reconstruction, as well as that of security assistance provided elsewhere in this chapter, must respond to the tenuous security conditions, especially in the southern and eastern provinces of Afghanistan.

The conferees recognize that further expansion of the mandate of the International Security Assistance Force (ISAF) can help improve the security environment in Afghanistan, and strongly encourage the Administration to support such expansion of ISAF.

The conferees fully support most of the urgent programs included in the budget justification for Afghanistan civil reconstruction, including roads, education, health, power generation/private sector development, and provincial reconstruction teams. The conference agreement provides \$60,000,000 for Afghan women and girls to ensure that programs, projects and activities funded in this Act include the participation of women and advance the social, economic, and political rights and opportunities of women in Afghanistan.

The State Department Coordinator of Assistance to Afghanistan and the Administrator of USAID are requested to provide the Committees not later than December 15, 2003, a fiscal year 2004 strategic and financial plan, including projected quarterly obligations by sector and major project (in excess of \$250,000), for all reconstruction and related activities in Afghanistan undertaken with funds provided by prior Acts, this Act and the Foreign Operations, Export Financing and Related Programs Appropriations Act, 2004.

The conference report recommends \$181,000,000 for major and provincial roads, an endeavor that is critical to both economic development and security in Afghanistan. The conferees commend those engaged in the challenging project to reconstruct and pave the major Kabul-Kandahar road by the end of 2003, recognize the dire security threat from neo-Taliban forces along its route, and urge United States Armed Forces in Afghanistan to increase surveillance of the construction areas and support for the private and Afghan national police security forces protecting the Kandahar road. The additional funding will sustain the momentum of the Kabul-Kandahar project, by financing secondary and tertiary road development, primarily in the previously neglected southern and central regions.

The conference report provides an additional \$95,000,000 for schools and education in Afghanistan, \$55,000,000 above the request, and \$95,000,000 for private sector development and power generation, \$50,000,000 above the request. The funds are expected to support market centers-industrial parks, land titling, natural resources assessment and power generation projects. The conference agreement does not include \$10,000,000 for a venture capital fund. The conference agreement provides \$65,000,000 to repair, rehabilitate and procure electric generation and distribution infrastructure in Afghanistan. In addition to the power requirements of Kabul already requested, the conference report has provided additional funds to rehabilitate and increase power generation from the Kajaki Dam facility that is essential to successful reconstruction in the politically sensitive Kandahar and Helmand provinces.

The conference report recommends an additional \$70,000,000 for support to the Government of Afghanistan (GoA). Of the rec-

ommended \$70,000,000, not less than \$25,000,000 will meet key GoA infrastructure needs, especially telecommunications between Kabul and the provinces. The Ministry of Finance will use not less than \$10,000,000 to improve customs collections at Afghanistan's 11 official border posts and remitting of customs to the ministry on a timely basis. An indeterminate amount will be needed to augment other donor contributions to an international trust fund to pay government salaries until economic growth increases government revenue sufficiently to meet salary costs.

The conference report recommends \$69,000,000 for elections and improved governance in Afghanistan, \$12,000,000 above the request. In governance, the conference report recommends that activities be undertaken to promote private investment and trade capacity building. The managers also support Senate report language recommending \$15,000,000 for media outreach activities in Afghanistan.

The conferees note that women in Afghanistan continue to struggle to achieve basic rights, which they were denied under the Taliban. Women were severely affected by their inability during those times to participate in local and national governance. The conferees have agreed to provide \$60,000,000 for technical and vocational education, programs for women and girls against sexual abuse and trafficking, shelters for women and girls, humanitarian assistance for widows, support of women-led NGOs, programs to disseminate information about the rights of women, and to provide women's rights training to military, police and legal personnel. Significant funding above the Administration's request has been added for Afghanistan to accelerate reconstruction efforts. Funds have been made available for these specific purposes to ensure that programs that address these critical needs are adequately funded.

Where possible, such programs should be implemented by local civil society groups, and especially local women's groups. The managers expect USAID to provide technical and other assistance to strengthen the capacity of these groups and to support their activities. The conferees are concerned that without greater attention to the specific challenges facing women and girls in Afghanistan, the country's prospects for broad-based economic growth and democratic development will be sharply reduced.

The managers have included bill language requiring that obligation of funds made available by this Act or by prior appropriations Acts for senior advisors to the Chief of Mission in Kabul be subject to notification. This provision does not apply to U.S. officials required to design and manage a massive Afghanistan assistance program, the actual number of which is presently insufficient due to a shortage of housing and office space. Ample funds are provided in this Act to construct an interim facility to accommodate additional assistance and security personnel in Kabul. The managers urge the Departments of State and Defense and USAID to immediately accelerate efforts to provide adequate office and housing space required for the effective management and oversight of activities funded in this Act, and keep the Committees fully informed of progress toward deploying an adequately staffed mission in Kabul.

The conference agreement provides \$50,000,000, as requested, for projects directly involving requirements identified by provincial reconstruction teams (PRTs) in eight to twelve provinces. In addition, \$8,000,000 is provided for dedicated air service, armored vehicles, and other security enhancements for the civilians deployed to the PRTs and other assistance managers in Afghanistan.

The conferees support an additional \$49,000,000 for health services in Afghanistan. If a permissive security situation is extended throughout all of Afghanistan during 2004, the additional health and road funds will accelerate achievement of the objective of bringing all Afghans within 4 hours' travel of a health clinic.

The managers expect not less than \$10,000,000 in ESF assistance to be made available through appropriate humanitarian organizations for additional food, clothing, heating and cooking fuel, emergency shelter materials, and other basic necessities for displaced Afghans in and around Kabul.

The conference agreement recommends an initial \$30,000,000 for disarmament, demobilization and reintegration (DDR) projects, \$30,000,000 below the request. The managers note that Japan has already provided full funding for the initial pilot projects in Northern Afghanistan that will help determine the feasibility of DDR projects prior to the training and deployment of a multi-ethnic Afghan National Army that is firmly under civilian Afghan control. The managers believe that Japan and other donors will make additional contributions to DDR projects if the pilot effort is a success and is replicable in other regions.

The managers also recommend that \$23,000,000, not included in the request, be provided for water projects in Afghanistan. Because of the essential role of irrigation in agriculture, and the lack of potable water in many urban areas and small towns, the managers request USAID to report not later than January 15, 2004 on the feasibility of expanding rural and urban water projects in Afghanistan.

The managers take note of the outstanding jobs that the men and women of USAID, the Departments of Defense and State and other federal agencies supporting the Embassy in Kabul and Afghanistan's reconstruction have accomplished under the most difficult of circumstances.

As the cooperation of the Government of Pakistan is vital to United States and Coalition efforts to build a stable Afghanistan, the conference agreement includes language proposed by the President to allow up to \$200,000,000 from "Economic Support Fund" to be made available for the subsidy cost of modifying direct loans and guarantees previously issued for Pakistan. The conference report includes the \$200,000,000, subject to a determination by the President that the Government of Pakistan is cooperating with the United States in the global war on terrorism.

The conference agreement also provides for the transfer to the Economic Support Fund from the Iraq Relief and Reconstruction Fund of \$100,000,000 for assistance for Jordan.

INTERNATIONAL DISASTER AND FAMINE ASSISTANCE

(INCLUDING TRANSFERS OF FUNDS)

The conference report recommends \$110,000,000 for International Disaster and Famine Assistance for Liberia and Sudan, instead of \$100,000,000 as proposed by the House or \$200,000,000 under the heading "Emergency Fund for Complex Foreign Crises" as proposed by the Senate.

The managers are very concerned about the humanitarian crisis in Liberia, where approximately 800,000 refugees and internally displaced persons are living in dire conditions. The managers have provided \$200,000,000 in "International Disaster and Famine Assistance" to address this situation. Of this amount, \$100,000,000 is made available by transfer from the "Iraq Relief and Reconstruction Fund".

The managers are aware of the important developments that have occurred in Sudan in an attempt to end more than 20 years of civil war. The conference agreement provides \$20,000,000 in "International Disaster and Famine Assistance" to bolster these efforts. Of this amount, \$10,000,000 is made available by transfer from the "Iraq Relief and Reconstruction Fund".

As other funds are available to respond to natural disasters abroad, the conference agreement limits the circumstances under which these funds may be obligated to those where the President determines that the proposed United States response to a complex foreign crisis is in the national interest and essential to efforts to reduce international terrorism.

The conference agreement includes a provision authorizing the transfer of up to one half of one percent of certain other funds to this account. All proposed obligations made available under this heading are made subject to the regular notification procedures of the Committees on Appropriations.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

The conference report recommends \$170,000,000 for "International Narcotics Control and Law Enforcement", as proposed by the House instead of \$120,000,000 as proposed by the Senate, for accelerated assistance for Afghanistan. These funds would remain available for obligation until December 31, 2004.

The conferees are gravely concerned about the increasing terrorist activity against the Government of Afghanistan and private non-governmental organizations providing relief and reconstruction assistance within Afghanistan. The capacity of Afghan security forces to protect their own government and international reconstruction efforts must be expanded as rapidly as feasible, and the increased funding responds to that urgent requirement.

The conferees note the leadership role of Germany, the United Kingdom and Italy in the police training, counter-narcotics and judicial reform sectors, respectively, and encourage each of these Coalition members to accelerate its assistance efforts in Afghanistan.

In order to respond to this rapidly evolving situation, the conference agreement provides \$160,000,000 to accelerate the training

and equipping of the Afghan National Police and Border Police and to increase counter-narcotics law enforcement capacity. In addition, \$10,000,000 is provided for the training of prosecutors, court officers and the Afghan judiciary. The managers intend that all assistance to Afghanistan be conducted on a basis of non-discrimination among its ethnic groups and include special emphasis on the rights of women and minorities.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING, AND RELATED PROGRAMS

The conference report recommends \$35,000,000 for "Non-proliferation, Anti-Terrorism, Demining and Related Programs" as proposed by both the Senate and the House. This level would support anti-terrorism training programs and equipment needs in Afghanistan, to continue the work of disarming the staggering number of mines throughout the country, and to provide in-country support for the protection of Afghan President Karzai.

MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

FOREIGN MILITARY FINANCING PROGRAM

The conference report includes \$287,000,000 for the "Foreign Military Financing Program", instead of \$222,000,000 as proposed by the Senate and \$297 million as proposed by the House, for accelerated security assistance on a non-repayable basis for Afghanistan. These funds would remain available for obligation until September 30, 2004. The rapid training and deployment of an ethnically balanced, professional national army for Afghanistan is essential to the success of Coalition efforts to promote a stable and peaceful Afghanistan.

The managers encourage the President, the Secretary of State and the Secretary of Defense to continue to remind the Government of Afghanistan that United States military assistance is provided to build a new Afghanistan army that is professional, multi-ethnic, and loyal to the civilian leadership in the central government. Failure of the Government of Afghanistan to continue moving rapidly toward this common objective should not be rewarded with continuing military assistance by any agency of the United States Government to armed militias or army units that do not share these objectives.

To this end, the conferees request the Secretary of State, in consultation with the Secretary of Defense, to provide it with periodic reports on the progress of the new Afghan army, meeting the criteria set forth in House Report 108-312.

PEACEKEEPING OPERATIONS

The conference report recommends \$50,000,000 for "Peacekeeping Operations" as proposed by both the Senate and the House. This level would support multilateral peacekeeping needs in Iraq and Afghanistan.

GENERAL PROVISIONS—THIS CHAPTER

The managers recognize that debt incurred under the Saddam Hussein regime presents a potential challenge to the country's development. However, this supplemental appropriations act is intended to meet emergency needs, and the managers are of the opinion that paying foreign debtors out of United States funds is not among those needs. The conference report includes section 2201, a general provision included in the House bill and similar to the Senate bill, that prohibits the use of funds appropriated in this Act, or in the 2003 Iraq Supplemental Appropriations Act (P.L. 108-11), to be used to pay for any debt entered into by the Iraqi government before the defeat and overthrow of Saddam Hussein. Nothing in this provision, however, should be construed as discouraging the Departments of State and Treasury from working with lenders in reducing and restructuring Iraq's debt burden. The House addressed this matter in section 2201 and the Senate in section 2311.

Both the House and Senate bills included a number of provisions intended to require greater adherence to full and open competition. Both the House and Senate bills provide that when other than full and open competition is pursued, if necessary, then the agency using other than full and open competitive procedures must inform the Congress and the American public.

It is in the best interests of most involved, including the United States business sector and the Iraqi people, to use open and full competition for all but a very limited number of contracts. For situations in which ensuring such competition might be inappropriate—such as in cases of an emergency—the managers believe that existing federal regulations allow for adequate flexibility.

Therefore, the conference agreement includes language in sections 2202 and 2203 to limit the use of non-competitive contracts in the "Iraq Relief and Reconstruction Fund" in this Act and Public Law 108-11. This language is in lieu of a number of "competition in contracting" provisions in both the House and Senate bills. This conference agreement preserves the prerogative to waive the requirement for full and open competition in certain circumstances, as outlined in applicable federal procurement regulations. The provisions require that such a waiver be with the written approval of the Administrator of the Coalition Provisional Authority and the head of an agency of the United States Government that awards and manages the contract, and that information on the contract and the justification of the waiver be transmitted to the appropriate committees of Congress and be made available to the public. The certifications cannot be delegated, and must be transmitted to the appropriate congressional committees and made available to the public 7 days before the non-competitive contract is awarded. The provision pertains to the amendment, extension or modification of contracts entered into prior to the enactment of this Act using other than full and open competitive procedures, including so called "limited competition" contracts. This is intended to require notification of significant changes in scope or increased funding above award ceilings for contracts that were previously awarded under "limited competition." Contracts below a value of \$5,000,000 are exempted from these requirements as are small businesses as

defined in 15 USC 631 et seq. The House addressed contracting issues in sections 2202, 2203, and 3007 and the Senate addressed these issues in section 5003.

In sections 2204 and 2205, the managers recommend language similar to that requested by the President to clarify, extend and broaden authorities provided in Public Law 108-11. These authorities suspend relevant provisions of the Iraq Sanctions Act and make inapplicable to Iraq certain provisions of law that restrict assistance to countries that support terrorism. They also authorize the export of arms to specific Iraqi security forces. Instead of making permanent these authorities as requested by the President, the conference report extends them for another year. The House and Senate bills each provided similar language.

Although the President, on May 7, 2003, exercised his authority under section 1503 in Public Law 108-11 as originally enacted to make permanently inapplicable to Iraq any provisions of law that apply to countries that support terrorism and to suspend relevant provisions of the Iraq Sanctions Act, the amendment in section 2204 extending the expiry date of section 1503 is necessary to ensure that laws referred to in its fourth and fifth provisos, i.e., section 307 of the Foreign Assistance Act requiring withholding of the United States proportionate share of contributions to international organizations that have programs in Iraq and provisions of law directing voting against or opposing programs, shall not apply with respect to Iraq through fiscal year 2005.

In section 2204, the conference report amends section 1504 of Public Law 108-11 to include language specifically authorizing the export of small arms to private security forces and extending the authorities of this section for another year. With regard to the export of lethal military equipment for private security purposes, the managers intend that only small arms may be exported for such purpose. For the purposes of this section, the managers understand small arms to mean all equipment listed in Category I of the International Traffic in Arms Regulations (22 CFR 120-130), and that such exports shall be made for the purposes of providing security for contractor operations during the reconstruction of Iraq. For all equipment exported under this section, the managers expect that the notification contained in this section shall contain specific information with respect to the end user and the purposes for which such equipment has been exported. The conference report does not include language requested by the President that would authorize the export of advanced conventional equipment to Iraq, such as long-range precision guided munitions, fuel air explosives, cruise missiles, laser weapons, and military satellites.

The conference report includes language in section 2206 that increases the cumulative value of military equipment that the Department of Defense may provide to Afghanistan from \$300,000,000 to \$450,000,000. This provision was in section 2206 of the House bill and section 301 of the Defense chapter of the Senate amendment.

The conference report includes a new general provision, section 2207, that is similar to the House language requiring the Office of Management and Budget to submit to the Committees on Appropriations a financial plan no later than January 5, 2004 and every

3 months thereafter. The managers have restricted the obligation of all but up to 20 percent of funds under the heading "International Relief and Reconstruction Fund" until this plan is submitted, but the managers intend that any funds spent before the plan is submitted also will be detailed in the financial plan. The managers direct that the financial plan be updated quarterly to reflect any prospective changes to estimates of future or ongoing projects, and require that the Administration notify the Committees on Appropriations 15 days prior to obligation of any increases at the project level to the financial plan between quarterly submissions. The table in this conference statement under the heading "Iraq Relief and Reconstruction Fund" provides functional categories as well as program activities. The managers expect the financial plan to correspond with these functional categories but also include more specific project level detail including, but not limited to, specific capital projects including bridges, railroads, training centers, roads, prisons, hospitals, and health clinics, as well as the establishment of training programs, and repatriation of refugees and internally displaced persons by implementer. For capital projects, the managers direct that the OMB include a breakdown of cost estimates that explains the assumptions and data on which the estimates were based. The managers also intend that for each line of project-level activity, the financial plan specify which United States Government agency will be expected to implement the project. The conference report requires that OMB consult with the Committees on Appropriations prior to submitting the plan. The managers view this consultation as an ongoing process, one that should start immediately after enactment of this Act and continue until the first plan is submitted, and every 3 months thereafter. The Senate had similar language in sections 2310 and 2321.

Section 2208 is the same as the general provision in the House bill that deems any successor United States Government entity to the CPA as the CPA for purposes of authorities and responsibilities in this Act. The Senate did not address this matter.

In section 2209, House bill language is included so that funds are made available for Iraq and Afghanistan notwithstanding any other provision of law not contained in this Act that restricts assistance to foreign countries, and section 660 of the Foreign Assistance Act. Such authority is subject to five days notification. The Senate addressed this matter in section 2302.

In section 2210, the conference agreement includes language that provides that funds appropriated by this chapter may be obligated and expended notwithstanding section 10 of Public Law 91-672 and section 15 of the State Department Basic Authorities Act of 1956, as proposed by both the Senate and the House.

The conference report includes language in section 2211 that allows the Overseas Private Investment Corporation to operate in Iraq notwithstanding any other provision of law. The managers support OPIC programs in Iraq, and the conference report provides language to permit the President to enter into agreements with an entity other than a host country government. However, the managers do not expect that OPIC's authority will be exercised to waive other existing statutory requirements including longstanding Congressional mandates; therefore, the conference report requires

that the exercise of such authority is subject to the regular notification procedures of the Committees on Appropriations. The Senate addressed this matter in section 2307.

The managers direct the Export-Import Bank of the United States and the Trade and Development Agency to report quarterly during fiscal year 2004, beginning 90 days after enactment of this Act, to the Committees on Appropriations regarding each agency's activities in Iraq.

In section 2212, the conference report includes a provision similar to the Senate amendment that allows transfers among international assistance programs in this chapter in an amount not to exceed \$100,000,000. The House did not address this matter.

Section 2213 of the conference report reflects the Senate language on extending the waiver on Pakistan sanctions. The House did not address this matter.

Section 2214 amends the authorization levels in the Afghanistan Freedom Support Act to be consistent with the levels of funding provided in this Act and H.R. 2800. The reporting requirements in section 2312 of the Senate bill are addressed in section 2215 of the conference report. The House bill did not address this matter.

Section 2215 is a new section that consolidates many of the reporting requirements of the House and Senate bills under one provision entitled "Reports on Iraq and Afghanistan". This includes issues relating to debts owed by the government of Saddam Hussein in Iraq, efforts of the United States to increase resources contributed by foreign countries and international organizations to the reconstruction of Iraq, the manner in which the needs of people with disabilities are being met in the development and implementation of reconstruction activities in Iraq and Afghanistan, progress made in indicting leaders of the former Iraqi regime for war crimes, and efforts by the Coalition Provisional Authority and relevant Iraqi officials to preserve religious freedoms. In addition, this provision includes a monthly reporting requirement on Iraqi oil production and oil revenues, and the use of such revenues, and progress made in accomplishing United States assistance and development goals in Afghanistan. This section reflects the requirements of House section 2207 and Senate sections 2309 and 2314.

In section 2216, the conference report prohibits funds appropriated or otherwise made available by chapter 2 of title II of this Act from being obligated for any activity in contravention of the Optional Protocol to the Convention on the Rights of the Child on the Involvement of Children in Armed Conflicts. This is similar to Senate section 2318, and the House did not address this matter.

Section 2217 is a new general provision that relates to women's participation in reconstruction in Afghanistan and Iraq.

The conference agreement does not include language from the Senate bill expressing the sense of Congress on certain matters. The managers endorse the intent of this language, specifically that: each country that is owed a debt by Iraq that was incurred during the regime of Saddam Hussein should forgive such debt; arbitrary deadlines should not be set for the dissolution of the Coalition Provisional Authority, and that transfer of authority should occur only after the ratification of an Iraqi constitution and the establishment of an elected government in Iraq takes place; the United States

should make every effort to increase the level of financial commitment from other nations to reconstruction in Iraq, and that the United States contributions to these efforts should be done in a manner that promotes economic growth in Iraq and limits the long-term cost to American taxpayers; and, the removal of the Government of Iraq under Saddam Hussein enhanced the security of Israel and other United States allies.

The managers do not include House sections 2212 and 2213 and Senate sections 2308, 2310, 2313, 2314, 2315, 2316, 2317, 2319, 2320.

TITLE III—INSPECTOR GENERAL OF THE COALITION PROVISIONAL AUTHORITY

The conference agreement includes a new title that establishes an Inspector General of the Coalition Provisional Authority (CPA). This title is in lieu of provisions in the Senate version of the bill to establish an Inspector General of the CPA. The House bill did not contain a comparable provision.

The Inspector General will perform oversight and promote transparency on tracking of funds; provide continuing review and accumulation of data concerning both reconstruction activities and contracting; monitor the constant flow of information, particularly the accounting of the use of funds and transfers of funds between agencies and other third parties; and establish controls and a record-keeping system that can accumulate and maintain records for future reviews, investigations, and/or audits.

Funding is provided for the Inspector General within the Operating Expenses of the Coalition Provisional Authority account in Title II of this Act.

TITLE IV—GENERAL PROVISIONS—THIS ACT

The conference agreement includes a provision, as proposed by the House, which limits the availability of funds provided in this Act.

The conference agreement includes a provision, as proposed by the Senate, designating the amounts provided in the Act as emergency requirements. The House did not include a similar provision, but did include individual emergency designations with each appropriation account.

The conference agreement contains modified language proposed by the House which ensures that schools serving the children of military personnel continue to receive Impact Aid funds when their parents are deployed or killed while on active duty and the child continues to attend the same local educational agency. The Senate bill did not include this provision.

The conference agreement does not include additional funds for the Department of Veterans Affairs. The Senate proposal included \$1,300,000,000 for medical care. The House proposal did not include supplemental funds.

The conference agreement does not include a provision proposed by the Senate (Sec. 5001) requiring the President to submit to each Member of Congress a report on the projected total costs of United States operations in Iraq, including military operations

and reconstruction efforts, through fiscal year 2008. The House did not include a similar provision.

The conference agreement does not include a provision proposed by the Senate (Sec. 5006) to permit personal injury claims by United States citizens and their spouses and children against a foreign state relating to such citizens being held hostage between 1979 and 1981. House did not include a similar provision.

The conference report does not include House section 3004, prohibiting funds from being provided to any unit of security forces of a foreign country if these forces credibly have been alleged to have been involved in abuses of human rights. As this is also a general provision in the annual foreign operations appropriations Acts, the managers expect these criteria to apply to all funds provided in fiscal year 2004.

The managers do not include House sections 3002, 3004, 3005, 3006, and 3007 and Senate sections 5003, 5004, 5005, and 5007.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 2004 recommended by the Committee of Conference, with comparisons to the 2004 budget estimates, and the House and Senate bills for 2004 follow:

[In thousands of dollars]	
Budget estimates of new (obligational) authority, fiscal year 2004	\$87,039,804
House bill, fiscal year 2004	86,856,029
Senate bill, fiscal year 2004	86,449,004
Conference agreement, fiscal year 2004	87,442,198
Conference agreement compared with:	
Budget estimates of new (obligational) authority, fiscal year 2004	+402,394
House bill, fiscal year 2004	+586,169
Senate bill, fiscal year 2004	+993,194

BILL YOUNG,
 JERRY LEWIS,
 HAL ROGERS,
 FRANK WOLF,
 JIM KOLBE,
 JAMES T. WALSH,
 JOE KNOLLENBERG,
 JOHN P. MURTHA,
 NITA M. LOWEY,
 CHET EDWARDS,

Managers on the Part of the House.

TED STEVENS,
 THAD COCHRAN,
 ARLEN SPECTER,
 PETE DOMENICI,
 CHRISTOPHER BOND,
 MITCH MCCONNELL,
 CONRAD BURNS,
 RICHARD C. SHELBY,
 JUDD GREGG,
 ROBERT F. BENNETT,
 BEN NIGHTHORSE CAMPBELL,

LARRY CRAIG,
KAY BAILEY HUTCHISON,
MIKE DEWINE,
SAM BROWNBACK,
DANIEL K. INOUE,
(except title II),
ERNEST F. HOLLINGS
(except title II),
PATRICK J. LEAHY
(except title II),
TOM HARKIN
(except title II),
BARBARA A. MIKULSKI
(except title II),
HARRY REID
(except title II),
PATTY MURRAY
(except title II),
BYRON L. DORGAN
(except title II),
DIANNE FEINSTEIN
(except title II),
TIM JOHNSON
(except title II),
MARY L. LANDRIEU
(except title II),
Managers on the Part of the Senate.

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