

THE WHITE HOUSE
WASHINGTON

March 25, 2003

Dear Mr. Speaker:

On October 16, 2002, I signed into law the "Authorization for Use of Military Force Against Iraq Resolution of 2002" (Public Law 107-243). After condemning Saddam Hussein's continued possession of chemical and biological weapons, obstruction of inspections, and brutal repression of the Iraqi people, the Congress affirmed, "Iraq poses a continuing threat to the national security of the United States and international peace and security of the Persian Gulf region and remains in material and unacceptable breach of its international obligations."

Subsequent to enactment of Public Law 107-243, the United Nations Security Council unanimously agreed to Resolution 1441 offering Iraq one final chance to disarm. After more than a decade of deceit and defiance, the regime, yet again, failed to "fully and unconditionally" comply. Iraq continues to pose a grave danger to global peace and security. The United States and our allies must seek to disarm Iraq and liberate the Iraqi people, and we will prevail.

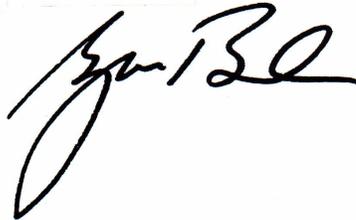
Today, I submit a request for 2003 supplemental appropriations to support Department of Defense operations in Iraq and to strengthen the capabilities of our friends and allies who will share the burden of military and stabilization activities. Disarming and liberating Iraq is a first step. This request also provides immediate humanitarian relief, support for reconstruction and the development of a free-market democracy in Iraq. Finally, the request will enhance the safety and well-being of Americans at home and abroad with investments managed by the Department of State, the Department of Homeland Security, and other agencies.

This request reflects urgent and essential requirements. Much of the funding has been requested with flexible authorities. This flexibility will ensure requirements can be immediately addressed as they arise despite the unpredictable scope,

duration and intensity of operations. I ask the Congress to appropriate the funds as requested, and promptly send the bill to me for signature. I urge the Congress to refrain from attaching items not directly related to the emergency at hand.

This supplemental request provides essential support to guarantee the success and safety of our men and women in uniform, to help enhance the security of America and her citizens, and to establish an Iraqi nation, free, prospering and at peace with her neighbors.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Dennis Hastert". The signature is written in a cursive style with a large, sweeping initial "J".

The Honorable J. Dennis Hastert
Speaker of the House of Representatives
Washington, D.C. 20515

Enclosure



THE DIRECTOR

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

March 25, 2003

The President

The White House

Submitted for your consideration are requests for FY 2003 supplemental appropriations that would provide funds to cover military operations, relief and reconstruction activities in Iraq, ongoing operations in the global war on terrorism, enhancements to the safety of U.S. diplomats and citizens abroad, support for U.S. allies critical to succeeding in the war, and homeland security protection and response measures.

You have made the decision to use all necessary means to enforce multiple U.N. Security Council Resolutions and implement the Joint Congressional Resolution to disarm Iraq. To achieve these objectives, enhance security in the United States, and support crucial friends and allies, the request for supplemental funds includes:

Department of Defense and classified activities

\$62.6 billion is requested to address the costs related to military operations against Iraq and sustaining efforts in the continuing global war on terrorism. The request includes funds for preparatory costs already incurred, the estimated costs associated with military operations against Iraq, and replenishing munitions that are likely to be expended. The proposal also includes funds to support other nations in the global war on terrorism.

The request is built on the key assumption that U.S. military action in Iraq will be swift and decisive. We are seeking funds in a consolidated emergency response account which will allow the maximum flexibility to promptly transfer funds as needed to the appropriate agency, service, or account as the war advances. The request includes:

Defense Emergency Response Fund (\$59.9 billion)

- *At least \$53.4 billion for Military Operations in Iraq.* This amount would cover the costs associated with: the mobilization to active duty of Reserve and National Guard personnel to support military operations on a full-time basis, including pay, travel, per diem, and health care; personnel necessary to maintain critical manning at authorized levels and special pays, such as Imminent Danger Pay, Family Separation Allowance, and Foreign Duty Pay; support for active duty military personnel; and, operations, such as incremental

flying hours, ship steaming days, ground operations, special airlift missions, increased associated ship and aircraft maintenance, associated logistics support, fuel purchases, base support, and reconstruction. These funds also will reimburse accounts used for projects completed or underway that were necessary to prepare for military action in Iraq.

- *Up to \$3.7 billion for Munitions Replenishment.* These funds would be used to replenish munitions expended during military operations in Iraq and in the global war on terrorism. These funds could be used to replace precision munitions, ammunition, and other conventional munitions in order to restore inventories to pre-conflict levels.
- *At least \$1.7 billion for Classified Activities.* These funds would cover the costs associated with classified activities undertaken in Iraq and in the global war on terrorism.
- *Up to \$1.1 billion for Equipment Procurement and Research and Development.* These funds would be used to develop, procure, and upgrade systems necessary to prosecute the global war on terrorism, including operations in Iraq. These systems include command, control, communications, computer and intelligence equipment, chemical and biological detection and decontamination gear, targeting devices, and spare and repair parts needed to keep pace with increased operational tempo.

Other Defense Accounts (\$2.7 billion)

- *\$1.4 billion to Support Coalition Partners.* These funds would assist key cooperating nations supporting military operations in Iraq and the global war on terrorism.
- *\$0.7 billion for Other Programs.* These funds would cover the costs to repair potential damage to Iraqi oil facilities and assure an adequate internal distribution infrastructure. Funds would also continue U.S. efforts to support Colombia's unified campaign against narcotics trafficking and terrorist activities and would continue training of the Afghan National Army.
- *\$0.4 billion for Fuel.* This amount would cover the increased cost of fuel.
- *\$0.2 billion for Military Construction.* These funds would be used to construct facilities in Guantanamo Bay, the government's focal point for the processing, interrogation, adjudication, and detention of enemy combatants captured in the global war on terrorism. The funds also would cover construction of taxiways, parking aprons at Air Force facilities in the Middle East, and construction of housing and facilities for military and civilian personnel of coalition partners supporting the global war on terrorism.

Department of State

\$296 million is proposed for necessary operating costs for the Department of State, evacuation of U.S. citizens worldwide, and assistance for refugees or internally displaced persons due to the conflict with Iraq.

- *\$101 million for Diplomatic and Consular Programs.* These funds would provide for additional operating costs for the Department of State globally, in Iraq, and to enhance worldwide security programs.

- *\$66 million for Emergencies in the Diplomatic and Consular Service.* These funds would be used to evacuate U.S. government employees and private citizens and to provide additional services to American citizens should the need arise. Funds would be returned to the Treasury if unused by year's end.
- *\$50 million for the U.S. Emergency Refugee and Migration Assistance Fund (ERMA).* These funds would replenish resources to enable this account to respond to urgent, unforeseen refugee and migration events. ERMA funds were used to support international organizations' prepositioning of supplies related to potential conflict.
- *\$34 million for the Andean Counterdrug Initiative.* These funds would be used for needed security and counterdrug assistance in Colombia.
- *\$25 million for International Narcotics Control and Law Enforcement.* These funds would be used for border security requirements in Pakistan.
- *\$20 million for Embassy Security, Construction and Maintenance.* These funds would be used for immediate temporary facilities for State Department and other agency employees in Iraq.

International Assistance Programs

\$5.02 billion is requested to support key coalition partners in the conflict with Iraq and in the global war on terrorism. This request includes:

- *\$2.1 billion for Foreign Military Financing.* These funds will strengthen the forces of our partners and allies in military and stabilization operations in Iraq and the ongoing war on terrorism. \$1 billion would be made available for Israel to enhance security in light of threats posed by the war with Iraq.
- *\$2.4 billion for the Economic Support Fund (ESF).* These funds would provide critical economic support to Jordan, Turkey, Afghanistan, and Egypt and support educational and economic opportunities in the Middle East. In addition, loan guarantees will be made available to Israel. Of the total requested for ESF, \$40 million would reimburse amounts used to preposition relief and reconstruction supplies and services prior to the conflict.
- *\$0.2 billion for Peacekeeping Operations.* These funds would assist coalition partners and front line states supporting operations in Iraq, including funding for follow on stabilization activities.
- *\$150 million for the United States Emergency Fund for Complex Foreign Crises.* This contingency fund would be used for a range of unforeseen needs including support for stabilization operations in Iraq. Use of this Fund would require a Presidential determination that a complex emergency exists and that it is in the national interest to use the Fund to respond to it.

- *\$120 million for International Disaster Assistance (\$80 million) and Child Survival and Health Programs Fund (\$40 million).* These resources would reimburse these accounts for funds used to preposition people, supplies, and commodities prior to the conflict with Iraq.
- *\$28 million for Nonproliferation, Anti-Terrorism, Demining and Related Programs.* These funds would be used in Afghanistan for antiterrorism training, protection equipment, and demining, and for antiterrorism training programs in other countries.
- *\$22 million for Operating Expenses of the Agency for International Development (USAID).* These funds would help cover the cost of potential evacuations of USAID personnel, fund start-up costs for USAID operations in Iraq, and help cover costs of the USAID Inspector General for auditing reconstruction and relief activities in Iraq.

Broadcasting Board of Governors

- *\$30.5 million for International Broadcasting Operations.* These funds would be used to accelerate Middle East Television Network start-up and increase radio broadcasting to Iraq.

Homeland Security Requirements

\$4.25 billion is proposed to address Homeland Security requirements, which includes:

- *\$3.5 billion for the Department of Homeland Security.* This would provide \$1.5 billion for prevention and response operations of departmental agencies, such as increased border and maritime operations, including Coast Guard support of the Department of Defense; and \$2.0 billion for Office for Domestic Preparedness assistance to state and local governments to support federally-coordinated terrorism prevention and security enhancements at this time of heightened threat, and terrorism preparedness for first responders.
- *\$500.0 million for the Department of Justice.* These funds would support immediate and emerging terrorism-related prevention and response requirements, including additional intelligence and investigative activities.
- *\$250.0 million for the Executive Office of the President's Emergency Response Fund.* These funds would support immediate and emerging terrorism-related prevention and response requirements throughout the federal government.

Specific homeland security requirements must be flexible enough to meet emerging threats or respond to attacks, so precise allocation of these funds cannot be determined in advance. Congressional notification would be provided 15 days prior to any anticipated allocation of funds.

Executive Office of the President (EXOP)

- *\$2.4 billion is requested for EXOP for Relief and Reconstruction in Iraq.* This request would fund a new flexible account focused on Iraq relief and reconstruction. \$1.7 billion is requested to support reconstruction in the areas of health, water/sanitation, education, electricity, transportation, telecommunications, rule of law/governance, economic and financial policy, and agriculture. \$543 million is requested for humanitarian assistance to refugees, internally displaced persons, and vulnerable individuals, including humanitarian demining in and around Iraq. In addition, up to \$200 million will be available to replenish accounts drawn down to buy emergency food stocks for the Iraqi people. Flexible authorities for this account will allow quick transfer of funds to all agencies involved in relief and reconstruction as requirements are defined. These funds are in addition to reimbursements for costs already incurred to preposition relief supplies. The total commitment of resources for Iraq relief and reconstruction is approximately \$3.5 billion. This includes funds made available under the DoD heading for oil field repair, contingency accounts, and reimbursement for pre-positioning supplies.
- Additional funding for the Executive Office of the President is discussed under Homeland Security Requirements.

Legislative Branch

- *\$125 million is requested for the Legislative Branch.* These funds would support immediate and emerging terrorism-related prevention and response requirements throughout the Legislative Branch.

I have carefully reviewed these proposals and am satisfied that they are necessary at this time. Therefore, I join the heads of the affected Departments and agencies in recommending you transmit the proposals to the Congress.

Sincerely,



Mitchell E. Daniels, Jr.
Director

Enclosures

DEPARTMENT OF DEFENSE

OPERATION AND MAINTENANCE

Operation and Maintenance, Defense-Wide

For an additional amount for "Operation and Maintenance, Defense-Wide," to remain available until expended, \$1,400,000,000, which may be used, notwithstanding any other provision of law, for payments to Pakistan, Jordan, and other key cooperating nations, for logistical and military-related support provided, or to be provided, to the United States 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 concurrence of the Secretary of State and in consultation with the Director of the Office of Management and Budget, may determine, in his discretion, and such determination is final and conclusive upon the accounting officers of the United States.

This request would fund payments to key cooperating nations (e.g., Pakistan, Jordan) providing logistical and military support to U.S. military operations in Iraq and in connection with the global war on terrorism. This request includes \$1.3 billion for payments to coalition countries participating in or providing military, logistical, or other support for military operations in Afghanistan and \$0.1 billion for military operations in Iraq. Such support includes transportation into the theater, providing supplies to coalition forces in the theater, and helping coalition forces with communications support.

DEPARTMENT OF DEFENSE

OPERATION AND MAINTENANCE

Drug Interdiction and Counter-Drug Activities, Defense

For an additional amount for "Drug Interdiction and Counter-Drug Activities, Defense," \$34,000,000: Provided, 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 shall 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: 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.

This request would fund increased operational tempo in Colombia's unified campaign against narcotics trafficking and terrorist activities.

DEPARTMENT OF DEFENSE
OPERATION AND MAINTENANCE

Defense Emergency Response Fund

For an additional amount for "Defense Emergency Response Fund," \$59,863,200,000, to remain available until expended, of which notwithstanding any other provision of law, amounts shall be available as follows:

- 1) at least \$53,346,000,000 for military operations in Iraq and the global war on terrorism;
- 2) up to \$3,700,000,000 to replenish munitions expended for military operations in Iraq and the global war on terrorism;
- 3) up to \$1,050,200,000 for research, development, testing, and evaluation (RDT&E), and procurement of equipment necessary to engage in military operations in Iraq and the global war on terrorism;
- 4) at least \$1,717,000,000 for classified programs, in addition to amounts provided herein for RDT&E and procurement; and
- 5) not to exceed \$50,000,000, to remain available until September 30, 2003, to support the military operations or activities of foreign nations in furtherance of the global war on terrorism, including equipment, supplies, services, and funding on such terms as the Secretary of Defense, with the concurrence of the Secretary of State, may determine;

Provided, That the Secretary of Defense may transfer the funds provided herein to appropriations for military personnel; operation and maintenance; Overseas Humanitarian, Disaster Assistance, and Civic Aid; procurement; research, development, test and evaluation; military construction; the Defense Health Program; and working capital funds: Provided further, That the funds transferred shall be merged with and shall 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: Provided further, That the Secretary of Defense shall submit a report no later than 30 days after the end of each fiscal quarter to the Defense Oversight Committees of the details of any transfer of funds from the "Defense Emergency Response Fund": 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.

This request would fund personnel, personnel support, and other support costs of military operations in Iraq and the global war on terrorism. Appropriating the funding in the Defense Emergency Response Fund (DERF), with its own transfer authority, would provide the flexibility to allocate resources to Components on a timely basis despite the unpredictable scope, duration,

and intensity of these military operations. The Department of Defense (DoD) will continue to track the funding separately to ensure proper accounting for the costs of the war.

This request includes almost \$53.4 billion to cover the costs associated with: the mobilization to active duty of Reserve and National Guard personnel to support military operations on a full time basis, including pay, travel, per diem, and health care; personnel necessary to maintain critical manning at authorized levels and special pays, such as Imminent Danger Pay, Family Separation Allowance, and Foreign Duty Pay; support for active duty military personnel; and operations, such as incremental flying hours, ship steaming days, ground operations, special airlift missions, increased associated ship and aircraft maintenance, associated logistics support, fuel purchases, base support, and reconstruction. These funds also will reimburse accounts used for projects completed or underway that were necessary to prepare for military action in Iraq.

The request also includes up to \$3.7 billion to replenish munitions expended or expected to be expended as a result of actual operations in Iraq, training, and related activities in the global war on terrorism. The funding would replenish inventories and could include precision-guided weapons such as the Laser Guided Bomb, Joint Standoff Weapon, Javelin, TOW, Army Tactical Missile System, Multiple Launch Rocket System, Patriot, and conventional ammunition, which could include bomb bodies, small and medium caliber ammunition, tank ammunition, mortars, artillery, rockets, and others as necessary.

The request includes up to \$1.1 billion for procurement and research, development, test, and evaluation requirements to support military operations in Iraq. These funds would cover critical requirements, such as command, control, communications, computer and intelligence equipment, chemical and biological detection and decontamination gear, targeting devices, and spares and repair parts needed to keep pace with increased operational tempo.

The request includes at least \$1.7 billion for classified programs, which will be further described in the classified annex to this request.

In addition, the request would fund distribution of humanitarian daily rations. Further, it would fund the repair and maintenance of work consistent with the terms of the Oman Access Agreement for U.S. caused damages to Thumrait and Masirah airports.

This DERF language also authorizes DoD, with the concurrence of the Secretary of State, to use up to \$50 million of the amount appropriated to the DERF for the limited purpose of supporting military operations or activities of foreign nations in furtherance of the global war on terrorism. The provision would permit DoD to respond to immediate requirements to support foreign military forces by sustaining their personnel and logistical operations in order to ensure that these forces can continue to engage effectively and cooperatively in military operations and activities that advance U.S. military objectives in the global war on terrorism. The provision complements the Department of State's international security assistance program, which is designed to meet peacetime requirements. The provision would enable DoD to support foreign forces rapidly, in response to emerging, unanticipated emergency requirements. The requirement for the concurrence of the Secretary of State ensures that the implementation of this authority is exercised in a manner consistent with and supportive of other foreign assistance programs.

DEPARTMENT OF DEFENSE

OPERATION AND MAINTENANCE

Natural Resources Risk Remediation Fund

For expenses necessary to address emergency fire fighting, repair of damage to oil facilities and related infrastructure and preserve a distribution capability, \$489,300,000, to remain available until expended: Provided, That the Secretary of Defense may accept from any person, foreign government, or international organization, and credit to this fund, any contribution of money for such purposes: Provided, That the Secretary of Defense may transfer these funds to other appropriations or funds of the Department of Defense to carry out such purposes, or to reimburse such appropriations or funds for expenses incurred for such purposes: Provided further, That funds so transferred shall be merged with and shall be available for the same purposes and for the same time period as the appropriation or fund 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: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided, such amounts may be transferred back to this appropriation.

This request would provide funds for emergency fire fighting, repair to damaged oil facilities, and to preserve or rebuild the fuel distribution system.

DEPARTMENT OF DEFENSE

MILITARY CONSTRUCTION

Military Construction, Navy

For an additional amount for "Military Construction, Navy," \$48,100,000, to remain available until expended.

This request would fund military construction projects in Guantanamo Bay, the worldwide focal point of the U.S. government for processing, interrogation, adjudication, and detention of enemy combatants captured in the global war on terrorism. Additional facilities are required for military commissions, the Criminal Investigation Task Force, a sensitive compartmented information facility, isolation and interrogation facilities, and berthing (metal panel huts) to house all guard and security forces.

DEPARTMENT OF DEFENSE

MILITARY CONSTRUCTION

Military Construction, Air Force

For an additional amount for "Military Construction, Air Force," \$129,400,000, to remain available until expended.

This request would fund the planning, design, and construction of several Air Force facilities: planning and design (\$5.1 million); construction of a parallel taxiway (\$25.0 million) and a C-130 aircraft parking apron (\$11.0 million) at classified locations; the construction of an explosive ordinance pad at Diego Garcia (\$3.2 million); and the construction of headquarters, billeting, medical, dining, and related facilities for military and civilian representatives of coalition partners supporting operations in Iraq (\$85.1 million).

DEPARTMENT OF DEFENSE
REVOLVING AND MANAGEMENT FUNDS

Defense Working Capital Funds

For an additional amounts for "Defense Working Capital Funds," \$430,000,000.

This request would provide for increased cost of fuel required to support military units and operations.

DEPARTMENT OF DEFENSE

GENERAL PROVISIONS

Sec. _____. Under the heading, "Operation and Maintenance, Defense-Wide," in title II of the Department of Defense Appropriations Act, 2003 (Public Law 107-248), strike "\$25,000,000" and insert "\$50,000,000". Section 166a of title 10, United States Code, is amended by striking "\$7,000,000" in subsection (e)(1)(A) and inserting "\$15,000,000"; by striking "\$1,000,000" in subsection (e)(1)(B) and inserting "\$10,000,000"; and by striking "\$2,000,000" in subsection (e)(1)(C) and inserting "\$10,000,000".

This section would provide the Secretary of Defense with additional authority for the CINC Initiative Fund (CIF) in order to support unforeseen low-cost, high-benefit initiatives that enhance joint warfighting capabilities in support of military operations in Iraq and the global war on terrorism. This provision recognizes that the environment in which today's combatant commanders operate is vastly different from that which existed prior to the global war on terrorism and the military operations against Iraq. The pace and type of current operations are such that requests for funding support for emergent/unforeseen needs by the combatant commanders have increased in number and amount. Increased CIF authority is needed immediately to reduce these risks to our soldiers, sailors, marines, and airmen.

Sec. _____. Under the heading, "Operation and Maintenance, Defense-Wide," in title II of the Department of Defense Appropriations Act, 2003 (Public Law 107-248), strike "\$34,500,000" and insert "\$69,000,000".

This section would also provide the Secretary of Defense with additional authority for extraordinary and emergency expenses, which cannot be anticipated, in order to support emergent requirements associated with Iraq and the ongoing war on terrorism.

Sec. _____. (a) AVAILABILITY OF AMOUNTS FOR MILITARY CONSTRUCTION RELATING TO TERRORISM. – Amounts made available to the Department of Defense from funds appropriated in this Act may be used to carry out military construction projects, not otherwise authorized by law, that the Secretary of Defense determines are necessary to respond to or protect against acts or threatened acts of terrorism.

(b) NOTICE TO CONGRESS. – Not later than 15 days before obligating amounts available under subsection (a) for military construction projects referred to in that subsection, the Secretary shall notify the appropriate committees of Congress of the following:

- (1) the determination to use such amounts for the project; and
- (2) the estimated cost of the project and the accompanying Form 1391.

(c) APPROPRIATE COMMITTEES OF CONGRESS DEFINED. – In this section the term "appropriate committees of Congress" has the meaning given that term in section 2801(c)(4) of title 10, United States Code.

This would provide authority for the Department of Defense to undertake military construction projects with the requirement that the Congress be provided with a description and cost estimate 15 days before obligating the amounts.

Sec. ____. Section 8005 of the Department of Defense Appropriations Act, 2003 (Public Law 107-248), is amended by striking "\$2,000,000,000", and inserting "2.5 percent of the total amount appropriated in the Department of Defense Appropriations Act, 2003 (Public Law 107-248)"; and by deleting the fourth proviso.

This section would provide the Secretary of Defense with additional general transfer authority, critical flexibility necessary to respond to emerging requirements particularly in Iraq, and would remove the deadline for submitting notification of multiple reprogrammings to the Congress, giving the Department of Defense more time to assess mid-year changes in priorities.

Sec. ____. In addition to amounts made available elsewhere in this Act for the Department of Defense, \$165,000,000 is appropriated to the Department of Defense to reimburse applicable appropriations for the value of drawdown support provided by the Department of Defense under the Afghanistan Freedom Support Act of 2002: Provided, That this appropriation shall not increase the limitation set forth in section 202(b) of that Act: Provided further, That the Secretary of Defense may transfer the funds provided herein to the applicable appropriations of the Department of Defense: Provided further, That the funds transferred shall be merged with and shall 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 section is in addition to any other transfer authority available to the Department of Defense.

This provision would allow DoD to reimburse the Services for a drawdown of \$165.0 million under the Afghanistan Freedom Support Act (AFSA) of 2002. This drawdown was necessary to support emergent requirements for training and equipping the Afghan National Army (ANA) (\$150.0 million); to build a bridge between Tajikistan and Afghanistan (\$8.0 million); and to assist Jordan in its operations in Afghanistan (\$7.0 million). Under the authority of AFSA, the Military Services reduced their training and exercise accounts, as a means for DoD to absorb the ANA requirement. The \$165.0 million would be used to restore funds drawn down from the Services' FY 2003 Operation and Maintenance appropriations in the amount of \$35.0 million from the Army, \$75.0 million from the Navy, and \$55.0 million from the Air Force.

Sec. ____. 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).

This section provides that funds appropriated by this Act, or made available by transfer of funds in 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. ____. During fiscal year 2003, amounts in or credited to the Defense Cooperation Account under 10 U.S.C. 2608(b) shall be available for obligation and expenditure consistent with the purposes for which such amounts were contributed and accepted: Provided further, That such amounts shall be available for transfer by the Secretary of Defense to such appropriations or funds of the Department of Defense as he shall determine, and be available for the same period as the appropriation 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 the Secretary of Defense shall report to the Congress quarterly all transfers made pursuant to this authority.

Pursuant to the statute establishing the Defense Cooperation Account (10 U.S.C. 2608), funds in the Defense Cooperation Account may be obligated or expended only to the extent and in the manner provided in subsequent appropriations Acts. This proposal would provide the necessary appropriation for the remainder of this fiscal year.

Sec. ____. Of the amounts available to the Department of Defense, (1) \$63,500,000 may be used to reimburse applicable appropriations for the value of support provided by the Department of Defense under the Iraq Liberation Act of 1998: Provided, That this appropriation shall not increase the limitation set forth in section (4)(a)(2)(B) of that Act; and

(2) not to exceed \$150,000,000 to remain available until September 30, 2003, may be used to support indigenous forces assisting United States military operations or activities relating to the global war on terrorism, on such terms and conditions as the Secretary of Defense, with the concurrence of the Secretary of State, may determine: Provided, That such support may include equipment, supplies, services, and funding:

Provided further, That the Secretary of Defense shall provide quarterly reports on the use of these funds to the Committees on Appropriations: Provided further, That the Secretary of Defense may transfer the funds provided herein to the applicable appropriations of the Department of Defense: Provided further, That the funds transferred shall be merged with and shall 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 section is in addition to any other transfer authority available to the Department of Defense.

In addition, section (4)(a)(2) of the Iraq Liberation Act of 1998 is amended by adding the following new subparagraph at the end:

"(C) The aggregate value (as defined in section 644(m) of the Foreign Assistance Act of 1961) of assistance provided under this paragraph may not exceed \$150,000,000 in fiscal year 2003."

The first provision would authorize reimbursement funding from DoD to the Services for \$63.5 million under the Iraq Liberation Act of 1998. This support was necessary to address emergent requirements for training and equipping the Free Iraqi Forces (FIF). The Military Services reduced their training and exercise accounts as a means for DoD to absorb the FIF requirement. The \$63.5 million would be used to restore the drawdown of \$29.0 million from the Army, \$11.0 million from the Navy, \$23.4 million from the Air Force, and \$0.1 million from

the FY 2003 Operation and Maintenance, Defense-Wide appropriation (required for the Special Operations Command).

The second provision would make up to \$150 million of funds appropriated to DoD available for support to indigenous forces that assist U.S. military forces in carrying out military operations or activities, including those in furtherance of the global war on terrorism, and activities necessary to prepare for participation in active military operations. The term "indigenous forces," as used in this provision, refers to irregular forces and resistance movements that act in concert with U.S. military forces during U.S. military operations. Indigenous forces generally conduct military and para-military operations in enemy-held or hostile territory and conduct direct offensive low-visibility, covert, or clandestine operations.

The provision complements existing authorities under which the Department of State administers the foreign security assistance program in support of sovereign nations. Those authorities permit the acquisition or transfer of defense articles and services to foreign nations in order to facilitate their self-defense and participation in multinational security efforts. The proposed provision is designed to provide distinct authority to support foreign indigenous forces rapidly in response to emerging, unanticipated emergency requirements that arise with increasing frequency in the current wartime security environment. The provision would clarify DoD's authority to promote military cooperation in the global war on terrorism or other urgent military operations or activities by sustaining friendly indigenous forces through flexible military assistance that includes funding the operation and maintenance and personnel costs of these forces. The requirement that the Secretary of State concur with the implementation of this authority ensures that the temporary, emergency authority will be exercised in a manner consistent with and supportive of foreign assistance programs.

The last provision amends Section 4 of the Iraq Liberation Act of 1998 to permit DoD to draw down up to \$150 million of DoD's appropriations.

Sec. ____ . Expanded Use of Cooperative Threat Reduction Funds.

(a) IN GENERAL.—(1) Notwithstanding any other provision of law, during fiscal years 2003 and 2004 the President may use Cooperative Threat Reduction funds, including Cooperative Threat Reduction funds for a prior fiscal year that remain available for obligation as of the date of the enactment of this Act, for proliferation threat reduction projects and activities outside the states of the former Soviet Union if the President determines that such projects and activities will: (A) assist the United States in the resolution of critical emerging proliferation threats; or (B) permit the United States to take advantage of opportunities to achieve long-standing nonproliferation goals.

(2) The amount that may be obligated under paragraph (1) in each fiscal year for projects and activities described in that paragraph may not exceed \$50,000,000.

(b) AUTHORIZED USES OF FUNDS.—The authority under subsection (a) to use Cooperative Threat Reduction funds for a project or activity includes authority to provide equipment, goods, and services for the project or activity.

This provision would authorize the President to use each fiscal year up to \$50 million in Cooperative Threat Reduction funds outside the states of the former Soviet Union, including Iraq, if the President determines such funds would assist the United States resolve critical emerging proliferation threats or otherwise would permit the United States to take advantage of opportunities or requirements, including those related to the Global War on Terrorism, to achieve long-standing nonproliferation goals. Existing law limits the use of such funds to the states of the former Soviet Union. The provision would allow the President to provide equipment, goods, and services for a project or activity. To the extent possible, such assistance will be provided to the recipient states pursuant to international agreements with terms similar to those in existing international agreements concerning the provision of Cooperative Threat Reduction assistance to states of the former Soviet Union.

DEPARTMENT OF JUSTICE
GENERAL ADMINISTRATION

Counterterrorism Fund

For an additional amount for necessary expenses, as determined by the Attorney General, \$500,000,000, to remain available until December 31, 2003, to reimburse the appropriation for any Department of Justice organization for: (1) the costs incurred in reestablishing the operational capability of an office or facility which has been damaged or destroyed as a result of any domestic or international terrorist incident; and (2) the costs of providing support to counter, investigate or prosecute domestic or international terrorism, including payment of rewards in connection with these activities: Provided, That any Federal agency may be reimbursed for the costs of detaining in foreign countries individuals accused of acts of terrorism that violate the laws of the United States: Provided further, That the Attorney General shall notify the Committees on Appropriations of the Senate and House of Representatives 15 days prior to obligation of any amount of these funds.

This request would provide funding for immediate or emerging terrorism-related prevention and response requirements in the Department of Justice. Funding would be used to reimburse the Federal Bureau of Investigation for expenditures related to increased intelligence support and law enforcement investigations, and to the United States Marshals Service for protective measures, and for other activities.

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

Diplomatic and Consular Programs

For an additional amount for "Diplomatic and Consular Programs," \$101,420,000: Provided, That funds appropriated by this paragraph shall be available notwithstanding section 15 of the State Department Basic Authorities Act of 1956, as amended.

This request would provide \$101.4 million for the Diplomatic and Consular Programs. The funds are essential to advance Department operations and programs related to Iraq and the war on terrorism.

The activities funded include \$5.0 million for Task Force Surge Support operations for the Office of the Secretary, Foreign Emergency Support Team and 24/7 task forces; \$17.9 million for initial and secondary stage setup and operating costs for re-opening the embassy in Baghdad; \$17.9 million for additional diplomatic security programs for operations in Baghdad, temporary duty staffing (TDY), physical security, technical security equipment, armored cars and local guards; \$15.6 million for medical services including emergency medical supplies, chemical and biological antidotes, anthrax and smallpox vaccines, white powder evaluations and medical training not provided for in FY 2003; \$10.0 million for worldwide security upgrades to increase the number of local guards, fund chemical and biological countermeasures including masks, suits and detection equipment, intelligence specialists, TDY teams to posts, armored vehicles and domestic security; and \$35.0 million for Consular Affairs requirements, including emergency operations and possible Machine Readable Visa fee shortfalls.

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

Embassy Security, Construction and Maintenance

For an additional amount for "Embassy Security, Construction and Maintenance,"
\$20,000,000: Provided, That funds appropriated by this paragraph shall be available
notwithstanding section 15 of the State Department Basic Authorities Act of 1956, as amended.

This request would provide an additional \$20 million for the Embassy Security, Construction and Maintenance account. These funds are essential to provide safe, secure, and functional temporary facilities in Iraq.

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

Emergencies in the Diplomatic and Consular Service

For an additional amount for "Emergencies in the Diplomatic and Consular Service," \$65,708,000, of which \$32,369,000 for transportation costs of American citizens and \$14,600,000 for employee subsistence allowances shall remain available until September 30, 2003: Provided, That funds appropriated by this paragraph shall be available notwithstanding section 15 of the State Department Basic Authorities Act of 1956, as amended.

The request would ensure that sufficient reserves are available to fund the transportation and associated costs of evacuating U.S. government employees, their families, and private American citizens, and to provide additional services to American citizens abroad should the need arise. Funding for American citizen transportation costs and employee subsistence allowances for U.S. government employees evacuated from their posts would be provided through September 30, 2003, to be available if needed for any requirements arising from the conflict with Iraq. The funds are to be returned to the Treasury if not required.

DEPARTMENT OF STATE

OTHER

United States Emergency Refugee and Migration Assistance Fund

For an additional amount for "United States Emergency Refugee and Migration Assistance Fund," \$50,000,000, to remain until expended, notwithstanding section 2(c)(2) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 2601(c)(2)).

This request would replenish funds for urgent, unforeseen refugee and migration events. Humanitarian requirements related to the situation in Iraq have drawn down the balances in the Fund. It is critical for the United States to have sufficient funding to provide front-line, life-saving responses to humanitarian emergencies worldwide.

DEPARTMENT OF STATE

OTHER

International Narcotics Control and Law Enforcement

For an additional amount for "International Narcotics Control and Law Enforcement,"
\$25,000,000.

This request would fund border security equipment maintenance and upgrades and law enforcement capacity building in Pakistan to improve nation-wide efforts related to the war on terrorism.

DEPARTMENT OF STATE

OTHER

Andean Counterdrug Initiative

For an additional amount for the "Andean Counterdrug Initiative," \$34,000,000.

This request would provide funding to Colombia to support extension of police authority to areas of the country that currently have little or no law enforcement presence, enhanced presidential security, bomb squad equipment, and for the unified campaign against narcotics and terrorism.

INTERNATIONAL ASSISTANCE PROGRAMS

INTERNATIONAL SECURITY ASSISTANCE

Economic Support Fund

For an additional amount for "Economic Support Fund," \$2,442,000,000, of which the amounts specified herein shall be available as follows: (1) \$300,000,000, to remain available until September 30, 2005, only for grants for Egypt: Provided, That during the period beginning March 1, 2003 and ending September 30, 2005, loan guarantees may be made to Egypt, the principal amount, any part of which is to be guaranteed, not to exceed \$2,000,000,000: Provided further, That no appropriations are available for the subsidy costs for these loan guarantees: Provided further, That the Government of Egypt will incur all the costs, as defined in section 502 of the Federal Credit Reform Act of 1990, as amended, associated with these loan guarantees, including any non-payment exposure risk: Provided further, That all fees associated with these loan guarantees shall be paid by the Government of Egypt to the Government of the United States: Provided further, That funds made available for assistance to Egypt under chapter 4 of Part II of the Foreign Assistance Act of 1961, as amended, may be utilized by the Government of Egypt to pay such fees to the United States Government: Provided further: That up to \$379,600,000 in funds appropriated under this heading in prior foreign operations, export financing, and related programs appropriations acts for Egypt, including funds provided as Commodity Import Program assistance, may be made available on a grant basis as a cash transfer. (2) \$1,000,000,000, to remain available until September 30, 2005, only for grants for Turkey: Provided, That during the period beginning March 1, 2003 and ending September 30, 2005, direct loans or loan guarantees may be made to Turkey, the principal amount of direct loans or loans, any part of which is to be guaranteed, not to exceed \$8,500,000,000: Provided further, That no appropriations are available for the subsidy costs for these loans or loan guarantees: Provided further, That the Government of Turkey will incur all the costs, as defined in section 502 of the Federal Credit Reform Act of 1990, as amended, associated with these loans or loan guarantees, including any non-payment exposure risk: Provided further, That all fees associated with these loans or loan guarantees shall be paid by the Government of Turkey to the Government of the United States: Provided further, That funds made available for assistance to Turkey under chapter 4 of Part II of the Foreign Assistance Act of 1961, as amended, may be utilized by the Government of Turkey to pay such fees to the United States Government; Further, the President shall determine the terms and conditions for issuing the economic assistance authorized in paragraphs (1) and (2). If the President determines that these terms and conditions have been breached, the President may suspend or terminate the provision of all or part of such economic assistance not yet outlayed under this heading.

This request for \$2,442 million for the Economic Support Fund (ESF) would provide economic and development assistance to countries that are invaluable coalition partners in the effort to disarm and stabilize Iraq and in the war against terrorism.

\$1 billion would be provided for Turkey in the form of grants. A portion of this amount may be used by Turkey to pay fees to cover the budget cost of up to \$8.5 billion in direct loans or loan guarantees to help Turkey in carrying out comprehensive economic and financial reforms and relieving potential balance of payments needs that may result from hostilities in Iraq.

\$700 million would be provided for Jordan as budget support to help offset the economic dislocation and hardship brought on by a conflict with Iraq. Approximately \$250 million will be used to address Jordan's most pressing budgetary needs and debt service obligations, and \$450 million will be used to help Jordan in its transition from economic dependence on Iraq.

\$300 million would be provided for Egypt to help offset economic dislocation and hardship brought on by a conflict with Iraq. A portion of this amount may be used by Egypt to pay fees to cover the budget costs of up to \$2 billion in loan guarantees for Egypt, subject to the terms and conditions that the President decides.

\$127 million would be provided for Afghanistan to promote secure conditions preventing the return of terrorism to Afghanistan: \$60 million for continued reconstruction of the Kabul-Kandahar-Herat highway; \$50 million for operational support; and \$17 million for technical and material assistance to support Afghanistan's political rehabilitation as outlined in the Bonn Agreement.

\$200 million would be provided for the Muslim Outreach and Middle East Partnership Initiative. These funds would support educational and economic opportunities in the Muslim and Arab world, as well as public diplomacy and other outreach programs to the Muslim world.

\$50 million would be provided for direct support to reduce terrorism and support the peace process in the West Bank and Gaza.

\$40 million would be provided to reimburse the account for funds provided to pre-position people, supplies, and commodities prior to the conflict with Iraq.

INTERNATIONAL ASSISTANCE PROGRAMS

INTERNATIONAL SECURITY ASSISTANCE

Foreign Military Financing Program

For an additional amount for the "Foreign Military Financing Program," \$2,059,100,000: Provided, That funds appropriated by this paragraph shall be available notwithstanding section 10 of Public Law 91-672 and section 15 of the State Department Basic Authorities Act of 1956.

This request would provide resources that are urgently needed for Afghanistan, Israel, Jordan, Bahrain, Oman, Pakistan, Poland, Hungary, the Czech Republic, Estonia, Latvia, Lithuania, Bulgaria, Romania, Slovakia, Slovenia, Djibouti, the Philippines, Colombia, and other related needs. These funds would be used immediately to strengthen the forces of our partners and allies in operations in Iraq and the ongoing war against terrorism, by providing vitally needed equipment, supplies and training, such as radios for communication, night vision goggles, vehicles for mobility, spare parts and maintenance for vehicles and aircraft, radar for air traffic control, and small unit basic and operational training. The request includes the following:

\$1.0 billion would be provided to Israel to strengthen military and civil defenses against regional threats.

\$406 million would be provided for Jordan to meet border security requirements and to upgrade fighter aircraft and airbases.

\$175 million would be provided to Pakistan to provide improved capabilities for border security in the fight against terrorism, for monitoring equipment, aircraft procurement and refurbishment, and surveillance radar systems.

\$170 million would be provided to Afghanistan to provide training, equipment, and base construction urgently needed for the Afghan National Army.

INTERNATIONAL ASSISTANCE PROGRAMS

INTERNATIONAL SECURITY ASSISTANCE

Peacekeeping Operations

For an additional amount for "Peacekeeping Operations," \$200,000,000.

This request would provide an additional \$200 million for the State Department's Peacekeeping Operations programs related to Iraq. These funds would be used to assist coalition partners and cooperative Front Line States to support critical stabilization activities in post-conflict Iraq.

INTERNATIONAL ASSISTANCE PROGRAMS

INTERNATIONAL SECURITY ASSISTANCE

United States Emergency Fund for Complex Foreign Crises

For necessary expenses to enable the President to respond to unforeseen complex foreign crises, \$150,000,000: Provided, That funds appropriated under this heading may be made available only pursuant to a determination by the President that it is in the national interest to furnish assistance on such terms and conditions as he may determine for the purpose of responding to such crises, including support for peace and humanitarian intervention operations: Provided further, That none of the funds appropriated under this heading shall be available to respond to natural disasters: Provided further, That for funds appropriated under this heading the President may make allocations to Federal agencies to carry out the authorities provided under this heading: Provided further, That funds appropriated by this paragraph shall be made available notwithstanding section 10 of Public Law 91-672 and section 15 of the State Department Basic Authorities Act of 1956: Provided further, That the President may furnish assistance under this heading notwithstanding any other provision of law.

This request would provide resources to quickly and effectively respond to complex foreign crises. Given the evolving situation with Iraq, the availability of these contingent funds is key to responding to unforeseen needs and requirements. These funds could be used for a range of foreign assistance activities, including support for unanticipated stabilization and humanitarian operations related to Iraq. Use of these funds would require a determination by the President that a complex emergency exists and that it is in the national interest to furnish assistance in response. This request would not fund assistance activities in response to natural disasters because existing contingency funding is available for that purpose.

INTERNATIONAL ASSISTANCE PROGRAMS

INTERNATIONAL SECURITY ASSISTANCE

Nonproliferation, Anti-Terrorism, Demining and Related Programs

For an additional amount for "Nonproliferation, Anti-Terrorism, Demining and Related Programs," \$28,000,000.

This request would provide \$25 million to support anti-terrorism training and protection programs in Afghanistan and other anti-terrorism training and equipment needs. In addition, \$3 million would fund demining activities, the clearance of unexploded ordinance, and related activities in Afghanistan.

INTERNATIONAL ASSISTANCE PROGRAMS
AGENCY FOR INTERNATIONAL DEVELOPMENT

Child Survival and Health Programs Fund

For an additional amount for "Child Survival and Health Programs Fund," \$40,000,000.

This request would provide \$40 million to reimburse the account for funds borrowed and provided to preposition people, supplies, and commodities to address humanitarian needs prior to the conflict with Iraq.

INTERNATIONAL ASSISTANCE PROGRAMS
AGENCY FOR INTERNATIONAL DEVELOPMENT

International Disaster Assistance

For an additional amount for "International Disaster Assistance," \$80,000,000: Provided, That amounts made available pursuant to section 492(b) of the Foreign Assistance Act of 1961 for the purpose of addressing relief and rehabilitation needs in Iraq, prior to enactment of this Act, shall be in addition to the amount that may be obligated in any fiscal year under that section.

This request would provide \$80 million to reimburse the account for funds used to preposition people, supplies, and commodities to address humanitarian needs prior to the conflict with Iraq. It also allows the United States Agency for International Development not to count any "borrowing" from other accounts used under International Disaster Assistance authorities.

INTERNATIONAL ASSISTANCE PROGRAMS
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," \$22,000,000, of which not more than \$2,000,000 may be transferred to and merged with "Operating Expenses of the United States Agency for International Development Office of Inspector General."

This request would provide additional funds for the United States Agency for International Development (USAID) to evacuate overseas personnel, and establish a new mission in Iraq and the related support for staff in Washington D.C. This would also allow a portion of the funds to be available for operating expenses for USAID's Office of Inspector General to audit the expenditure of funds used for relief and reconstruction in Iraq.

INTERNATIONAL ASSISTANCE PROGRAMS
AGENCY FOR INTERNATIONAL DEVELOPMENT

Loan Guarantees to Israel

During the period beginning March 1, 2003 and ending September 30, 2005, loan guarantees may be made available to Israel, the principal amount, any part of which is to be guaranteed, not to exceed \$9,000,000,000: Provided, That guarantees may be issued under this section only to support activities in the geographic areas which were subject to the administration of the Government of Israel before June 5, 1967: Provided further, That the amount of guarantees that may be issued shall be reduced by an amount equal to the amount extended or estimated to have been extended by the Government of Israel during the period from March 1, 2003 to the date of issue of the guarantee, for activities which the President determines are inconsistent with the objectives and understandings reached between the United States and the Government of Israel regarding the implementation of the loan guarantee program: Provided further, That no appropriations are available for the subsidy costs for these loan guarantees: Provided further, That the Government of Israel will incur all the costs, as defined in section 502 of the Federal Credit Reform Act of 1990, as amended, associated with the loan guarantees, including any non-payment exposure risk: Provided further, That all fees associated with the loan guarantees shall be paid by the Government of Israel to the Government of the United States: Provided further, That funds made available for assistance to Israel under chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, may be utilized by the Government of Israel to pay such fees to the United States Government: Provided further, That the President shall determine the terms and conditions for issuing guarantees, taking into consideration the budgetary and economic reforms undertaken by Israel: Provided further, That if the President determines that these terms and conditions have been breached, the President may suspend or terminate the provision of all or part of the loan guarantees not yet issued under this section.

This request authorizes the President to provide up to \$9 billion in loan guarantees to Israel through the end of fiscal year 2005. These loan guarantees will help Israel address economic costs associated with the conflict with Iraq and to implement critical budgetary and economic reforms.

GENERAL PROVISIONS

Sec. ____. Any appropriation made available in this Act for "International Assistance Programs," for "Department of State," or under the heading, "Iraq Relief and Reconstruction Fund" under "Executive Office of the President," may be transferred between such appropriations for use for any of the purposes for which the funds in the such receiving account may be used: Provided, That the total amount transferred shall not exceed \$200,000,000.

This would allow transfers among the accounts in the International Assistance Programs, the Department of State portions of this request, and the new Iraq Relief and Reconstruction Fund, with a cumulative cap of \$200 million. This will allow the President to move funds between accounts to provide the most effective possible aid to the Iraqi people and support to our allies in the conflict in Iraq and the war on terrorism.

Sec. ____. Assistance or other financing under this Act or under prior foreign operations, export financing, and related programs appropriations Acts may be provided to support relief and reconstruction in Iraq notwithstanding any other provision of law.

This would extend the authority to provide relief and reconstruction assistance for Iraq "notwithstanding any other provision of law" that is provided in the FY 2003 Consolidated Appropriations Act. The authority in the Consolidated Appropriations Act expires once a supplemental appropriation for Iraq is enacted. This authority continues to be needed to ensure that relief and reconstruction assistance for Iraq may be provided swiftly and flexibly.

Sec. ____. The Iraq Sanctions Act of 1990 is hereby repealed: Provided, That nothing in this section shall affect the applicability of the Iran-Iraq Arms Non-Proliferation Act of 1992 (Pub. L. 102-484): Provided further, That the President may make inapplicable with respect to Iraq section 620A of the Foreign Assistance Act of 1961, as amended, or other provision of law that applies to countries that have supported terrorism: Provided further, That section 307 of the Foreign Assistance Act of 1961, as amended, shall not apply with respect to programs of international organizations for Iraq: Provided further, That provisions of law that purport to direct the United State Government to vote against or oppose loans or other uses of funds, including for financial or technical assistance, in international financial institutions for Iraq should not be construed as applying to Iraq.

This provision would repeal the Iraq Sanctions Act of 1990, which requires the President to continue an embargo on Iraq and impose certain mandatory sanctions against Iraq, including prohibitions on arms sales, certain exports, foreign assistance and Export-Import Bank Credits. It would also authorize the President to make inapplicable with respect to Iraq section 620A, and section 620G, and section 307 of the Foreign Assistance Act.

Sec. ____. Notwithstanding any other provision of law hereafter, the President may authorize the export to Iraq of any item subject to the Export Administration Regulations, 15 CFR chapter VII, subchapter C, or controlled under the International Trafficking in Arms Regulations on the United States Munitions List established pursuant to section 38 of the Arms Export Control Act, 22 U.S.C. 2778, if the President determines that the export of such item is in the national interest of the United States.

This would provide the President with the flexibility to authorize exports to Iraq upon determining that they are in the national interest of the United States, notwithstanding statutory restrictions, in addition to those in the Iraq Sanctions Act, and those under the Arms Export Control Act on exports to Iraq.

BROADCASTING BOARD OF GOVERNORS

BROADCASTING BOARD OF GOVERNORS

International Broadcasting Operations

For an additional amount for "International Broadcasting Operations," for activities related to the Middle East Television Network broadcasting and radio broadcasting to Iraq, \$30,500,000: Provided, That funds appropriated by this paragraph shall be available notwithstanding section 313 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995.

This request would provide \$30.5 million for the Middle East Television Network and radio broadcasting to Iraq. The funding would support start-up costs to initiate a Middle East Television Network which would broadcast news and information in Arabic via satellite directly to homes in the Middle East. This network would give people in the region, including Iraq, a means of hearing and understanding American policies and people. The FY 2004 President's Budget includes \$30 million for the Broadcasting Board of Governors, which would now be used to fund any remaining start-up costs and the first year of operations. The funding also would support increased Arabic radio broadcasting through Voice of America's Radio Sawa and Radio Free Iraq.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

GENERAL PROVISIONS

Sec. _____. Section 1113 of the Social Security Act, as amended (42 U.S.C. 1313), is further amended in subsection (d), by striking "September 30, 1991" and inserting "September 30, 2003."

This request would eliminate the \$1.0 million cap in FY 2003 on funds available for the Department of Health and Human Services to provide assistance to ill or destitute U.S. citizens who have returned from foreign countries due to war, threat of war, invasion, or similar crisis. Removing the cap will provide the appropriate flexibility needed to address such crises abroad – as was done in 1991 during the Persian Gulf War when the cap was lifted and \$1.8 million was utilized for such purposes.

DEPARTMENT OF HOMELAND SECURITY

DEPARTMENTAL MANAGEMENT

Counterterrorism Fund

For an additional amount for "Counterterrorism Fund," for necessary expenses as determined by the Secretary of Homeland Security, \$1,500,000,000, to remain available until December 31, 2003, to reimburse the appropriation for any Department of Homeland Security organization for the costs of providing support to prevent, counter, investigate, respond to, or prosecute unexpected threats or acts of terrorism, including payment of rewards in connection with these activities, and activities in support of the Department of Defense: Provided, That the Secretary shall notify the Committees on Appropriations of the Senate and House of Representatives 15 days prior to obligation of any amount of these funds.

This request would provide funding for immediate or emerging terrorism-related prevention, preparedness, and response requirements throughout the Department of Homeland Security (DHS). Funding would be used to reimburse DHS operating divisions for expenditures related to increased border and maritime operating tempo, enhancements to the strategic national stockpile, protection of the military outload in support of the war on terrorism, rapid positioning and deployment of detection equipment including environmental detection against biological attack, response assets, and other activities.

DEPARTMENT OF HOMELAND SECURITY
BORDER AND TRANSPORTATION SECURITY

Office for Domestic Preparedness

For an additional amount for the "Office for Domestic Preparedness," as authorized by the Homeland Security Act of 2002 (P.L. 107-296), the USA PATRIOT Act of 2001 (P.L. 107-56), and the National Defense Authorization Act of 1996 (P.L. 104-201), for grants, contracts, cooperative agreements, and other activities, including grants to States for terrorism prevention activities, \$2,000,000,000, to remain available until December 31, 2003: Provided, That the Secretary shall notify the Committees on Appropriations of the Senate and the House of Representatives 15 days prior to obligation of any amount of these funds.

This request would provide for assistance to state and local governments to support federally-coordinated prevention, preparedness, and security enhancements related to the war on terrorism, including the operational costs for protecting critical infrastructure and strengthening environmental detection against biological attack, as well as terrorism preparedness for first responders. Before releasing related funds, the Department of Homeland Security will ensure that appropriate security measures are in place for critical infrastructure sites.

EXECUTIVE OFFICE OF THE PRESIDENT

Iraq Relief and Reconstruction Fund (Including Transfers of Funds)

For necessary expenses for humanitarian assistance in and around Iraq and for rehabilitation and reconstruction in Iraq, \$2,443,300,000, including for the costs of: (1) feeding; (2) supporting relief efforts related to refugees, internally displaced persons, and vulnerable individuals; (3) humanitarian demining; (4) healthcare; (5) water/sanitation infrastructure; (6) education; (7) electricity; (8) transportation; (9) telecommunications; (10) rule of law and governance; (11) economic and financial policy; and (12) agriculture: Provided, That these funds may be transferred to and made available for any Federal Government activity for expenses to meet such costs: 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 of the funds made available under this heading up to \$200,000,000 may be used to reimburse accounts for funds expended to purchase food and commodities for use in Iraq; Provided further, That the United States may accept from any person, foreign government, or international organization, and credit to this Fund, any contribution of money for such purposes: Provided further, That funds provided under this heading may be used to reimburse accounts for obligations incurred for the purposes provided under this heading prior to enactment of this Act: Provided further, That funds appropriated by this appropriation shall be available notwithstanding any other provision of law, including section 10 of P.L. 91-672 and section 15 of the State Department Basic Authorities Act of 1956,

This request would provide \$2.443 billion for Iraq:

- \$543 million for humanitarian assistance related to the situation in Iraq, to support relief efforts related to refugees, internally displaced persons, and vulnerable individuals, including humanitarian demining;
- up to \$200 million is available to reimburse accounts drawn down to provide emergency food stocks for the Iraqi people; and,
- \$1.7 billion for reconstruction efforts in the areas of health, water/sanitation, education, electricity, transportation, telecommunications, rule of law/governance, economic and financial policy, and agriculture. Specific amounts for each sector are not yet known and are dependent on the results of assessments that will be conducted immediately following the end of the conflict.

The funds are requested to be provided to the President to ensure flexibility in addressing needs as they arise. In addition, funds are made available under the DoD heading for oil field repair, in contingency accounts, and reimbursement for pre-positioning supplies providing a total of \$3.5 billion for activities in Iraq.

EXECUTIVE OFFICE OF THE PRESIDENT

UNANTICIPATED NEEDS

Emergency Response Fund

For necessary expenses to detect, prepare for, prevent, protect against, or respond to a potential terrorist attack, \$250,000,000, to remain available until December 31, 2003: Provided, That these funds may be transferred to any authorized Federal Government activity for these purposes: Provided further, That the Director of the Office of Management and Budget shall notify the Committees on Appropriations of the Senate and House of Representatives 15 days prior to transfer of any amount of these funds.

This request would provide funding for immediate or emerging terrorism-related prevention requirements throughout the federal government. Funds could be provided to any authorized federal activity in any federal agency. Assuming near-term enactment of the President's smallpox compensation proposal, these funds could provide benefits for first responders and front line health care workers who volunteer to be vaccinated against smallpox and who suffer serious adverse reactions from the vaccine.

LEGISLATIVE BRANCH

JOINT ITEMS

Legislative Branch Emergency Response Fund

For necessary expenses to detect, prepare for, prevent, protect against, or respond to a potential terrorist attack, \$125,000,000, to remain available until December 31, 2003.

This request would provide funding for immediate or emerging terrorism-related prevention requirements throughout the Legislative Branch.