

Union Calendar No. 258

109TH CONGRESS
2^D SESSION

H. R. 4681

[Report No. 109–462, Parts I and II]

To promote the development of democratic institutions in areas under the administrative control of the Palestinian Authority, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 2006

Ms. ROS-LEHTINEN (for herself, Mr. LANTOS, Mr. CANTOR, Mr. CHABOT, Mr. ACKERMAN, Mr. ENGEL, Mr. PENCE, Mr. WELLER, Ms. HARRIS, Mr. BURTON of Indiana, Mrs. MCCARTHY, Mr. CARDOZA, Mr. MACK, Ms. BEAN, Mr. CROWLEY, Mr. LYNCH, Mrs. JO ANN DAVIS of Virginia, Mr. CHANDLER, Mr. BROWN of South Carolina, Mr. MCCAUL of Texas, Mr. KING of New York, Mr. ISRAEL, Ms. BERKLEY, Mr. POE, Mr. ROYCE, Mrs. BLACKBURN, Mr. TANCREDO, Mr. SCHIFF, Mr. SHERMAN, and Mr. NADLER) introduced the following bill; which was referred to the Committee on International Relations, and in addition to the Committees on the Judiciary and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

MAY 11, 2006

Reported from the Committee on International Relations with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

MAY 11, 2006

Referral to the Committees on Financial Services and the Judiciary extended
May 11, 2006, for a period ending not later than May 15, 2006

MAY 15, 2006

Additional sponsors: Mr. DOOLITTLE, Mr. McNULTY, Mr. REYNOLDS, Mr. WILSON of South Carolina, Mr. SHAYS, Mr. GERLACH, Mr. SCOTT of Georgia, Mr. TERRY, Mr. KING of Iowa, Mr. NORWOOD, Mrs. MILLER of Michigan, Mr. MCHENRY, Mr. CUELLAR, Mr. PRICE of Georgia, Mr. HASTINGS of Florida, Mr. LINCOLN DIAZ-BALART of Florida, Mr. CULBERSON, Ms. HART, Mrs. KELLY, Mr. KENNEDY of Minnesota, Mr.

SULLIVAN, Mr. HENSARLING, Mr. FITZPATRICK of Pennsylvania, Mr. SOUDER, Mr. FOSSELLA, Mr. MARIO DIAZ-BALART of Florida, Mr. WESTMORELAND, Mr. DAVIS of Florida, Mr. RUPPERSBERGER, Mr. BLUNT, Mrs. MALONEY, Mrs. NORTHUP, Mr. FERGUSON, Mr. WELDON of Pennsylvania, Mr. SESSIONS, Mr. MEEKS of New York, Ms. HARMAN, Mr. WAXMAN, Mr. JOHNSON of Illinois, Mr. YOUNG of Florida, Mr. BUTTERFIELD, Mr. ENGLISH of Pennsylvania, Mr. KINGSTON, Mr. SHAW, Mr. BONNER, Mr. PLATTS, Mr. DEAL of Georgia, Mr. HOLDEN, Mr. ETHERIDGE, Mr. LOBIONDO, Mr. SAXTON, Mr. MARCHANT, Mr. STEARNS, Mr. SENSENBRENNER, Ms. SCHAKOWSKY, Mr. TOM DAVIS of Virginia, Mr. FORD, Mr. ALEXANDER, Mr. LINDER, Mr. BERMAN, Mr. GARRETT of New Jersey, Mr. GONZALEZ, Mr. ROSS, Mr. LUCAS, Ms. GINNY BROWN-WAITE of Florida, Mr. HIGGINS, Mr. BOSWELL, Mr. MATHESON, Mrs. SCHMIDT, Mr. CARDIN, Mr. MURPHY, Mrs. EMERSON, Miss McMORRIS, Mrs. LOWEY, Mr. BARTLETT of Maryland, Mr. STRICKLAND, Mr. WYNN, Mr. PORTER, Mr. BARROW, Mr. DAVIS of Kentucky, Mr. SIMMONS, Mr. KLINE, Mr. DENT, Mrs. NAPOLITANO, Ms. CORRINE BROWN of Florida, Mr. PUTNAM, Mr. FOLEY, Mr. GORDON, Ms. FOXX, Mr. ROTHMAN, Mr. BROWN of Ohio, Ms. SCHWARTZ of Pennsylvania, Mr. POMBO, Ms. MATSUI, Ms. LINDA T. SÁNCHEZ of California, Mr. FEENEY, Mr. GENE GREEN of Texas, Mr. ANDREWS, Mr. NUNES, Mr. FORBES, Mr. HASTINGS of Washington, Mr. CONAWAY, Mr. RUSH, Mr. MCINTYRE, Mr. CAMPBELL of California, Mr. BISHOP of Georgia, Ms. WASSERMAN SCHULTZ, Mr. WEXLER, Mrs. MYRICK, Mr. GOHMERT, Mr. SHADEGG, Mr. LARSEN of Washington, Mr. BONILLA, Mr. AKIN, Mr. WELDON of Florida, Mr. RENZI, Mr. OWENS, Mr. MICA, Mr. NUSSLE, Mr. JINDAL, Mrs. CAPITO, Mrs. BONO, Mr. TIBERI, Mr. MCHUGH, Mr. KIRK, Mr. SIMPSON, Mr. HAYWORTH, Mr. GINGREY, Mr. TURNER, Mr. VISCLOSKY, Mr. RANGEL, Mr. TOWNS, Mr. DAVIS of Tennessee, Mr. CRENSHAW, Mrs. JONES of Ohio, Mr. KELLER, Mr. THOMPSON of California, Mr. SMITH of New Jersey, Mr. NEUGEBAUER, Mr. ADERHOLT, Mr. GRAVES, Mr. BISHOP of Utah, Mr. PICKERING, Mr. PETERSON of Pennsylvania, Mrs. DRAKE, Mr. BOREN, Mr. GREEN of Wisconsin, Mr. KUHL of New York, Mr. RYAN of Wisconsin, Mr. EDWARDS, Mr. FILLNER, Mr. BAKER, Mr. HOLT, Mr. COLE of Oklahoma, Mr. BURGESS, Mr. HEFLEY, Mr. BISHOP of New York, Mr. BRADY of Pennsylvania, Mr. MICHAUD, Mr. ROGERS of Michigan, Mr. MOORE of Kansas, Mr. WAMP, Mr. CAMP of Michigan, Mr. COOPER, Mr. COBLE, Mr. EVANS, Mr. MILLER of North Carolina, Mr. BEAUPREZ, Mr. MELANCON, Mr. INGLIS of South Carolina, Mr. COSTA, Mrs. MUSGRAVE, Mr. RYAN of Ohio, Mr. SCHWARZ of Michigan, Mr. FATTAH, Mr. CRAMER, Mr. AL GREEN of Texas, Mr. MCCOTTER, Mr. DAVIS of Alabama, Mr. FRELINGHUYSEN, Mr. SALAZAR, Mr. PASTOR, Mr. THOMPSON of Mississippi, Mr. HOYER, Mr. PALLONE, Ms. GRANGER, Mr. LEVIN, Mr. FLAKE, Mr. OTTER, Mr. WU, Mr. SHIMKUS, Mr. STUPAK, Mr. CARNAHAN, Mr. BACHUS, Mr. EVERETT, Mr. MEEK of Florida, Mr. ROGERS of Alabama, Mr. FRANKS of Arizona, Mr. BERRY, Mr. SHUSTER, Ms. HERSETH, Mr. CHOCOLA, Mr. HAYES, Mr. VAN HOLLEN, Mr. LEWIS of California, Mr. REYES, Mr. YOUNG of Alaska, Mr. WALSH, Mr. LEWIS of Georgia, Mr. BRADY of Texas, Mr. KENNEDY of Rhode Island, Mr. EMANUEL, Ms. PRYCE of Ohio, Mr. UDALL of Colorado, Mr. CUMMINGS, Mr. BACA, Mr. LATHAM,

Mr. HERGER, Mr. UDALL of New Mexico, Mr. BILIRAKIS, Mr. REHBERG, Mr. GUTKNECHT, Mr. OSBORNE, Mr. RADANOVICH, Mr. CANNON, Mr. BARRETT of South Carolina, Mr. SMITH of Texas, Ms. SLAUGHTER, Mr. PASCRELL, Mr. WICKER, Mr. RYUN of Kansas, Mr. KNOLLENBERG, Mr. BOOZMAN, Mr. REICHERT, Ms. DELAURO, Mr. GALLEGLY, Mr. NEAL of Massachusetts, Ms. PELOSI, Ms. DEGETTE, Mr. LIPINSKI, Mr. DANIEL E. LUNGREN of California, Mr. DAVIS of Illinois, Mr. TANNER, Mr. EHLERS, Ms. BORDALLO, Mr. BOUSTANY, Mr. MCCRERY, Mr. CLEAVER, Mr. JEFFERSON, Mr. LEWIS of Kentucky, Mrs. DAVIS of California, Mr. MCKEON, Mr. GOODLATTE, Mr. SPRATT, Mr. MILLER of Florida, Mr. LANGEVIN, Mr. CARTER, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. GIBBONS, Mr. HONDA, Mrs. BIGGERT, Mr. HULSHOF, Mr. DOYLE, Mrs. WILSON of New Mexico, and Mr. SCOTT of Virginia

MAY 15, 2006

Reported from the Committee on the Judiciary with an amendment
[Strike out all after the enacting clause and insert the part printed in boldface roman]

MAY 15, 2006

Committee on Financial Services discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on February 1, 2006]

A BILL

To promote the development of democratic institutions in areas under the administrative control of the Palestinian Authority, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SEC. 1. SHORT TITLE.**

4 *This Act may be cited as the “Palestinian Anti-Ter-*
5 *rorism Act of 2006”.*

1 **SEC. 2. LIMITATION ON ASSISTANCE TO THE PALESTINIAN**
2 **AUTHORITY.**

3 (a) *DECLARATION OF POLICY.—It shall be the policy*
4 *of the United States—*

5 (1) *to support a peaceful, two-state solution to*
6 *end the conflict between Israel and the Palestinians*
7 *in accordance with the Performance-Based Roadmap*
8 *to a Permanent Two-State Solution to the Israeli-*
9 *Palestinian Conflict (commonly referred to as the*
10 *“Roadmap”);*

11 (2) *to oppose those organizations, individuals,*
12 *and countries that support terrorism and violence;*

13 (3) *to urge members of the international commu-*
14 *nity to avoid contact with and refrain from finan-*
15 *cially supporting the terrorist organization Hamas or*
16 *a Hamas-controlled Palestinian Authority until*
17 *Hamas agrees to recognize Israel, renounce violence,*
18 *disarm, and accept prior agreements, including the*
19 *Roadmap;*

20 (4) *to promote the emergence of a democratic*
21 *Palestinian governing authority that—*

22 (A) *denounces and combats terrorism;*

23 (B) *has agreed to and is taking action to*
24 *disarm and dismantle any terrorist agency, net-*
25 *work, or facility;*

1 (C) has agreed to work to eliminate anti-
2 Israel and anti-Semitic incitement and the com-
3 memoration of terrorists in Palestinian society;

4 (D) has agreed to respect the sovereignty of
5 its neighbors;

6 (E) acknowledges, respects, and upholds the
7 human rights of all people;

8 (F) implements the rule of law, good gov-
9 ernance, and democratic practices, including
10 conducting free, fair, and transparent elections
11 in compliance with international standards;

12 (G) ensures institutional and financial
13 transparency and accountability; and

14 (H) has agreed to recognize the State of
15 Israel as an independent, sovereign, Jewish,
16 democratic state; and

17 (5) to continue to support assistance to the Pal-
18 estinian people.

19 (b) AMENDMENTS.—Chapter 1 of part III of the For-
20 eign Assistance Act of 1961 (22 U.S.C. 2351 et seq.) is
21 amended—

22 (1) by redesignating the second section 620G (as
23 added by section 149 of Public Law 104–164 (110
24 Stat. 1436)) as section 620J; and

1 (2) *by adding at the end the following new sec-*
2 *tion:*

3 **“SEC. 620K. LIMITATION ON ASSISTANCE TO THE PALES-**
4 **TINIAN AUTHORITY.**

5 “(a) *LIMITATION.*—*Except as provided in subsection*
6 *(e), assistance may be provided under this Act to the Pales-*
7 *tinian Authority only during a period for which a certifi-*
8 *cation described in subsection (b) is in effect.*

9 “(b) *CERTIFICATION.*—*A certification described in this*
10 *subsection is a certification transmitted by the President*
11 *to Congress that contains a determination of the President*
12 *that—*

13 “(1) *no ministry, agency, or instrumentality of*
14 *the Palestinian Authority is controlled by a foreign*
15 *terrorist organization and no member of a foreign ter-*
16 *rorist organization serves in a senior policy making*
17 *position in a ministry, agency, or instrumentality of*
18 *the Palestinian Authority;*

19 “(2) *the Palestinian Authority has—*

20 “(A) *publicly acknowledged Israel’s right to*
21 *exist as a Jewish state; and*

22 “(B) *recommitted itself and is adhering to*
23 *all previous agreements and understandings by*
24 *the Palestine Liberation Organization and the*
25 *Palestinian Authority with the Government of*

1 *the United States, the Government of Israel, and*
2 *the international community, including agree-*
3 *ments and understandings pursuant to the Per-*
4 *formance-Based Roadmap to a Permanent Two-*
5 *State Solution to the Israeli-Palestinian Conflict*
6 *(commonly referred to as the ‘Roadmap’); and*

7 “(3) *the Palestinian Authority has taken effective*
8 *steps and made demonstrable progress toward—*

9 “(A) *completing the process of purging from*
10 *its security services individuals with ties to ter-*
11 *rorism;*

12 “(B) *dismantling all terrorist infrastruc-*
13 *ture, confiscating unauthorized weapons, arrest-*
14 *ing and bringing terrorists to justice, destroying*
15 *unauthorized arms factories, thwarting and pre-*
16 *empting terrorist attacks, and fully cooperating*
17 *with Israel’s security services;*

18 “(C) *halting all anti-Israel incitement in*
19 *Palestinian Authority-controlled electronic and*
20 *print media and in schools, mosques, and other*
21 *institutions it controls, and replacing these ma-*
22 *terials, including textbooks, with materials that*
23 *promote tolerance, peace, and coexistence with*
24 *Israel;*

1 “(D) *ensuring democracy, the rule of law,*
2 *and an independent judiciary, and adopting*
3 *other reforms such as ensuring transparent and*
4 *accountable governance; and*

5 “(E) *ensuring the financial transparency*
6 *and accountability of all government ministries*
7 *and operations.*

8 “(c) *RECERTIFICATIONS.—Not later than 90 days after*
9 *the date on which the President transmits to Congress an*
10 *initial certification under subsection (b), and every six*
11 *months thereafter—*

12 “(1) *the President shall transmit to Congress a*
13 *recertification that the requirements contained in sub-*
14 *section (b) are continuing to be met; or*

15 “(2) *if the President is unable to make such a*
16 *recertification, the President shall transmit to Con-*
17 *gress a report that contains the reasons therefor.*

18 “(d) *CONGRESSIONAL NOTIFICATION.—Assistance*
19 *made available under this Act to the Palestinian Authority*
20 *may not be provided until 15 days after the date on which*
21 *the President has provided notice thereof to the Committee*
22 *on International Relations and the Committee on Appro-*
23 *priations of the House of Representatives and to the Com-*
24 *mittee on Foreign Relations and the Committee on Appro-*
25 *priations of the Senate in accordance with the procedures*

1 *applicable to reprogramming notifications under section*
2 *634A(a) of this Act.*

3 “(e) *EXCEPTIONS.*—

4 “(1) *IN GENERAL.*—*Subsection (a) shall not*
5 *apply with respect to the following:*

6 “(A) *ASSISTANCE TO INDEPENDENT ELEC-*
7 *TIONS COMMISSIONS.*—*Assistance to any Pales-*
8 *tinian independent election commission if the*
9 *President transmits to Congress a certification*
10 *that contains a determination of the President*
11 *that—*

12 “(i) *no member of such commission is*
13 *a member of, affiliated with, or appointed*
14 *by a foreign terrorist organization; and*

15 “(ii) *each member of such commission*
16 *is independent of the influence of any polit-*
17 *ical party or movement.*

18 “(B) *ASSISTANCE TO SUPPORT THE MIDDLE*
19 *EAST PEACE PROCESS.*—*Assistance to the Office*
20 *of the President of the Palestinian Authority for*
21 *non-security expenses directly related to facili-*
22 *tating a peaceful resolution of the Israeli-Pales-*
23 *tinian conflict or for the personal security detail*
24 *of the President of the Palestinian Authority if*
25 *the President transmits to Congress a certifi-*

1 *cation that contains a determination of the*
2 *President that—*

3 “(i) *such assistance is critical to facili-*
4 *tating a peaceful resolution of the Israeli-*
5 *Palestinian conflict;*

6 “(ii) *the President of the Palestinian*
7 *Authority is not a member of or affiliated*
8 *with a foreign terrorist organization and*
9 *has rejected the use of terrorism to resolve*
10 *the Israeli-Palestinian conflict;*

11 “(iii) *such assistance will not be used*
12 *to provide funds to any individual who is*
13 *a member of or affiliated with a foreign ter-*
14 *rorist organization or who has not rejected*
15 *the use of terrorism to resolve the Israeli-*
16 *Palestinian conflict; and*

17 “(iv) *such assistance will not be re-*
18 *transferred to any other entity within or*
19 *outside of the Palestinian Authority except*
20 *as payment for legal goods or services ren-*
21 *dered.*

22 “(2) *ADDITIONAL REQUIREMENTS.—Assistance*
23 *described in paragraph (1) may be provided only if*
24 *the President—*

1 “(A) determines that the provision of such
2 assistance is important to the national security
3 interests of the United States; and

4 “(B) not less than 30 days prior to the obli-
5 gation of amounts for the provision of such as-
6 sistance—

7 “(i) consults with the appropriate con-
8 gressional committees regarding the specific
9 programs, projects, and activities to be car-
10 ried out using such assistance; and

11 “(ii) submits to the appropriate con-
12 gressional committees a written memo-
13 randum that contains the determination of
14 the President under subparagraph (A).

15 “(3) DEFINITION.—In this subsection, the term
16 ‘appropriate congressional committees’ means—

17 “(A) the Committee on International Rela-
18 tions and the Committee on Appropriations of
19 the House of Representatives; and

20 “(B) the Committee on Foreign Relations
21 and the Committee on Appropriations of the
22 Senate.

23 “(f) DEFINITIONS.—In this section:

24 “(1) FOREIGN TERRORIST ORGANIZATION.—The
25 term ‘foreign terrorist organization’ means an organi-

1 *zation designated as a foreign terrorist organization*
2 *by the Secretary of State in accordance with section*
3 *219(a) of the Immigration and Nationality Act (8*
4 *U.S.C. 1189(a)).*

5 *“(2) PALESTINIAN AUTHORITY.—The term ‘Pal-*
6 *estinian Authority’ means the interim Palestinian*
7 *administrative organization that governs part of the*
8 *West Bank and all of the Gaza Strip (or any suc-*
9 *cessor Palestinian governing entity), including the*
10 *Palestinian Legislative Council.”.*

11 *(c) APPLICABILITY TO UNEXPENDED FUNDS.—Section*
12 *620K of the Foreign Assistance Act of 1961, as added by*
13 *subsection (b), applies with respect to unexpended funds ob-*
14 *ligated for assistance under the Foreign Assistance Act of*
15 *1961 to the Palestinian Authority before the date of the en-*
16 *actment of this Act.*

17 *(d) REPORT BY COMPTROLLER GENERAL.—Not later*
18 *than 180 days after the date of the enactment of this Act,*
19 *the Comptroller General of the United States shall submit*
20 *to the appropriate congressional committees a report that*
21 *contains a review of the proposed procedures by which*
22 *United States assistance to the Palestinian Authority under*
23 *the Foreign Assistance Act of 1961 will be audited by the*
24 *Department of State, the United States Agency for Inter-*
25 *national Development, and all other relevant departments*

1 *and agencies of the Government of the United States and*
2 *any recommendations for improvement of such procedures.*

3 (e) *SENSE OF CONGRESS.—It is the sense of Congress*
4 *that the President should be guided by the principles and*
5 *procedures described in section 620K of the Foreign Assist-*
6 *ance Act of 1961, as added by subsection (b), in providing*
7 *direct assistance to the Palestinian Authority under any*
8 *provision of law other than the Foreign Assistance Act of*
9 *1961.*

10 **SEC. 3. LIMITATION ON ASSISTANCE FOR THE WEST BANK**
11 **AND GAZA.**

12 (a) *AMENDMENT.—Chapter 1 of part III of the For-*
13 *ign Assistance Act of 1961 (22 U.S.C. 2351 et seq.), as*
14 *amended by section 2(b)(2) of this Act, is further amended*
15 *by adding at the end the following new section:*

16 **“SEC. 620L. LIMITATION ON ASSISTANCE FOR THE WEST**
17 **BANK AND GAZA.**

18 “(a) *LIMITATION.—Except as provided in subsection*
19 *(d), assistance may be provided under this Act to non-*
20 *governmental organizations for the West Bank and Gaza*
21 *only during a period for which a certification described in*
22 *section 620K(b) of this Act is in effect with respect to the*
23 *Palestinian Authority.*

24 “(b) *MARKING REQUIREMENT.—Assistance provided*
25 *under this Act to nongovernmental organizations for the*

1 *West Bank and Gaza shall be marked as assistance from*
2 *the Government of the United States unless the Secretary*
3 *of State or the Administrator of the United States Agency*
4 *for International Development determines that such mark-*
5 *ing will endanger the lives or safety of persons delivering*
6 *or receiving such assistance or would have a material ad-*
7 *verse effect on the implementation of such assistance.*

8 “(c) *CONGRESSIONAL NOTIFICATION.—Assistance*
9 *made available under this Act to nongovernmental organi-*
10 *zations for the West Bank and Gaza may not be provided*
11 *until 15 days after the date on which the President has pro-*
12 *vided notice thereof to the Committee on International Rela-*
13 *tions and the Committee on Appropriations of the House*
14 *of Representatives and to the Committee on Foreign Rela-*
15 *tions and the Committee on Appropriations of the Senate*
16 *in accordance with the procedures applicable to reprogram-*
17 *ming notifications under section 634A(a) of this Act.*

18 “(d) *EXCEPTIONS.—Subsection (a) shall not apply*
19 *with respect to the following:*

20 “(1) *ASSISTANCE TO MEET BASIC HUMAN*
21 *HEALTH NEEDS.—The provision of food, water, medi-*
22 *cine, sanitation services, or other assistance to di-*
23 *rectly meet basic human health needs.*

24 “(2) *OTHER TYPES OF ASSISTANCE.—The provi-*
25 *sion of any other type of assistance if the President—*

1 “(A) determines that the provision of such
2 assistance will further the national security in-
3 terests of the United States; and

4 “(B) not less than 25 days prior to the obli-
5 gation of amounts for the provision of such as-
6 sistance—

7 “(i) consults with the appropriate con-
8 gressional committees regarding the specific
9 programs, projects, and activities to be car-
10 ried out using such assistance; and

11 “(ii) submits to the appropriate con-
12 gressional committees a written memo-
13 randum that contains the determination of
14 the President under subparagraph (A) and
15 an explanation of how failure to provide the
16 proposed assistance would be inconsistent
17 with furthering the national security inter-
18 ests of the United States.

19 “(3) DEFINITION.—In this subsection, the term
20 ‘appropriate congressional committees’ means—

21 “(A) the Committee on International Rela-
22 tions and the Committee on Appropriations of
23 the House of Representatives; and

1 “(B) the Committee on Foreign Relations
2 and the Committee on Appropriations of the
3 Senate.”.

4 (b) *OVERSIGHT AND RELATED REQUIREMENTS.*—

5 (1) *OVERSIGHT.*—*For each of the fiscal years*
6 *2007 and 2008, the Secretary of State shall certify to*
7 *the appropriate congressional committees not later*
8 *than 30 days prior to the initial obligation of*
9 *amounts for assistance to nongovernmental organiza-*
10 *tions for the West Bank or Gaza under the Foreign*
11 *Assistance Act of 1961 that procedures have been es-*
12 *tablished to ensure that the Comptroller General of the*
13 *United States will have access to appropriate United*
14 *States financial information in order to review the*
15 *use of such assistance.*

16 (2) *VETTING.*—*Prior to any obligation of*
17 *amounts for assistance to nongovernmental organiza-*
18 *tions for the West Bank or Gaza under the Foreign*
19 *Assistance Act of 1961, the Secretary of State shall*
20 *take all appropriate steps to ensure that such assist-*
21 *ance is not provided to or through any individual or*
22 *entity that the Secretary knows, or has reason to be-*
23 *lieve, advocates, plans, sponsors, engages in, or has*
24 *engaged in, terrorist activity. The Secretary shall, as*
25 *appropriate, establish procedures specifying the steps*

1 to be taken in carrying out this paragraph and shall
2 terminate assistance to any individual or entity that
3 the Secretary has determined advocates, plans, spon-
4 sors, or engages in terrorist activity.

5 (3) *PROHIBITION.*—No amounts made available
6 for any fiscal year for assistance to nongovernmental
7 organizations for the West Bank or Gaza under the
8 Foreign Assistance Act of 1961 may be made avail-
9 able for the purpose of recognizing or otherwise hon-
10 oring individuals or the families of individuals who
11 commit, or have committed, acts of terrorism.

12 (4) *AUDITS.*—

13 (A) *IN GENERAL.*—The Administrator of the
14 United States Agency for International Develop-
15 ment shall ensure that independent audits of all
16 contractors and grantees, and significant sub-
17 contractors and subgrantees, that receive
18 amounts for assistance to nongovernmental orga-
19 nizations for the West Bank or Gaza under the
20 Foreign Assistance Act of 1961 are conducted to
21 ensure, among other things, compliance with this
22 subsection.

23 (B) *AUDITS BY INSPECTOR GENERAL OF*
24 *USAID.*—Of the amounts available for any fiscal
25 year for assistance to nongovernmental organiza-

1 *tions for the West Bank or Gaza under the For-*
2 *oreign Assistance Act of 1961, up to \$1,000,000 for*
3 *each such fiscal year may be used by the Office*
4 *of the Inspector General of the United States*
5 *Agency for International Development for audits,*
6 *inspections, and other activities in furtherance of*
7 *the requirements of subparagraph (A). Such*
8 *amounts are in addition to amounts otherwise*
9 *available for such purposes.*

10 *(c) SENSE OF CONGRESS.—It is the sense of Congress*
11 *that the President should be guided by the principles and*
12 *procedures described in section 620L of the Foreign Assist-*
13 *ance Act of 1961, as added by subsection (a), in providing*
14 *assistance to nongovernmental organizations for the West*
15 *Bank and Gaza under any provision of law other than the*
16 *Foreign Assistance Act of 1961.*

17 **SEC. 4. UNITED NATIONS AGENCIES AND PROGRAMS.**

18 *(a) REVIEW AND REPORT.—*

19 *(1) IN GENERAL.—Not later than 60 days after*
20 *the date of the enactment of this Act, the President*
21 *shall—*

22 *(A) conduct an audit of the functions of the*
23 *entities specified in paragraph (2); and*

24 *(B) transmit to the appropriate congres-*
25 *sional committees a report containing rec-*

1 *ommendations for the elimination of such enti-*
2 *ties and efforts that are duplicative or fail to en-*
3 *sure balance in the approach of the United Na-*
4 *tions to Israeli-Palestinian issues.*

5 (2) *ENTITIES SPECIFIED.*—*The entities referred*
6 *to in paragraph (1) are the following:*

7 (A) *The United Nations Division for Pales-*
8 *tinian Rights.*

9 (B) *The Committee on the Exercise of the*
10 *Inalienable Rights of the Palestinian People.*

11 (C) *The United Nations Special Coordi-*
12 *nator for the Middle East Peace Process and*
13 *Personal Representative to the Palestine Libera-*
14 *tion Organization and the Palestinian Author-*
15 *ity.*

16 (D) *The NGO Network on the Question of*
17 *Palestine.*

18 (E) *The Special Committee to Investigate*
19 *Israeli Practices Affecting the Human Rights of*
20 *the Palestinian People and Other Arabs of the*
21 *Occupied Territories.*

22 (F) *Any other entity the Secretary deter-*
23 *mines results in duplicative efforts or funding or*
24 *fails to ensure balance in the approach to*
25 *Israeli-Palestinian issues.*

1 **(b) IMPLEMENTATION OF RECOMMENDATIONS BY PER-**
2 **MANENT REPRESENTATIVE.**—

3 **(1) IN GENERAL.**—*The United States Permanent*
4 *Representative to the United Nations shall use the*
5 *voice, vote, and influence of the United States at the*
6 *United Nations to seek the implementation of the rec-*
7 *ommendations contained in the report required under*
8 *subsection (a)(1)(B).*

9 **(2) WITHHOLDING OF FUNDS.**—*Until such rec-*
10 *ommendations have been implemented, the Secretary*
11 *of State is authorized to withhold from United States*
12 *contributions to the regular assessed budget of the*
13 *United Nations for a biennial period amounts that*
14 *are proportional to the percentage of such budget that*
15 *are expended for such entities.*

16 **(c) GAO AUDIT.**—*The Comptroller General shall con-*
17 *duct an audit of the status of the implementation of the*
18 *recommendations contained in the report required under*
19 *subsection (a)(1)(B).*

20 **(d) WITHHOLDING OF FUNDS WITH RESPECT TO THE**
21 **PALESTINIAN AUTHORITY.**—*The Secretary of State is au-*
22 *thorized to withhold from United States contributions to the*
23 *regular assessed budget of the United Nations for a biennial*
24 *period amounts that are proportional to the percentage of*
25 *such budget that are expended for any United Nations af-*

1 *filiated or specialized agency that provides assistance di-*
2 *rectly to the Palestinian Authority during any period for*
3 *which a certification described in section 620K(b) of the*
4 *Foreign Assistance Act of 1961 (as added by section 2(b)(2)*
5 *of this Act) is not in effect with respect to the Palestinian*
6 *Authority.*

7 **SEC. 5. DESIGNATION OF TERRITORY CONTROLLED BY THE**
8 **PALESTINIAN AUTHORITY AS TERRORIST**
9 **SANCTUARY.**

10 *It is the sense of Congress that, during any period for*
11 *which a certification described in section 620K(b) of the*
12 *Foreign Assistance Act of 1961 (as added by section 2(b)(2)*
13 *of this Act) is not in effect with respect to the Palestinian*
14 *Authority, the territory controlled by the Palestinian Au-*
15 *thority should be deemed to be in use as a sanctuary for*
16 *terrorists or terrorist organizations for purposes of section*
17 *6(j)(5) of the Export Administration Act of 1979 (50 U.S.C.*
18 *App. 2405(j)(5)) and section 140 of the Foreign Relations*
19 *Authorization Act, Fiscal Years 1988 and 1989 (22 U.S.C.*
20 *2656f).*

21 **SEC. 6. DENIAL OF VISAS FOR OFFICIALS OF THE PALES-**
22 **TINIAN AUTHORITY.**

23 *(a) IN GENERAL.—A visa shall not be issued to any*
24 *alien who is an official of, affiliated with, or serving as*
25 *a representative of the Palestinian Authority during any*

1 *period for which a certification described in section 620K(b)*
 2 *of the Foreign Assistance Act of 1961 (as added by section*
 3 *2(b)(2) of this Act) is not in effect with respect to the Pales-*
 4 *tinian Authority.*

5 (b) *WAIVER.—Subsection (a) shall not apply—*

6 (1) *if the President determines and certifies to*
 7 *the appropriate congressional committees, on a case-*
 8 *by-case basis, that the issuance of a visa to an alien*
 9 *described in such subsection is important to the na-*
 10 *tional security interests of the United States; or*

11 (2) *with respect to visas issued in connection*
 12 *with United States obligations under the Act of Au-*
 13 *gust 4, 1947 (61 Stat. 756) (commonly known as the*
 14 *“United Nations Headquarters Agreement Act”).*

15 **SEC. 7. TRAVEL RESTRICTIONS ON OFFICIALS AND REP-**
 16 **RESENTATIVES OF THE PALESTINIAN AU-**
 17 **THORITY AND THE PALESTINE LIBERATION**
 18 **ORGANIZATION STATIONED AT THE UNITED**
 19 **NATIONS IN NEW YORK CITY.**

20 *The President shall restrict the travel of officials and*
 21 *representatives of the Palestinian Authority and of the Pal-*
 22 *estine Liberation Organization who are stationed at the*
 23 *United Nations in New York City to a 25-mile radius of*
 24 *the United Nations headquarters building during any pe-*
 25 *riod for which a certification described in section 620K(b)*

1 *of the Foreign Assistance Act of 1961 (as added by section*
2 *2(b)(2) of this Act) is not in effect with respect to the Pales-*
3 *tinian Authority.*

4 **SEC. 8. PROHIBITION ON PALESTINIAN AUTHORITY REP-**
5 **RESENTATION IN THE UNITED STATES.**

6 (a) *PROHIBITION.*—*Notwithstanding any other provi-*
7 *sion of law, it shall be unlawful to establish or maintain*
8 *an office, headquarters, premises, or other facilities or estab-*
9 *lishments within the jurisdiction of the United States at*
10 *the behest or direction of, or with funds provided by, the*
11 *Palestinian Authority or the Palestine Liberation Organi-*
12 *zation during any period for which a certification described*
13 *in section 620K(b) of the Foreign Assistance Act of 1961*
14 *(as added by section 2(b)(2) of this Act) is not in effect*
15 *with respect to the Palestinian Authority.*

16 (b) *ENFORCEMENT.*—

17 (1) *ATTORNEY GENERAL.*—*The Attorney General*
18 *shall take the necessary steps and institute the nec-*
19 *essary legal action to effectuate the policies and provi-*
20 *sions of subsection (a).*

21 (2) *RELIEF.*—*Any district court of the United*
22 *States for a district in which a violation of subsection*
23 *(a) occurs shall have authority, upon petition of relief*
24 *by the Attorney General, to grant injunctive and such*

1 *other equitable relief as it shall deem necessary to en-*
2 *force the provisions of subsection (a).*

3 (c) *WAIVER.*—

4 (1) *AUTHORITY.*—*The President may waive the*
5 *application of subsection (a) for a period of 180 days*
6 *if the President determines and certifies to the appro-*
7 *priate congressional committees that such waiver is*
8 *vital to the national security interests of the United*
9 *States and provides an explanation of how the failure*
10 *to waive the application of subsection (a) would be*
11 *inconsistent with the vital national security interests*
12 *of the United States.*

13 (2) *RENEWAL.*—*The President may renew the*
14 *waiver described in paragraph (1) for successive 180-*
15 *day periods if the President makes the determination*
16 *and certification described in such paragraph for each*
17 *such period.*

18 **SEC. 9. INTERNATIONAL FINANCIAL INSTITUTIONS.**

19 (a) *UNITED STATES POLICY.*—*It shall be the policy*
20 *of the United States that the United States Executive Direc-*
21 *tor at each international financial institution shall use the*
22 *voice, vote, and influence of the United States to prohibit*
23 *assistance to the Palestinian Authority during any period*
24 *for which a certification described in section 620K(b) of the*
25 *Foreign Assistance of 1961 (as added by section 2(b)(2) of*

1 *this Act) is not in effect with respect to the Palestinian Au-*
2 *thority.*

3 (b) *DEFINITION.*—*In this section, the term “inter-*
4 *national financial institution” has the meaning given the*
5 *term in section 1701(c)(2) of the International Financial*
6 *Institutions Act.*

7 **SEC. 10. DIPLOMATIC CONTACTS WITH PALESTINIAN TER-**
8 **ROR ORGANIZATIONS.**

9 *It shall be the policy of the United States that no offi-*
10 *cer or employee of the United States Government shall nego-*
11 *tiate or have substantive contacts with members or official*
12 *representatives of Hamas, Palestinian Islamic Jihad, the*
13 *Popular Front for the Liberation of Palestine, al-Aqsa Mar-*
14 *tyrs Brigade, or any other Palestinian terrorist organiza-*
15 *tion, unless and until such organization—*

16 (1) *recognizes Israel’s right to exist;*

17 (2) *renounces the use of terrorism;*

18 (3) *dismantles the infrastructure necessary to*
19 *carry out terrorist acts, including the disarming of*
20 *militias and the elimination of all instruments of ter-*
21 *ror; and*

22 (4) *recognizes and accepts all previous agree-*
23 *ments and understandings between the State of Israel*
24 *and the Palestine Liberation Organization and the*
25 *Palestinian Authority.*

1 **SEC. 11. DEFINITIONS.**

2 *In this Act:*

3 (1) *APPROPRIATE CONGRESSIONAL COMMIT-*
4 *TEES.*—*The term “appropriate congressional commit-*
5 *tees” means—*

6 (A) *the Committee on International Rela-*
7 *tions and the Committee on Appropriations of*
8 *the House of Representatives; and*

9 (B) *the Committee on Foreign Relations*
10 *and the Committee on Appropriations of the*
11 *Senate.*

12 (2) *PALESTINIAN AUTHORITY.*—*The term “Pales-*
13 *tinian Authority” has the meaning given the term in*
14 *section 620K(e)(2) of the Foreign Assistance Act of*
15 *1961 (as added by section 2(b)(2) of this Act).*

16 **SEC. 1. SHORT TITLE.**

17 **This Act may be cited as the “Palestinian**
18 **Anti-Terrorism Act of 2006”.**

19 **SEC. 2. LIMITATION ON ASSISTANCE TO THE PALESTINIAN**
20 **AUTHORITY.**

21 **(a) DECLARATION OF POLICY.—It shall be**
22 **the policy of the United States—**

23 **(1) to support a peaceful, two-state so-**
24 **lution to end the conflict between Israel**
25 **and the Palestinians in accordance with**
26 **the Performance-Based Roadmap to a**

1 **Permanent Two-State Solution to the**
2 **Israeli-Palestinian Conflict (commonly re-**
3 **ferred to as the “Roadmap”);**

4 **(2) to oppose those organizations, in-**
5 **dividuals, and countries that support ter-**
6 **rorism and violence;**

7 **(3) to urge members of the inter-**
8 **national community to avoid contact**
9 **with and refrain from financially sup-**
10 **porting the terrorist organization Hamas**
11 **or a Hamas-controlled Palestinian Au-**
12 **thority until Hamas agrees to recognize**
13 **Israel, renounce violence, disarm, and ac-**
14 **cept prior agreements, including the**
15 **Roadmap;**

16 **(4) to promote the emergence of a**
17 **democratic Palestinian governing author-**
18 **ity that—**

19 **(A) denounces and combats ter-**
20 **rorism;**

21 **(B) has agreed to and is taking ac-**
22 **tion to disarm and dismantle any ter-**
23 **rorist agency, network, or facility;**

24 **(C) has agreed to work to elimi-**
25 **nate anti-Israel and anti-Semitic in-**

1 **citement and the commemoration of**
2 **terrorists in Palestinian society;**

3 **(D) has agreed to respect the sov-**
4 **ereignty of its neighbors;**

5 **(E) acknowledges, respects, and**
6 **upholds the human rights of all peo-**
7 **ple;**

8 **(F) implements the rule of law,**
9 **good governance, and democratic**
10 **practices, including conducting free,**
11 **fair, and transparent elections in**
12 **compliance with international stand-**
13 **ards;**

14 **(G) ensures institutional and fi-**
15 **nancial transparency and account-**
16 **ability; and**

17 **(H) has agreed to recognize the**
18 **State of Israel as an independent, sov-**
19 **ereign, Jewish, democratic state; and**

20 **(5) to continue to support assistance**
21 **to the Palestinian people.**

22 **(b) AMENDMENTS.—Chapter 1 of part III of**
23 **the Foreign Assistance Act of 1961 (22 U.S.C.**
24 **2351 et seq.) is amended—**

1 (1) by redesignating the second sec-
2 tion 620G (as added by section 149 of
3 Public Law 104-164 (110 Stat. 1436)) as
4 section 620J; and

5 (2) by adding at the end the following
6 new section:

7 “SEC. 620K. LIMITATION ON ASSISTANCE TO THE PALES-
8 TINIAN AUTHORITY.

9 “(a) LIMITATION.—Except as provided in
10 subsection (e), assistance may be provided
11 under this Act to the Palestinian Authority
12 only during a period for which a certification
13 described in subsection (b) is in effect.

14 “(b) CERTIFICATION.—A certification de-
15 scribed in this subsection is a certification
16 transmitted by the President to Congress that
17 contains a determination of the President
18 that—

19 “(1) no ministry, agency, or instru-
20 mentality of the Palestinian Authority is
21 controlled by a foreign terrorist organiza-
22 tion and no member of a foreign terrorist
23 organization serves in a senior policy
24 making position in a ministry, agency, or

1 **instrumentality of the Palestinian Au-**
2 **thority;**

3 **“(2) the Palestinian Authority has—**

4 **“(A) publicly acknowledged**
5 **Israel’s right to exist as a Jewish**
6 **state; and**

7 **“(B) recommitted itself and is ad-**
8 **hering to all previous agreements and**
9 **understandings by the Palestine Lib-**
10 **eration Organization and the Pales-**
11 **tinian Authority with the Govern-**
12 **ment of the United States, the Gov-**
13 **ernment of Israel, and the inter-**
14 **national community, including agree-**
15 **ments and understandings pursuant**
16 **to the Performance-Based Roadmap**
17 **to a Permanent Two-State Solution to**
18 **the Israeli-Palestinian Conflict (com-**
19 **monly referred to as the ‘Roadmap’);**
20 **and**

21 **“(3) the Palestinian Authority has**
22 **taken effective steps and made demon-**
23 **strable progress toward—**

1 **“(A) completing the process of**
2 **purging from its security services in-**
3 **dividuals with ties to terrorism;**

4 **“(B) dismantling all terrorist in-**
5 **frastructure, confiscating unauthor-**
6 **ized weapons, arresting and bringing**
7 **terrorists to justice, destroying unau-**
8 **thorized arms factories, thwarting**
9 **and preempting terrorist attacks, and**
10 **fully cooperating with Israel’s secu-**
11 **rity services;**

12 **“(C) halting all anti-Israel incite-**
13 **ment in Palestinian Authority-con-**
14 **trolled electronic and print media**
15 **and in schools, mosques, and other**
16 **institutions it controls, and replacing**
17 **these materials, including textbooks,**
18 **with materials that promote toler-**
19 **ance, peace, and coexistence with**
20 **Israel;**

21 **“(D) ensuring democracy, the rule**
22 **of law, and an independent judiciary,**
23 **and adopting other reforms such as**
24 **ensuring transparent and account-**
25 **able governance; and**

1 **“(E) ensuring the financial trans-**
2 **parency and accountability of all gov-**
3 **ernment ministries and operations.**

4 **“(c) RECERTIFICATIONS.—Not later than 90**
5 **days after the date on which the President**
6 **transmits to Congress an initial certification**
7 **under subsection (b), and every six months**
8 **thereafter—**

9 **“(1) the President shall transmit to**
10 **Congress a recertification that the re-**
11 **quirements contained in subsection (b)**
12 **are continuing to be met; or**

13 **“(2) if the President is unable to make**
14 **such a recertification, the President shall**
15 **transmit to Congress a report that con-**
16 **tains the reasons therefor.**

17 **“(d) CONGRESSIONAL NOTIFICATION.—Assist-**
18 **ance made available under this Act to the Pal-**
19 **estinian Authority may not be provided until**
20 **15 days after the date on which the President**
21 **has provided notice thereof to the Committee**
22 **on International Relations and the Committee**
23 **on Appropriations of the House of Represent-**
24 **atives and to the Committee on Foreign Rela-**
25 **tions and the Committee on Appropriations of**

1 **the Senate in accordance with the procedures**
2 **applicable to reprogramming notifications**
3 **under section 634A(a) of this Act.**

4 **“(e) EXCEPTIONS.—**

5 **“(1) IN GENERAL.—Subsection (a) shall**
6 **not apply with respect to the following:**

7 **“(A) ASSISTANCE TO INDEPENDENT**
8 **ELECTIONS COMMISSIONS.—Assistance**
9 **to any Palestinian independent elec-**
10 **tion commission if the President**
11 **transmits to Congress a certification**
12 **that contains a determination of the**
13 **President that—**

14 **“(i) no member of such com-**
15 **mission is a member of, affiliated**
16 **with, or appointed by a foreign**
17 **terrorist organization; and**

18 **“(ii) each member of such**
19 **commission is independent of the**
20 **influence of any political party or**
21 **movement.**

22 **“(B) ASSISTANCE TO SUPPORT THE**
23 **MIDDLE EAST PEACE PROCESS.—Assist-**
24 **ance to the Office of the President of**
25 **the Palestinian Authority for non-se-**

1 **curity expenses directly related to fa-**
2 **cilitating a peaceful resolution of the**
3 **Israeli-Palestinian conflict or for the**
4 **personal security detail of the Presi-**
5 **dent of the Palestinian Authority if**
6 **the President transmits to Congress a**
7 **certification that contains a deter-**
8 **mination of the President that—**

9 **“(i) such assistance is critical**
10 **to facilitating a peaceful resolu-**
11 **tion of the Israeli-Palestinian con-**
12 **flict;**

13 **“(ii) the President of the Pal-**
14 **estinian Authority is not a mem-**
15 **ber of or affiliated with a foreign**
16 **terrorist organization and has re-**
17 **jected the use of terrorism to re-**
18 **solve the Israeli-Palestinian con-**
19 **flict;**

20 **“(iii) such assistance will not**
21 **be used to provide funds to any**
22 **individual who is a member of or**
23 **affiliated with a foreign terrorist**
24 **organization or who has not re-**
25 **jected the use of terrorism to re-**

1 **solve the Israeli-Palestinian con-**
2 **flict; and**

3 **“(iv) such assistance will not**
4 **be retransferred to any other en-**
5 **tity within or outside of the Pal-**
6 **estinian Authority except as pay-**
7 **ment for legal goods or services**
8 **rendered.**

9 **“(2) ADDITIONAL REQUIREMENTS.—As-**
10 **sistance described in paragraph (1) may**
11 **be provided only if the President—**

12 **“(A) determines that the provision**
13 **of such assistance is important to the**
14 **national security interests of the**
15 **United States; and**

16 **“(B) not less than 30 days prior to**
17 **the obligation of amounts for the pro-**
18 **vision of such assistance—**

19 **“(i) consults with the appro-**
20 **priate congressional committees**
21 **regarding the specific programs,**
22 **projects, and activities to be car-**
23 **ried out using such assistance;**
24 **and**

1 “(ii) submits to the appro-
2 priate congressional committees a
3 written memorandum that con-
4 tains the determination of the
5 President under subparagraph
6 (A).

7 “(3) DEFINITION.—In this subsection,
8 the term ‘appropriate congressional com-
9 mittees’ means—

10 “(A) the Committee on Inter-
11 national Relations and the Committee
12 on Appropriations of the House of
13 Representatives; and

14 “(B) the Committee on Foreign
15 Relations and the Committee on Ap-
16 propriations of the Senate.

17 “(f) DEFINITIONS.—In this section:

18 “(1) FOREIGN TERRORIST ORGANIZA-
19 TION.—The term ‘foreign terrorist organi-
20 zation’ means an organization designated
21 as a foreign terrorist organization by the
22 Secretary of State in accordance with
23 section 219(a) of the Immigration and Na-
24 tionality Act (8 U.S.C. 1189(a)).

1 **“(2) PALESTINIAN AUTHORITY.—The**
2 **term ‘Palestinian Authority’ means the**
3 **interim Palestinian administrative orga-**
4 **nization that governs part of the West**
5 **Bank and all of the Gaza Strip (or any**
6 **successor Palestinian governing entity),**
7 **including the Palestinian Legislative**
8 **Council.”.**

9 **(c) APPLICABILITY TO UNEXPENDED FUNDS.—**
10 **Section 620K of the Foreign Assistance Act of**
11 **1961, as added by subsection (b), applies with**
12 **respect to unexpended funds obligated for as-**
13 **sistance under the Foreign Assistance Act of**
14 **1961 to the Palestinian Authority before the**
15 **date of the enactment of this Act.**

16 **(d) REPORT BY COMPTROLLER GENERAL.—**
17 **Not later than 180 days after the date of the**
18 **enactment of this Act, the Comptroller Gen-**
19 **eral of the United States shall submit to the**
20 **appropriate congressional committees a re-**
21 **port that contains a review of the proposed**
22 **procedures by which United States assistance**
23 **to the Palestinian Authority under the For-**
24 **eign Assistance Act of 1961 will be audited by**
25 **the Department of State, the United States**

1 **Agency for International Development, and**
2 **all other relevant departments and agencies**
3 **of the Government of the United States and**
4 **any recommendations for improvement of**
5 **such procedures.**

6 **(e) SENSE OF CONGRESS.—It is the sense of**
7 **Congress that the President should be guided**
8 **by the principles and procedures described in**
9 **section 620K of the Foreign Assistance Act of**
10 **1961, as added by subsection (b), in providing**
11 **direct assistance to the Palestinian Authority**
12 **under any provision of law other than the**
13 **Foreign Assistance Act of 1961.**

14 **SEC. 3. LIMITATION ON ASSISTANCE FOR THE WEST BANK**
15 **AND GAZA.**

16 **(a) AMENDMENT.—Chapter 1 of part III of**
17 **the Foreign Assistance Act of 1961 (22 U.S.C.**
18 **2351 et seq.), as amended by section 2(b)(2) of**
19 **this Act, is further amended by adding at the**
20 **end the following new section:**

21 **“SEC. 620L. LIMITATION ON ASSISTANCE FOR THE WEST**
22 **BANK AND GAZA.**

23 **“(a) LIMITATION.—Except as provided in**
24 **subsection (d), assistance may be provided**
25 **under this Act to nongovernmental organiza-**

1 tions for the West Bank and Gaza only during
2 a period for which a certification described in
3 section 620K(b) of this Act is in effect with re-
4 spect to the Palestinian Authority.

5 “(b) MARKING REQUIREMENT.—Assistance
6 provided under this Act to nongovernmental
7 organizations for the West Bank and Gaza
8 shall be marked as assistance from the Gov-
9 ernment of the United States unless the Sec-
10 retary of State or the Administrator of the
11 United States Agency for International Devel-
12 opment determines that such marking will en-
13 danger the lives or safety of persons deliv-
14 ering or receiving such assistance or would
15 have a material adverse effect on the imple-
16 mentation of such assistance.

17 “(c) CONGRESSIONAL NOTIFICATION.—Assist-
18 ance made available under this Act to non-
19 governmental organizations for the West
20 Bank and Gaza may not be provided until 15
21 days after the date on which the President
22 has provided notice thereof to the Committee
23 on International Relations and the Committee
24 on Appropriations of the House of Represent-
25 atives and to the Committee on Foreign Rela-

1 tions and the Committee on Appropriations of
2 the Senate in accordance with the procedures
3 applicable to reprogramming notifications
4 under section 634A(a) of this Act.

5 “(d) EXCEPTIONS.—Subsection (a) shall not
6 apply with respect to the following:

7 “(1) ASSISTANCE TO MEET BASIC HUMAN
8 HEALTH NEEDS.—The provision of food,
9 water, medicine, sanitation services, or
10 other assistance to directly meet basic
11 human health needs.

12 “(2) OTHER TYPES OF ASSISTANCE.—The
13 provision of any other type of assistance
14 if the President—

15 “(A) determines that the provision
16 of such assistance will further the na-
17 tional security interests of the United
18 States; and

19 “(B) not less than 25 days prior to
20 the obligation of amounts for the pro-
21 vision of such assistance—

22 “(i) consults with the appro-
23 priate congressional committees
24 regarding the specific programs,
25 projects, and activities to be car-

1 ried out using such assistance;
2 and

3 “(ii) submits to the appro-
4 priate congressional committees a
5 written memorandum that con-
6 tains the determination of the
7 President under subparagraph
8 (A) and an explanation of how
9 failure to provide the proposed
10 assistance would be inconsistent
11 with furthering the national secu-
12 rity interests of the United States.

13 “(3) DEFINITION.—In this subsection,
14 the term ‘appropriate congressional com-
15 mittees’ means—

16 “(A) the Committee on Inter-
17 national Relations and the Committee
18 on Appropriations of the House of
19 Representatives; and

20 “(B) the Committee on Foreign
21 Relations and the Committee on Ap-
22 propriations of the Senate.”.

23 (b) OVERSIGHT AND RELATED REQUIRE-
24 MENTS.—

1 **(1) OVERSIGHT.**—For each of the fiscal
2 years 2007 and 2008, the Secretary of
3 State shall certify to the appropriate con-
4 gressional committees not later than 30
5 days prior to the initial obligation of
6 amounts for assistance to nongovern-
7 mental organizations for the West Bank
8 or Gaza under the Foreign Assistance Act
9 of 1961 that procedures have been estab-
10 lished to ensure that the Comptroller
11 General of the United States will have ac-
12 cess to appropriate United States finan-
13 cial information in order to review the
14 use of such assistance.

15 **(2) VETTING.**—Prior to any obligation
16 of amounts for assistance to nongovern-
17 mental organizations for the West Bank
18 or Gaza under the Foreign Assistance Act
19 of 1961, the Secretary of State shall take
20 all appropriate steps to ensure that such
21 assistance is not provided to or through
22 any individual or entity that the Sec-
23 retary knows, or has reason to believe,
24 advocates, plans, sponsors, engages in, or
25 has engaged in, terrorist activity. The

1 **Secretary shall, as appropriate, establish**
2 **procedures specifying the steps to be**
3 **taken in carrying out this paragraph and**
4 **shall terminate assistance to any indi-**
5 **vidual or entity that the Secretary has**
6 **determined advocates, plans, sponsors, or**
7 **engages in terrorist activity.**

8 **(3) PROHIBITION.—No amounts made**
9 **available for any fiscal year for assist-**
10 **ance to nongovernmental organizations**
11 **for the West Bank or Gaza under the For-**
12 **eign Assistance Act of 1961 may be made**
13 **available for the purpose of recognizing**
14 **or otherwise honoring individuals or the**
15 **families of individuals who commit, or**
16 **have committed, acts of terrorism.**

17 **(4) AUDITS.—**

18 **(A) IN GENERAL.—The Adminis-**
19 **trator of the United States Agency for**
20 **International Development shall en-**
21 **sure that independent audits of all**
22 **contractors and grantees, and signifi-**
23 **cant subcontractors and subgrantees,**
24 **that receive amounts for assistance to**
25 **nongovernmental organizations for**

1 **the West Bank or Gaza under the For-**
2 **foreign Assistance Act of 1961 are con-**
3 **ducted to ensure, among other things,**
4 **compliance with this subsection.**

5 **(B) AUDITS BY INSPECTOR GENERAL**
6 **OF USAID.—Of the amounts available**
7 **for any fiscal year for assistance to**
8 **nongovernmental organizations for**
9 **the West Bank or Gaza under the For-**
10 **foreign Assistance Act of 1961, up to**
11 **\$1,000,000 for each such fiscal year**
12 **may be used by the Office of the In-**
13 **spector General of the United States**
14 **Agency for International Develop-**
15 **ment for audits, inspections, and**
16 **other activities in furtherance of the**
17 **requirements of subparagraph (A).**
18 **Such amounts are in addition to**
19 **amounts otherwise available for such**
20 **purposes.**

21 **(c) SENSE OF CONGRESS.—It is the sense of**
22 **Congress that the President should be guided**
23 **by the principles and procedures described in**
24 **section 620L of the Foreign Assistance Act of**
25 **1961, as added by subsection (a), in providing**

1 **assistance to nongovernmental organizations**
2 **for the West Bank and Gaza under any provi-**
3 **sion of law other than the Foreign Assistance**
4 **Act of 1961.**

5 **SEC. 4. UNITED NATIONS AGENCIES AND PROGRAMS.**

6 **(a) REVIEW AND REPORT.—**

7 **(1) IN GENERAL.—Not later than 60**
8 **days after the date of the enactment of**
9 **this Act, the President shall—**

10 **(A) conduct an audit of the func-**
11 **tions of the entities specified in para-**
12 **graph (2); and**

13 **(B) transmit to the appropriate**
14 **congressional committees a report**
15 **containing recommendations for the**
16 **elimination of such entities and ef-**
17 **forts that are duplicative or fail to en-**
18 **sure balance in the approach of the**
19 **United Nations to Israeli-Palestinian**
20 **issues.**

21 **(2) ENTITIES SPECIFIED.—The entities**
22 **referred to in paragraph (1) are the fol-**
23 **lowing:**

24 **(A) The United Nations Division**
25 **for Palestinian Rights.**

1 **(B) The Committee on the Exer-**
2 **cise of the Inalienable Rights of the**
3 **Palestinian People.**

4 **(C) The United Nations Special**
5 **Coordinator for the Middle East**
6 **Peace Process and Personal Rep-**
7 **resentative to the Palestine Libera-**
8 **tion Organization and the Palestinian**
9 **Authority.**

10 **(D) The NGO Network on the**
11 **Question of Palestine.**

12 **(E) The Special Committee to In-**
13 **vestigate Israeli Practices Affecting**
14 **the Human Rights of the Palestinian**
15 **People and Other Arabs of the Occu-**
16 **pled Territories.**

17 **(F) Any other entity the Secretary**
18 **determines results in duplicative ef-**
19 **forts or funding or fails to ensure bal-**
20 **ance in the approach to Israeli-Pales-**
21 **tinian issues.**

22 **(b) IMPLEMENTATION OF RECOMMENDATIONS**
23 **BY PERMANENT REPRESENTATIVE.—**

24 **(1) IN GENERAL.—The United States**
25 **Permanent Representative to the United**

1 Nations shall use the voice, vote, and in-
2 fluence of the United States at the United
3 Nations to seek the implementation of
4 the recommendations contained in the re-
5 port required under subsection (a)(1)(B).

6 (2) WITHHOLDING OF FUNDS.—Until
7 such recommendations have been imple-
8 mented, the Secretary of State is author-
9 ized to withhold from United States con-
10 tributions to the regular assessed budget
11 of the United Nations for a biennial pe-
12 riod amounts that are proportional to the
13 percentage of such budget that are ex-
14 pended for such entities.

15 (c) GAO AUDIT.—The Comptroller General
16 shall conduct an audit of the status of the im-
17 plementation of the recommendations con-
18 tained in the report required under sub-
19 section (a)(1)(B).

20 (d) WITHHOLDING OF FUNDS WITH RESPECT
21 TO THE PALESTINIAN AUTHORITY.—The Sec-
22 retary of State is authorized to withhold from
23 United States contributions to the regular as-
24 sessed budget of the United Nations for a bi-
25 ennial period amounts that are proportional

1 to the percentage of such budget that are ex-
2 pended for any United Nations affiliated or
3 specialized agency that provides assistance
4 directly to the Palestinian Authority during
5 any period for which a certification described
6 in section 620K(b) of the Foreign Assistance
7 Act of 1961 (as added by section 2(b)(2) of this
8 Act) is not in effect with respect to the Pales-
9 tinian Authority.

10 SEC. 5. DESIGNATION OF TERRITORY CONTROLLED BY THE
11 PALESTINIAN AUTHORITY AS TERRORIST
12 SANCTUARY.

13 It is the sense of Congress that, during
14 any period for which a certification described
15 in section 620K(b) of the Foreign Assistance
16 Act of 1961 (as added by section 2(b)(2) of this
17 Act) is not in effect with respect to the Pales-
18 tinian Authority, the territory controlled by
19 the Palestinian Authority should be deemed
20 to be in use as a sanctuary for terrorists or
21 terrorist organizations for purposes of section
22 6(j)(5) of the Export Administration Act of
23 1979 (50 U.S.C. App. 2405(j)(5)) and section 140
24 of the Foreign Relations Authorization Act,
25 Fiscal Years 1988 and 1989 (22 U.S.C. 2656f).

1 SEC. 6. DENIAL OF VISAS FOR OFFICIALS OF THE PALES-
2 TINIAN AUTHORITY.

3 (a) **IN GENERAL.**—A visa shall not be issued
4 to any alien who is an official of, affiliated
5 with, or serving as a representative of the Pal-
6 estinian Authority during any period for
7 which a certification described in section
8 620K(b) of the Foreign Assistance Act of 1961
9 (as added by section 2(b)(2) of this Act) is not
10 in effect with respect to the Palestinian Au-
11 thority.

12 (b) **WAIVER.**—Subsection (a) shall not
13 apply—

14 (1) if the President determines and
15 certifies to the appropriate congressional
16 committees, on a case-by-case basis, that
17 the issuance of a visa to an alien de-
18 scribed in such subsection is important
19 to the national security interests of the
20 United States; or

21 (2) with respect to visas issued in
22 connection with United States obligations
23 under the Act of August 4, 1947 (61 Stat.
24 756) (commonly known as the “United Na-
25 tions Headquarters Agreement Act”).

1 SEC. 7. TRAVEL RESTRICTIONS ON OFFICIALS AND REP-
2 REPRESENTATIVES OF THE PALESTINIAN AU-
3 THORITY AND THE PALESTINE LIBERATION
4 ORGANIZATION STATIONED AT THE UNITED
5 NATIONS IN NEW YORK CITY.

6 **The President shall restrict the travel of**
7 **officials and representatives of the Pales-**
8 **tinian Authority and of the Palestine Libera-**
9 **tion Organization who are stationed at the**
10 **United Nations in New York City to a 25-mile**
11 **radius of the United Nations headquarters**
12 **building during any period for which a cer-**
13 **tification described in section 620K(b) of the**
14 **Foreign Assistance Act of 1961 (as added by**
15 **section 2(b)(2) of this Act) is not in effect with**
16 **respect to the Palestinian Authority.**

17 SEC. 8. PROHIBITION ON PALESTINIAN AUTHORITY REP-
18 REPRESENTATION IN THE UNITED STATES.

19 **(a) PROHIBITION.—Notwithstanding any**
20 **other provision of law, it shall be unlawful to**
21 **establish or maintain an office, headquarters,**
22 **premises, or other facilities or establishments**
23 **within the jurisdiction of the United States at**
24 **the behest or direction of, or with funds pro-**
25 **vided by, the Palestinian Authority or the Pal-**
26 **estine Liberation Organization during any pe-**

1 **riod for which a certification described in sec-**
2 **tion 620K(b) of the Foreign Assistance Act of**
3 **1961 (as added by section 2(b)(2) of this Act)**
4 **is not in effect with respect to the Palestinian**
5 **Authority.**

6 **(b) ENFORCEMENT.—**

7 **(1) ATTORNEY GENERAL.—The Attorney**
8 **General shall take the necessary steps**
9 **and institute the necessary legal action**
10 **to effectuate the policies and provisions**
11 **of subsection (a), including steps nec-**
12 **essary to apply the policies and provi-**
13 **sions of subsection (a) to the Permanent**
14 **Observer Mission of Palestine to the**
15 **United Nations.**

16 **(2) RELIEF.—Any district court of the**
17 **United States for a district in which a**
18 **violation of subsection (a) occurs shall**
19 **have authority, upon petition of relief by**
20 **the Attorney General, to grant injunctive**
21 **and such other equitable relief as it shall**
22 **deem necessary to enforce the provisions**
23 **of subsection (a).**

24 **(c) WAIVER.—**

1 **(1) AUTHORITY.—The President may**
2 **waive the application of subsection (a)**
3 **for a period of 180 days if the President**
4 **determines and certifies to the appro-**
5 **propriate congressional committees that**
6 **such waiver is vital to the national secu-**
7 **urity interests of the United States and**
8 **provides an explanation of how the fail-**
9 **ure to waive the application of sub-**
10 **section (a) would be inconsistent with the**
11 **vital national security interests of the**
12 **United States.**

13 **(2) RENEWAL.—The President may**
14 **renew the waiver described in paragraph**
15 **(1) for successive 180-day periods if the**
16 **President makes the determination and**
17 **certification described in such paragraph**
18 **for each such period.**

19 **SEC. 9. INTERNATIONAL FINANCIAL INSTITUTIONS.**

20 **(a) UNITED STATES POLICY.—It shall be the**
21 **policy of the United States that the United**
22 **States Executive Director at each inter-**
23 **national financial institution shall use the**
24 **voice, vote, and influence of the United States**
25 **to prohibit assistance to the Palestinian Au-**

1 **thority during any period for which a certifi-**
2 **cation described in section 620K(b) of the For-**
3 **oreign Assistance of 1961 (as added by section**
4 **2(b)(2) of this Act) is not in effect with respect**
5 **to the Palestinian Authority.**

6 **(b) DEFINITION.—In this section, the term**
7 **“international financial institution” has the**
8 **meaning given the term in section 1701(c)(2)**
9 **of the International Financial Institutions**
10 **Act.**

11 **SEC. 10. DIPLOMATIC CONTACTS WITH PALESTINIAN TER-**
12 **ROR ORGANIZATIONS.**

13 **It shall be the policy of the United States**
14 **that no officer or employee of the United**
15 **States Government shall negotiate or have**
16 **substantive contacts with members or official**
17 **representatives of Hamas, Palestinian Islamic**
18 **Jihad, the Popular Front for the Liberation of**
19 **Palestine, al-Aqsa Martyrs Brigade, or any**
20 **other Palestinian terrorist organization, un-**
21 **less and until such organization—**

22 **(1) recognizes Israel’s right to exist;**

23 **(2) renounces the use of terrorism;**

24 **(3) dismantles the infrastructure nec-**
25 **essary to carry out terrorist acts, includ-**

1 **ing the disarming of militias and the**
2 **elimination of all instruments of terror;**
3 **and**

4 **(4) recognizes and accepts all pre-**
5 **vious agreements and understandings be-**
6 **tween the State of Israel and the Pal-**
7 **estine Liberation Organization and the**
8 **Palestinian Authority.**

9 **SEC. 11. DEFINITIONS.**

10 **In this Act:**

11 **(1) APPROPRIATE CONGRESSIONAL COM-**
12 **MITTEES.—The term “appropriate congres-**
13 **sional committees” means—**

14 **(A) the Committee on Inter-**
15 **national Relations and the Committee**
16 **on Appropriations of the House of**
17 **Representatives; and**

18 **(B) the Committee on Foreign Re-**
19 **lations and the Committee on Appro-**
20 **priations of the Senate.**

21 **(2) PALESTINIAN AUTHORITY.—The term**
22 **“Palestinian Authority” has the meaning**
23 **given the term in section 620K(e)(2) of**
24 **the Foreign Assistance Act of 1961 (as**
25 **added by section 2(b)(2) of this Act).**

Union Calendar No. 258

109TH CONGRESS
2^D SESSION

H. R. 4681

[Report No. 109-462, Parts I and II]

A BILL

To promote the development of democratic institutions in areas under the administrative control of the Palestinian Authority, and for other purposes.

MAY 15, 2006

Reported from the Committee on the Judiciary with an amendment

MAY 15, 2006

Committee on Financial Services discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed