

Public Law 101-243
101st Congress

An Act

To authorize certain United States assistance and trade benefits for Panama, and for other purposes.

Feb. 14, 1990
[H.R. 3952]

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Urgent Assistance for Democracy in Panama Act of 1990".

Urgent
Assistance
for Democracy
in Panama Act
of 1990.

TITLE I—PANAMA

SEC. 101. IMMEDIATE UNITED STATES ASSISTANCE.

(a) ECONOMIC ASSISTANCE PROGRAMS.—

(1) AUTHORITY TO USE FUNDS FOR ECONOMIC ASSISTANCE.—

(A) IN GENERAL.—The President may use up to \$32,000,000 of funds made available for economic assistance programs in order to provide economic assistance for Panama for fiscal year 1990 notwithstanding the provisions of law specified in subsection (c) of this section.

(B) DEOBLIGATION/REOBLIGATION AUTHORITY.—Funds may be made available for use under subparagraph (A) without regard to the limitation in section 515 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101-167), that funds deobligated under that section are available for reobligation only for countries within the same general region for which the funds were originally obligated.

(C) ECONOMIC ASSISTANCE DEFINED.—As used in subparagraph (A), the term "economic assistance" means assistance under part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 and following; relating to development and related economic assistance programs) and assistance under chapter 4 of part II of that Act (22 U.S.C. 2346 and following; relating to the economic support fund).

(2) AUTHORITY TO USE CERTAIN GUARANTY AUTHORITIES.—The President—

(A) may use up to \$10,000,000 of the guaranty authority available to carry out section 222 of the Foreign Assistance Act of 1961 (22 U.S.C. 2182; relating to the housing guaranty program), and

(B) may exercise the authorities of section 224 of that Act (22 U.S.C. 2184; relating to the trade credit insurance program for Central America),

with respect to Panama for fiscal year 1990 without regard to the provisions of law specified in subsection (c) of this section.

(b) LAW ENFORCEMENT ASSISTANCE.—

(1) **ADMINISTRATION OF JUSTICE PROGRAM.**—Up to \$1,200,000 of the funds made available for Panama under subsection (a)(1) of this section may be used to provide—

(A) assistance authorized by subsection (b)(3) of section 534 of the Foreign Assistance Act of 1961 (22 U.S.C. 2346c; relating to the administration of justice program); and

(B) training for the Public Forces and other civilian law enforcement forces of Panama in human rights, civil law, and investigative and civilian law enforcement techniques, notwithstanding section 660 of that Act (22 U.S.C. 2420; relating to the prohibition on assistance for law enforcement forces).

All assistance provided for Panama under this paragraph shall be counted toward the limitation contained in the second sentence of section 534(e) of that Act and toward the requirement of the second sentence of section 599G(c) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101-167).

(2) **USE OF MILITARY ASSISTANCE PIPELINE FOR PANAMA TO PROCURE LAW ENFORCEMENT EQUIPMENT.**—

(A) **AUTHORITY.**—Prior year military assistance funds that are obligated for Panama shall be available to finance the procurement of defense articles by law enforcement forces in Panama and related defense services (other than training) notwithstanding the provisions of law specified in subsection (c) of this section and section 660 of the Foreign Assistance Act of 1961 (22 U.S.C. 2420; relating to the prohibition on assistance for law enforcement forces).

(B) **LIMITATIONS ON LETHAL EQUIPMENT.**—Not more than \$500,000 of the funds made available under subparagraph (A) may be used for the procurement of lethal equipment. Only lethal equipment that is appropriate for standard civilian law enforcement requirements may be procured with such funds.

(C) **PRIOR YEAR MILITARY ASSISTANCE FUNDS DEFINED.**—As used in subparagraph (A), the term “prior year military assistance funds” means funds that were appropriated for a fiscal year prior to fiscal year 1990 to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2311 and following; relating to the grant military assistance program) or section 23 of the Arms Export Control Act (22 U.S.C. 2763; relating to foreign military sales credits).

(3) **CONGRESSIONAL NOTIFICATION REQUIREMENTS.**—

(A) **IN GENERAL.**—Except as provided in subparagraph (B) of this paragraph, the President shall notify the congressional committees specified in section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394-1) in accordance with the procedures applicable to reprogrammings under that section at least 15 days before—

(i) each obligation of funds under paragraph (1) of this subsection, and

(ii) each commitment to use funds under paragraph (2) of this subsection.

(B) **EXCEPTION.**—Such notification is not required with respect to—

(i) obligations under paragraph (1), and

(ii) commitments to use funds under paragraph (2) for the procurement of uniforms and communications equipment (and related defense services), that occur prior to the end of the 15-day period beginning on the date of enactment of this Act to the extent that such obligations or commitments, as the case may be, were previously justified to the Congress.

(c) **BROOKE-ALEXANDER AMENDMENT.**—The provisions of law referred to in subsections (a)(1), (a)(2), and (b)(2)(A) of this section are section 620(q) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(q)); and section 518 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101-167), and the corresponding sections of foreign assistance appropriations Acts for prior fiscal years.

SEC. 102. RESUMPTION OF UNITED STATES ASSISTANCE: ANTINARCOTICS CERTIFICATION REQUIREMENTS.

Because the vital national interests of the United States so require and because the Endara Government of Panama has indicated its willingness, and is taking steps, to cooperate fully with the United States to control narcotics production, trafficking, and money laundering, the requirements of paragraphs (1) and (5) of section 481(h) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(h)) shall cease to apply to Panama as of the date of enactment of this Act to the extent that those requirements became applicable to Panama by reason of the fact that the President did not make a certification with respect to Panama under paragraph (2) of that section at the time the international narcotics control strategy reports for 1988 and 1989 were submitted to the Congress pursuant to section 481(e) of that Act.

SEC. 103. RESUMPTION OF TRADE BENEFITS: ANTINARCOTICS CERTIFICATION REQUIREMENTS.

(a) **RESUMPTION UPON DATE OF ENACTMENT.**—Because the vital national interests of the United States so require and because the Endara Government of Panama has indicated its willingness, and is taking steps, to cooperate fully with the United States to control narcotics production, trafficking, and money laundering, the conditions specified in section 802(b)(4)(B) of the Narcotics Control Trade Act (19 U.S.C. 2492(b)(4)(B)) shall be deemed to be satisfied as of the date of enactment of this Act with respect to the action taken pursuant to section 802(a) of that Act that is described in subsection (b) of this section.

(b) **SPECIFICATION OF BENEFITS.**—The action referred to in subsection (a) is the denial to articles imported from Panama of preferential tariff treatment under the Generalized System of Preferences (19 U.S.C. 2461 and following) and the Caribbean Basin Economic Recovery Act (19 U.S.C. 2701 and following) pursuant to Presidential Proclamation 5779 of March 23, 1988.

SEC. 104. REPORT ON PANAMANIAN BANK SECRECY LAWS.

(a) **CONGRESSIONAL CONCERNS.**—The Congress commends the Endara Government for its cooperation and assistance in freezing Panamanian bank accounts believed to be implicated in narcotics-related and other illegal financial transactions. The Congress remains concerned, however, that the current status of bank secrecy

laws in Panama may lend itself to continued criminal abuse of those laws despite the best intentions of the Endara Government.

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(b) **REPORT.**—Therefore, no later than April 15, 1990, the President shall submit a detailed report to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate on specific actions being undertaken by the Government of Panama to modify the existing bank secrecy regime in order to facilitate detection and prosecution of criminal activities, including—

(1) the modification of bank secrecy laws by the Government of Panama;

(2) the conclusion of an exchange-of-information agreement between the United States and Panama; and

(3) agreements entered into by the Government of Panama or in the process of negotiation that are designed to deter illegal financial transactions and to facilitate early detection and prosecution of such illegal activities.

TITLE II—EASTERN EUROPE AND YUGOSLAVIA

SEC. 201. ASSISTANCE TO SUPPORT TRANSITION TO DEMOCRACY.

(a) **AUTHORITY.**—Notwithstanding any other provision of law, the President may use up to \$10,000,000 of the funds appropriated for fiscal year 1990 to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 and following; relating to the economic support fund) to support the process of democratic transition in East European countries and Yugoslavia, in addition to amounts otherwise available for such purposes.

(b) **LIMITATION.**—Funds provided under this section shall be made available only—

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(1) after the President has certified to the Congress that the country where funds are being expended has had, or is scheduled to have, open and free multiparty national or regional elections; and

(2) in such a manner so as to benefit substantially a full range of non-Communist political parties in the countries in which such funds are used.

Approved February 14, 1990.

LEGISLATIVE HISTORY—H.R. 3952 (S. 2073):

HOUSE REPORTS: No. 101-401, Pt. 1 (Comm. on Foreign Affairs) and Pt. 2 (Comm. on Ways and Means).

CONGRESSIONAL RECORD, Vol. 136 (1990):

Feb. 7, considered and passed House and Senate.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 26 (1990):

Feb. 14, Presidential remarks and statement.