To limit assistance to Iran, North Korea, Syria, Egypt, and Pakistan, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 9, 2013

Mr. Gosar (for himself and Mr. Sensenbrenner) introduced the following bill, which was referred to the Committee on Foreign Affairs, and in addition to the Committee on Rules, 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.

A BILL

To limit assistance to Iran, North Korea, Syria, Egypt, and Pakistan, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Foreign Assistance Under Limitation and Transparency Act” or “FAULT Act”.

(b) Table of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.
Sec. 2. Findings.
Sec. 2. FINDINGS.

Congress finds the following:

(1) Foreign assistance is an important tool utilized to facilitate diplomacy by making investments in infrastructure and basic human needs abroad.

(2) United States taxpayer dollars should be used prudently and appropriately, and should not be distributed to those who seek to do harm to Americans or our allies.

(3) Failure to cooperate with the United States as it carries out its foreign policy objectives should necessarily lead to restricted or terminated United States foreign assistance.

(4) Once foreign assistance to a country is restricted, Congress reserves the right to reinstate any such foreign assistance based on substantive changes.
in rhetoric or action of that country, and on a case-by-case basis.

(5) The countries of Iran, North Korea, Syria, Egypt, and Pakistan have engaged in activities that undermine the security and foreign policy objectives of the United States or compromise regional and international stability.

SEC. 3. DEFINITIONS.

In this Act:

(1) AGRICULTURAL COMMODITY.—The term “agricultural commodity” has the meaning given such term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—Except as otherwise provided, the term “appropriate congressional committees” means—

(A) the Committee on Foreign Affairs and the Permanent Select Committee on Intelligence of the House of Representatives; and

(B) the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate.

(3) COVERED COUNTRY.—The term “covered country” means a country with respect to which the
limitation on foreign assistance under section 101(a) of this Act is in effect.

(4) **Emergency International Disaster Assistance.**—The term “emergency international disaster assistance” means short-term assistance in the immediate aftermath of a disaster that includes—

(A) infrastructure repairs and improvements;

(B) mitigating the effects of the disaster;

(C) assisting internally displaced persons;

(D) harboring refugees;

(E) providing agricultural commodities;

(F) providing medicine; and

(G) providing medical devices.

(5) **Financial Instrument.**—The term “financial instrument” means any direct cash payment, cash transfer, or monetary instrument.

(6) **Foreign Assistance.**—The term “foreign assistance” has the meaning given such term in section 634(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2394(b)).

(7) **Government.**—The term “government” means, with respect to a foreign country, any centralized state, provincial, or municipal government of the country.
(8) Humanitarian assistance.—The term “humanitarian assistance” means—

(A) disaster relief assistance, including any assistance under chapter 9 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2292 et seq.) (relating to international disaster assistance); and

(B) refugee assistance, including any assistance under the Migration and Refugee Act of 1962 (22 U.S.C. 2601 et seq.) (relating to international refugee and migration assistance).

(9) Major non-NATO ally.—The term “major non-NATO ally” means a country that is designated as a major non-NATO ally pursuant to section 517 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321k), as amended by section 201(a)(2) of this Act.

(10) Medical device.—The term “medical device” has the meaning given the term “device” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(11) Medicine.—The term “medicine” has the meaning given the term “drug” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).
(12) NATO.—The term “NATO” means the North Atlantic Treaty Organization.

(13) Private voluntary organization.—The term “private voluntary organization” has the meaning given such term in section 259(12) of the Foreign Assistance Act of 1961 (22 U.S.C. 2214a(12)).

(14) United States ally.—The term “United States ally” means—

(A) a NATO member state (other than the United States); or

(B) a major non-NATO ally.

TITLE I—LIMITATIONS ON FOREIGN ASSISTANCE

SEC. 101. LIMITATION ON ASSISTANCE TO IRAN, NORTH KOREA, SYRIA, EGYPT, AND PAKISTAN.

(a) Limitation.—

(1) In general.—Notwithstanding any other provision of law, no funds made available to any Federal department or agency may be used to provide foreign assistance to Iran, North Korea, Syria, Egypt, and Pakistan.

(2) Exception.—The limitation on foreign assistance in paragraph (1) shall not apply to agricultural commodities, medicine, or medical devices, ex-
cept that the aggregate value of such assistance in any fiscal year may not exceed $50,000,000.

(b) **GENERAL WAIVER.—**

(1) **IN GENERAL.—**Notwithstanding any other provision of law, the limitation on foreign assistance in subsection (a) may not be waived with respect to a country specified in subsection (a) unless the President submits to the appropriate congressional committees at least 45 days before the proposed waiver would take effect a report certifying that there has been a fundamental change in the policies of the government of such country, including—

(A) information relating to such government’s assurances of—

(i) free and democratic elections without pressure from such government or any organization affiliated with such government;

(ii) freedom of religious belief and practice; and

(iii) freedom of speech and expression;

(B) information relating to such government’s attempts and successes to date with regard to eradicating the trafficking of—

(i) persons;
(ii) weapons of mass destruction or components to facilitate the creation of such weapons;

(iii) illicit narcotics; and

(iv) any financial instrument used to facilitate the trafficking of any persons described in clause (i), weapons or components described in clause (ii), or illicit narcotics described in clause (iii), if such trafficking originates, passes through, or is destined for such country or any entity under that country’s jurisdiction;

(C) information relating to such government’s attempts and successes to date with regard to eradicating—

(i) gross violations of internationally recognized human rights, including torture;

(ii) cruel, inhuman, or degrading treatment or punishment;

(iii) prolonged detention without charges;

(iv) causing the disappearance of a person by the abduction and clandestine detention of such person; or
(v) other flagrant denial of the right to life, liberty, and the security of a person;

(D) information relating to such government’s attempts and successes to date with regard to eradicating child exploitation, abuse, or forced conscription into military or paramilitary services;

(E) information relating to such government’s attempts and successes to date with regard to eradicating admissions biases based on gender, religion, disability, or other similar biases at institutions of learning that are funded by the government of such country;

(F) information relating to such government’s denouncement of the damage or destruction by mob action of United States property within such country, provision of appropriate measures to prevent a recurrence thereof, and provision of adequate compensation for such damage or destruction; and

(G) information relating to such government’s assurances that it—
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(i) is not currently engaged in violence
against its own citizens, residents, or in-
habitants;

(ii) has publicly and appropriately ex-
pressed the State of Israel’s right to peace-
fully exist;

(iii) is not supporting acts of inter-
national terrorism and has provided assur-
ances it will not support acts of inter-
national terrorism in the future;

(iv) is taking a public, active role in
eradicating any element of international
terrorism within its borders; and

(v) if such country does not possess a
nuclear weapon as of the date of the enact-
ment of this Act, is not engaged in a nu-
clear weapons development program.

(2) DISAPPROVAL OF GENERAL WAIVER.—

(A) IN GENERAL.—The limitation on for-
eign assistance in subsection (a) may not be
waived with respect to a country specified in
subsection (a) if Congress, within 45 days after
receipt of a report under paragraph (1), enacts
a joint resolution the matter after the resolving
clause of which is as follows: “That the pro-
posed waiver of the limitation on foreign assistance with respect to ______ as contained in the report submitted to Congress under section 101(b) of the Foreign Assistance Under Limitation and Transparency Act on ______ is hereby prohibited.”, the first blank to be completed with the name of the country and the second blank to be completed with the appropriate date.

(B) HOUSE AND SENATE PROCEDURES.—

A joint resolution described in paragraph (1) and introduced within the appropriate 45-day period shall be considered in the Senate and the House of Representatives in accordance with paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act (as contained in Public Law 98–473), except that references in such paragraphs to the Committees on Appropriations of the House of Representatives and the Senate shall be deemed to be references to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, respectively.

(c) HUMANITARIAN WAIVER.—
(1) **IN GENERAL.**—The President may waive, for a period of 120 days, the limitation on foreign assistance in subsection (a) with respect to providing humanitarian assistance to a country specified in subsection (a) if—

(A) prior to waiving such prohibition, the President submits to Congress a report that contains a determination of the President that the people residing within the country—

(i) have been affected by a natural disaster, limited to fire, famine, earthquake, drought, hurricane, typhoon, tsunami, tropical storm, flood, landslide and debris flow, widespread disease, or volcano eruption; or

(ii) face imminent threat from exposure to radioactive or toxic elements due to the failure of any power source or other machinery directly involved with radioactive or toxic material; and

(B) the humanitarian assistance to be provided will not be provided to or through the government of the country.

(2) **HUMANITARIAN WAIVER RENEWAL.**—At the end of the 120-day waiver period specified in para-
graph (1), the President may extend the waiver for additional 90-day periods if the President submits, not less than 10 days prior to the start of each 90-day period, a comprehensive status report to the appropriate congressional committees on—

(A) the extent to which further humanitarian assistance is needed;

(B) the manner in which the humanitarian assistance has been administered; and

(C) the effectiveness of the humanitarian assistance.

(3) LIMITATION.—The aggregate value of humanitarian assistance provided under this subsection in any fiscal year may not exceed $50,000,000.

(d) EFFECTIVE DATE.—This section takes effect on the date of the enactment of this Act and applies with respect to funds made available to any Federal department or agency for any fiscal year after fiscal year 2013.

SEC. 102. LIMITATION ON ASSISTANCE TO OTHER COUNTRIES.

(a) LIMITATION.—

(1) IN GENERAL.—Notwithstanding any other provision of law, no funds made available to any Federal department or agency may be used to provide foreign assistance to any country unless the
government of such country provides assurances in
writing to the head of the Federal department or
agency that the government of such country will not
provide assistance (other than assistance described
in paragraph (2)) to a covered country.

(2) Exception.—The limitation on foreign as-
sistance in paragraph (1) shall not apply to agricul-
tural commodities, medicine, medical devices, or
emergency international disaster assistance.

(3) Submission of assurances.—The head of
such Federal department or agency shall submit to
the appropriate congressional committees a copy of
the assurances described in paragraph (1) as soon as
practicable after the date on which the government
of the country provides the assurances to the head
of such Federal department or agency.

(b) Penalties.—

(1) In general.—A country that provides for-
eign assistance to a covered country in violation of
subsection (a) shall be ineligible to receive further
foreign assistance during the period—

(A) beginning on the date on which the
head of the Federal department or agency de-
termines the violation occurred; and
(B) ending on the date that is not less
than 5 years but not more than 12 years after
the date described in subparagraph (A).

(2) NOTIFICATION.—The head of such Federal
department or agency shall submit to the appro-
priate congressional committees a notification con-
taining the name of the country that is ineligible to
receive further foreign assistance as determined
under this subsection and the time period of ineligi-
bility for such foreign assistance as determined
under this subsection.

(c) HUMANITARIAN WAIVER.—

(1) IN GENERAL.—The President may waive,
for a period of 120 days, the limitation on foreign
assistance in subsection (a) with respect to providing
humanitarian assistance to a country specified in
subsection (a) if—

(A) prior to waiving such prohibition, the
President submits to Congress a report that
contains a determination of the President that
the people residing within the country—

(i) have been affected by a natural
disaster, limited to fire, famine, earth-
quake, drought, hurricane, typhoon, tsu-
nami, tropical storm, flood, landslide and
debris flow, widespread disease, or volcano
eruption; or

(ii) face imminent threat from expo-
sure to radioactive or toxic elements due to
the failure of any power source or other
machinery directly involved with radio-
active or toxic material; and

(B) the humanitarian assistance to be pro-
vided will not be provided to or through the
government of the country.

(2) HUMANITARIAN WAIVER RENEWAL.—At the
end of the 120-day waiver period specified in para-
graph (1), the President may extend the waiver for
additional 90-day periods if the President submits,
not less than 10 days prior to the start of each 90-
day period, a comprehensive status report to the ap-
propriate congressional committees on—

(A) the extent to which further humani-
tarian assistance is needed;

(B) the manner in which the humanitarian
assistance has been administered; and

(C) the effectiveness of the humanitarian
assistance.
(3) LIMITATION.—The aggregate value of humanitarian assistance provided under this subsection in any fiscal year may not exceed $50,000,000.

(d) EFFECTIVE DATE.—This section takes effect on the date of the enactment of this Act and applies with respect to funds made available to any Federal department or agency for any fiscal year after fiscal year 2013.

SEC. 103. LIMITATION ON ASSISTANCE TO PRIVATE VOLUNTARY ORGANIZATIONS.

(a) LIMITATION.—

(1) IN GENERAL.—Notwithstanding any other provision of law, no funds made available to any Federal department or agency may be used to provide foreign assistance to any private voluntary organization unless the private voluntary organization provides assurances in writing to the head of the Federal department or agency that the private voluntary organization—

(A) will not provide assistance (other than assistance described in paragraph (2)) to any covered country; and

(B) will not enter into any contract or sub-contract to provide assistance (other than assistance described in paragraph (2)) to any covered country.
(2) EXCEPTION.—The limitation on foreign assistance in paragraph (1) shall not apply to agricultural commodities, medicine, medical devices, or emergency international disaster assistance.

(3) SUBMISSION OF ASSURANCES.—The head of such Federal department or agency shall submit to the appropriate congressional committees a copy of the assurances described in paragraph (1) as soon as practicable after the date on which the private voluntary organization provides the assurances to the head of such Federal department or agency.

(b) PENALTIES.—Whoever, acting on behalf of a private voluntary organization, shall willfully violate any of the provisions of this section, shall, upon conviction, be fined not more than $50,000, or, if a natural person, imprisoned for not more than 20 years, or both, and the officer, director, or agent of any private voluntary organization who knowingly participates in such violation shall be punished by a like fine, imprisonment, or both.

(c) EFFECTIVE DATE.—This section takes effect on the date of the enactment of this Act and applies with respect to funds made available to any Federal department or agency for any fiscal year after fiscal year 2013.
SEC. 104. STATEMENT OF POLICY ON ASSISTANCE TO FOREIGN TERRORIST ORGANIZATIONS.

(a) FINDING.—Congress finds it immoral and counterproductive to lend any type of foreign assistance to any organization that has used violence or threatens violence against the United States, the State of Israel, or any other United States ally.

(b) STATEMENT OF POLICY.—Congress—

(1) reaffirms, in accordance with section 2339B of title 18, United States Code, no funds made available to any Federal department or agency may be used to provide foreign assistance to any foreign terrorist organization as described in such section; and

(2) affirms that contracts facilitating foreign assistance transfers, such as Limited Scope Grant Agreements and Strategic Objective Grant Agreements, and all other similar documents and contracts used to facilitate the transfer of monies for foreign assistance, must contain language that specifically prohibits any monies from being transferred, directly or indirectly, to any foreign terrorist organization.
SEC. 105. REPORT ON UNOBLIGATED FUNDS AVAILABLE FOR SANCTIONED COUNTRIES AND ORGANIZATIONS UNDER THIS ACT.

(a) IN GENERAL.—Not later than 30 days after the date of the enactment of this Act, the President shall submit to the specified congressional committees a report detailing and accounting for all unobligated funds available for assistance for countries and organizations described in subsection (b) for purposes of providing for the rescission of such funds.

(b) COUNTRIES AND ORGANIZATIONS DESCRIBED.—Countries and organizations referred to in subsection (a) are—

(1) covered countries under this Act;

(2) countries with respect to which the limitation on foreign assistance under section 102(a) is in effect; and

(3) private voluntary organizations with respect to which the limitation on foreign assistance under section 103(a) is in effect.

(c) DEFINITION.—In this section, the term “specified congressional committees” means—

(1) the appropriate congressional committees; and
(2) the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate.

SEC. 106. INAPPLICABILITY OF OTHER PROVISIONS OF LAW.

The provisions of this title may not be waived under any provision of the Foreign Assistance Act of 1961 (22 U.S.C. 2251 et seq.) (other than chapter 9 of part I of such Act), the Arms Export Control Act (22 U.S.C. 2751 et seq.), any other Act authorizing foreign assistance, or any Act making appropriations for the Department of State, foreign operations, or related programs.

TITLE II—TRANSPARENCY AND OTHER PROVISIONS

SEC. 201. TERMINATION OF DESIGNATION OF EGYPT AND PAKISTAN AS MAJOR NON-NATO ALLIES.

(a) EGYPT.—

(1) IN GENERAL.—Effective beginning on the date of the enactment of this Act—

(A) the designation of Egypt as a major non-NATO ally pursuant to subsection (b) of section 517 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321k) shall be deemed to have been terminated by the President pursuant to subsection (a)(2) of such section irrespective
of the requirement to notify Congress pursuant
to such section; and

(B) the President may not issue a separate
designation of Egypt as a major non-NATO
ally pursuant to section 517(a)(1) of such Act
or any other provision of law.

(2) CONFORMING AMENDMENT.—Section
517(b) of the Foreign Assistance Act of 1961 (22
U.S.C. 2321k(b)) is amended by striking “Egypt,”.

(b) PAKISTAN.—Effective beginning on the date of
the enactment of this Act—

(1) the designation of Pakistan as a major non-
NATO ally pursuant to paragraph (1) of section
517(a) of the Foreign Assistance Act of 1961 (22
U.S.C. 2321k(a)) (Presidential Determination No.
2004–37; 69 Fed. Reg. 38797) shall be deemed to
have been terminated by the President pursuant to
paragraph (2) of such section irrespective of the re-
quirement to notify Congress pursuant to such sec-
tion; and

(2) the President may not issue a separate des-
ignation of Pakistan as a major non-NATO ally pur-
suant to section 517(a)(1) of such Act or any other
provision of law.

(c) EFFECTIVE DATES.—
(1) **EGYPT.**—Subsection (a) shall be effective for the period beginning on the date of the enactment of this Act and ending on the date on which the Secretary of State certifies to the appropriate congressional committees that the Government of Egypt has drafted a new constitution, held a national referendum to approve the new constitution and scheduled a date for national democratic elections to elect a new government under the new constitution.

(2) **PAKISTAN.**—Subsection (b) shall be effective for the period beginning on the date of the enactment of this Act and ending on the date on which the Secretary of State certifies to the appropriate congressional committees that the Government of Pakistan has drafted a new constitution, held a national referendum to approve the new constitution and scheduled a date for national democratic elections to elect a new government under the new constitution.

(3) **DEFINITION.**—In this subsection, the term “appropriate congressional committees” means—

(A) the Committee on Foreign Affairs and
the Committee on Appropriations of the House of Representatives; and
(B) the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

(d) Rule of Construction.—Nothing in this section shall be construed to authorize the President to issue a separate designation of Egypt or Pakistan as a major non-NATO ally of the United States pursuant to section 517(a)(1) of the Foreign Assistance Act of 1961 for the period during which subsection (a) or subsection (b), as the case may be, is in effect.

SEC. 202. ANNUAL FOREIGN ASSISTANCE REPORT TO CONGRESS.

Section 634(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2394(a)) is amended—

(1) in paragraph (11), by striking “and” at the end;

(2) by redesignating paragraph (12) as paragraph (14); and

(3) by inserting after paragraph (11) the following new paragraphs:

“(12) with respect to each private voluntary organization (as such term is defined in section 259(12)) that receives United States foreign assistance, a determination and accounting of—
“(A) how the organization allocates its funds, including dollar amounts disbursed for foreign assistance, dollar amounts expended for salaries and bonuses for such organization’s founders, managers, and other employees, and dollar amounts expended for administrative purposes of such organization; and

“(B) whether or not such organization provides any assistance directly or indirectly to a covered country (as such term is defined in section 3(2) of the Foreign Assistance Under Limitation and Transparency Act), and if any assistance was provided either directly or indirectly to a covered country, a determination and accounting of the type of such assistance;

“(13) with respect to each country that receives United States foreign assistance, whether bilaterally or otherwise, a determination and accounting of whether or not the country provides any assistance directly or indirectly to a covered country (as such term is defined in section 3(2) of the Foreign Assistance Under Limitation and Transparency Act), and a determination and accounting of the type of such assistance; and”.

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