

October 3, 2001
(Senate)

**H.R. 2506 - FOREIGN OPERATIONS, EXPORT FINANCING,
AND RELATED PROGRAMS APPROPRIATIONS BILL, FY 2002**
(Sens. Byrd (D) West Virginia; Leahy (D) Vermont)

This Statement of Administration Policy provides the Administration's views on the Foreign Operations, Export Financing and Related Programs Appropriations Bill, FY 2002, as reported by the Senate Committee. We look forward to working with Congress to ensure that the Nation's priorities are met while encouraging the economic growth that is the essential guarantee of continued fiscal strength. A number of the agencies and programs funded within this bill may have modified requirements as a consequence of the terrorist attacks of September 11, 2001. The Administration is currently reviewing these new requirements and anticipates funding them through the FY 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States.

The Administration appreciates the Committee's efforts to reduce the level of earmarks compared with prior-year Foreign Operations appropriations bills and that the vast majority of the funding in the bill reflects the President's request and his priorities. The Administration would like to take this opportunity to share some concerns with possible floor amendments and specific sections of the Committee's version of the bill. The Administration looks forward to working with the Congress to resolve these issues as the bill moves through the legislative process.

As currently drafted, the bill contains a section that would unacceptably infringe upon the President's ability to enforce current Administration policy regarding international family planning assistance. If a bill containing this or similar unacceptable language were presented to the President, he would veto the bill.

Given the extradition of Slobodan Milosevic and other recent progress exhibited by the Yugoslav government, the Administration believes that more flexible language on war criminals and funding certifications for Serbia would help encourage the parties in the Balkans to turn over indicted war criminals, and would appreciate the opportunity to discuss modifications to the Committee's provisions that would recognize the significant advances recently made with regard to cooperation and transfer of war criminals to the International Criminal Tribunal for Yugoslavia. With regard to the war criminals provision, the Administration prefers the House-passed version, section 575, to the Senate Committee version, section 574.

We understand that the Middle East Peace Commitment Act of 2001 may be attached to the Committee bill as a floor amendment. We would strongly object to the inclusion by the Senate of such a provision. A report on Palestine Liberation Organization (PLO) compliance is already mandated by Congress in the PLO Commitments and Compliance Act. Inclusion of such a provision would seriously complicate our efforts to mediate and support security cooperation, efforts that the Administration has engaged in at the highest levels, and would significantly undermine the Administration's ability to reduce the level of violence and move

the parties toward the implementation of the Mitchell Committee's recommendations.

In addition, the Administration opposes section 566, which sets an administrative expenses cap of 14 percent on the use of Economic Support Fund available to support a democratic transition in Iraq. The Administration is concerned that this low ceiling would limit the President's flexibility to respond rapidly to changing events in Iraq.

With respect to the Andean Counterdrug Initiative, the Administration is very concerned that the \$164 million reduction to the President's request would undermine the effort to develop healthy economies and strong, democratic governments in the Andes. The Andes are the hemisphere's source zone for illegal drug production, and full funding of this program is needed to stem the flow of illegal drugs to the United States. The requested levels of support reflect a necessary balance between social and economic development, and eradication, interdiction, and law enforcement programs.

Several provisions in the bill appear to infringe on the President's constitutional authority regarding the conduct of negotiations with foreign nations and the formulation of the U.S. position in international organizations. These provisions include "Economic Support Fund," "Contribution to the International Development Association," and sections 514, 557, 560, 574, and 576. The Administration advises that it will interpret these provisions as "sense of the Congress" recommendations.

[Ed. Note: Copied from <http://www.whitehouse.gov/omb/legislative/sap/107-1/HR2506-s.html> and converted to PDF without change on August 13, 2006]