

Public Law 95-92  
95th Congress

An Act

Aug. 4, 1977

[H.R. 6884]

To amend the Foreign Assistance Act of 1961 to authorize international security assistance programs for fiscal year 1978, to amend the Arms Export Control Act to make certain changes in the authorities of that Act, and for other purposes.

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

International  
Security  
Assistance Act of  
1977.

22 USC 2151  
note.

SHORT TITLE

SECTION 1. This Act may be cited as the "International Security Assistance Act of 1977".

CONTINGENCY FUND

22 USC 2261.

SEC. 2. Section 451(a) of the Foreign Assistance Act of 1961 is amended by striking out "for the fiscal year 1976 not to exceed \$5,000,000 and for the fiscal year 1977 not to exceed \$5,000,000" and inserting in lieu thereof "for the fiscal year 1978 not to exceed \$5,000,000".

INTERNATIONAL NARCOTICS CONTROL

Appropriation  
authorization.  
22 USC 2291a.  
22 USC 2291.

SEC. 3. Section 482 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 482. AUTHORIZATION.—To carry out the purposes of section 481, there are authorized to be appropriated to the President \$39,000,000 for the fiscal year 1978. Amounts appropriated under this section are authorized to remain available until expended."

ASSISTANCE TO PORTUGAL

22 USC 2294.

SEC. 4. Chapter 10 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 497. BALANCE OF PAYMENTS LOAN FOR PORTUGAL.—(a) In recognition of the established interest of the United States in fostering a democratic government in Portugal, in maintaining the strength of the North Atlantic Treaty Organization alliance, and in supporting European economic recovery, the purpose of this section is to provide essential balance of payments assistance to Portugal.

Support loans.

"(b) The President is authorized to make balance of payments support loans to Portugal as part of a special international effort to assist that country in the development and implementation of a program to gain financial stability and economic recovery.

Appropriation  
authorization.

"(c) There are authorized to be appropriated to the President not to exceed \$300,000,000 for the fiscal year 1978 to carry out the purposes of this section, which amount is authorized to remain available until expended."

MILITARY ASSISTANCE

Appropriation  
authorization.  
22 USC 2312.

SEC. 5. (a) Section 504(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a) (1) There are authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed \$228,900,000 for the fiscal year 1978. Not more than the following amounts of funds

Allocation.

available to carry out this chapter may be allocated and made available for assistance to each of the following countries for the fiscal year 1978:

"Greece -----	\$33,000,000
Portugal -----	25,000,000
Spain -----	15,000,000
Turkey -----	48,000,000
Jordan -----	55,000,000
Indonesia -----	15,000,000
Philippines -----	19,600,000
Thailand -----	8,000,000

The amount specified in this paragraph for military assistance to any such country for the fiscal year 1978 may be increased by not more than 10 per centum of such amount if the President deems such increase necessary for the purposes of this chapter. Increase.

"(2) Except with respect to costs incurred under the authority of section 516(b) or as otherwise specifically authorized by law, none of the funds available for assistance under this chapter may be used to provide assistance to any recipient other than the countries specified in paragraph (1). Infra.

"(3) The authority of section 610(a) and of section 614(a) may not be used to increase any amount specified in paragraph (1) or to waive the limitations of paragraph (2).

"(4) Amounts appropriated under this subsection are authorized to remain available until expended."

(b) Section 516(b) of the Foreign Assistance Act of 1961 is amended by striking out "paragraphs (2) and (3)" and inserting in lieu thereof "paragraph (2)". 22 USC 2321j.

#### STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 6. Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended by striking out "\$93,750,000 for the period beginning July 1, 1975, and ending September 30, 1976, and \$125,000,000 for the fiscal year 1977" and inserting in lieu thereof "\$270,000,000 for the fiscal year 1978". 22 USC 2321h.

#### INTERNATIONAL MILITARY ASSISTANCE AND SALES PROGRAM MANAGEMENT

SEC. 7. (a) Section 515 of the Foreign Assistance Act of 1961 is amended to read as follows: 22 USC 2321i.

"SEC. 515. OVERSEAS MANAGEMENT OF ASSISTANCE AND SALES PROGRAMS.—(a) No military assistance advisory group, military mission, or other organization of United States military personnel performing similar military advisory functions under this Act or the Arms Export Control Act may operate in any foreign country unless specifically authorized by the Congress. The prohibition contained in this subsection does not apply to regular units of the Armed Forces of the United States engaged in routine functions designed to bring about the standardization of military operations and procedures between the Armed Forces of the United States and countries which are members of the North Atlantic Treaty Organization or other defense treaty allies of the United States. Congressional authorization.

"(b)(1) In order to carry out his responsibilities for the management during the fiscal year 1978 of international security assistance programs conducted under this chapter, under chapter 5 of this part, or under the Arms Export Control Act, the President may assign members of the Armed Forces of the United States to perform neces- 22 USC 2751 note.

- Ante*, p. 614. sary functions with respect to such programs in the countries specified in section 504(a)(1) and in the Republic of Korea, Panama, Brazil, Morocco, Iran, Kuwait, and Saudi Arabia. Members of the Armed Forces assigned under this subsection shall have as their primary functions logistics management, transportation, fiscal management, and contract administration of country programs. It is the sense of the Congress that advisory and training assistance in the countries specified above shall primarily be provided by personnel who are not assigned under this subsection and who are detailed for limited periods to perform specific tasks.
- Limitation.** “(2) The total number of members of the Armed Forces assigned under this subsection to each country specified in paragraph (1) of this subsection may not exceed the number justified to the Congress in the congressional presentation materials, unless the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives are so notified.
- “ (3) Members of the Armed Forces authorized to be assigned to Iran, Kuwait, and Saudi Arabia by paragraph (1) of this subsection may only be assigned to such countries on a fully reimbursable basis under section 21(a) of the Arms Export Control Act, except that this requirement shall apply only to the extent that the number of members of the Armed Forces assigned to each such country exceeds six.
- 22 USC 2761. “(c) The President may assign not to exceed three members of the Armed Forces to any country not specified in subsection (b)(1) to perform accounting and other management functions with respect to international security assistance programs conducted under this chapter, chapter 5 of this part, or under the Arms Export Control Act, except that not to exceed three additional members of the Armed Forces may be assigned to a country to perform such functions when specifically requested by the Chief of the Diplomatic Mission as necessary to the efficient operation of the Mission.
- 22 USC 2347, 2751 note. “(d) The total number of members of the Armed Forces assigned to foreign countries under subsections (b) and (c) may not exceed 865 for the fiscal year 1978.
- “ (e) Members of the Armed Forces assigned to a foreign country under subsection (b) or (c) shall serve under the direction and supervision of the Chief of the United States Diplomatic Mission in that country.
- “ (f) Defense attachés may perform overseas management functions described in this section only if the President determines that the performance of such functions by defense attachés is the most economic and efficient means of performing such functions. The President shall promptly report each such determination to the Speaker of the House of Representatives and to the chairman of the Senate Committee on Foreign Relations and the chairman of the Senate Committee on Armed Services, together with a description of the number of personnel involved and a statement of the reasons for such determination. The number of defense attachés performing overseas management functions in a country under this subsection may not exceed the number of defense attachés authorized to be assigned to that country on December 31, 1976.
- Report to Speaker of the House and congressional committees.** “(g) The entire costs (including salaries of United States military personnel) of overseas management of international security assistance programs under this section shall be charged to or reimbursed from funds made available to carry out this chapter, including any such costs which are reimbursed from charges for services collected
- Costs.**

from foreign governments pursuant to sections 21(e) and 43(b) of the Arms Export Control Act. The prohibition contained in subsection (a) of this section and the numerical limitations contained in subsections (b), (c), and (d) of this section shall not apply to members of the Armed Forces performing services for specific purposes and periods of time on a fully reimbursable basis under section 21(a) of the Arms Export Control Act."

22 USC 2761,  
*Infra.*

(b) Section 516(a) of the Foreign Assistance Act of 1961 is amended by striking out "515(b)(2)" and inserting in lieu thereof "515".

22 USC 2321j.

(c) Section 631(d) of the Foreign Assistance Act of 1961 is amended—

22 USC 2391.

(1) by striking out "this Act" and inserting in lieu thereof "part I of this Act"; and

(2) by striking out all that follows after "economic officer of the mission" and inserting a period in lieu thereof.

(d) Section 43(b) of the Arms Export Control Act is amended to read as follows:

Administrative  
services, charges.  
22 USC 2792.

"(b) Charges for administrative services calculated under section 21(e)(1)(A) of this Act shall include recovery of administrative expenses incurred by any department or agency of the United States Government, including any mission or group thereof, in carrying out functions under this Act when—

"(1) such functions are primarily for the benefit of any foreign country; and

"(2) such expenses are not directly and fully charged to, and reimbursed from amounts received for, sale of defense services under section 21(a) of this Act."

#### SECURITY SUPPORTING ASSISTANCE

SEC. 8. (a) Section 531 of the Foreign Assistance Act of 1961 is amended—

22 USC 2346.

(1) by striking out in the last sentence thereof "The" and inserting in lieu thereof "Except for programs in southern Africa, the"; and

(2) by adding at the end thereof the following new sentence: "In planning security supporting assistance programs intended for economic development, the President shall take into account to the maximum extent feasible the policy directions set forth in chapter 1 of part I of this Act."

(b) Section 532 of the Foreign Assistance Act of 1961 is amended to read as follows:

22 USC 2151.  
Appropriation  
authorization.  
22 USC 2346a.

"SEC. 532. AUTHORIZATION.—(a) (1) There are authorized to be appropriated to the President to carry out the purposes of this chapter for the fiscal year 1978 not to exceed \$1,890,000,000, of which not less than the following amounts shall be available only for the following countries:

"Israel	-----	\$785,000,000
Egypt	-----	750,000,000
Jordan	-----	93,000,000
Syria	-----	90,000,000
Lebanon	-----	20,000,000
Cyprus	-----	15,000,000

"(2) Of the amount authorized to be appropriated by paragraph (1) for the fiscal year 1978 which is available for Israel, not less than \$300,000,000 shall be available only for budgetary support on a grant basis.

Israel, limitation.

## Availability.

"(b) Amounts appropriated under this section are authorized to remain available until expended."

(c) Chapter 4 of part II of such Act is amended by adding at the end thereof the following new section:

22 USC 2346b.

Ante, p. 617.

"SEC. 533. SOUTHERN AFRICAN SPECIAL REQUIREMENTS FUNDS.—(a)

(1) Of the funds authorized to be appropriated by section 532 for the fiscal year 1978, \$80,000,000 shall be available only for the countries of southern Africa to address the problems caused by the economic dislocation resulting from the conflict in that region, and for education and job training assistance for Africans from Namibia and Zimbabwe (Southern Rhodesia). Such funds may be used to provide assistance to African refugees and persons displaced by war and internal strife in southern Africa, to improve transportation links interrupted or jeopardized by regional political conflicts, and to provide trade credits for the purchase of United States products to those countries in the region adversely affected by blocked outlets for their exports and by the overall strains of the world economy.

"(2) Of the funds made available under this section, not more than the following amounts may be made available for the following:

"Botswana .....	\$15,000,000
Lesotho .....	15,000,000
Swaziland .....	5,000,000
Regional programs for education, training, and refugee assistance...	45,000,000

"(3) To the extent practicable consistent with the purposes specified in paragraph (1), assistance under this section should be used to meet the objectives set forth in sections 102 (c) and (d) and in other sections of chapter 1 of part I of this Act.

22 USC 2151.

22 USC 2151  
et seq.Report to  
Speaker of the  
House and  
congressional  
committee.  
Limitation.

"(4) Before obligating any funds under this section, the President shall notify the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate with respect to the specific projects and programs for which such funds will be used.

"(b) Of the funds made available under subsection (a) of this section for regional programs, not to exceed \$1,000,000 may be used by the President for the preparation of a comprehensive analysis of the development needs of southern Africa to enable the Congress to determine what contribution United States foreign assistance can make.

"(c) (1) None of the funds made available under this section may be used for military, guerrilla, or paramilitary activities in any country.

Waiver.

Report to  
Congress.

"(2) No assistance may be furnished under this section to Mozambique, Angola, Tanzania, or Zambia, except that the President may waive this prohibition with respect to any such country if he determines (and so reports to the Congress) that furnishing such assistance to that country would further the foreign policy interests of the United States.

Rhodesian  
conflict,  
settlement.

"(d) It is the sense of the Congress that the United States should support an internationally recognized constitutional settlement of the Rhodesian conflict leading promptly to majority rule based upon democratic principles and upholding basic human rights. The Congress declares its intent to support United States participation in a Zimbabwe Development Fund. The Congress intends to authorize the necessary appropriation when progress toward such an internationally recognized settlement would permit establishment of the Fund."



## REVIEW OF SECURITY SUPPORTING ASSISTANCE PROGRAM FOR EGYPT

SEC. 9. (a) It is the sense of the Congress that the security supporting assistance program for Egypt plays an important role in the Middle East peace effort and that the Executive branch should concentrate its efforts in order to make the program a success.

22 USC 2346  
note.

(b) In furtherance of the policy expressed in subsection (a), the Secretary of State shall convene a Special Interagency Task Force (hereafter in this section referred to as the "Task Force") to review and prepare a study on the security supporting assistance program for Egypt. The Task Force may employ consultants for the purpose of carrying out such study.

Special  
Interagency Task  
Force, study.

Consultants,  
employment.

(c) (1) The Task Force shall review planned United States economic assistance to Egypt and shall suggest alternatives to such assistance. In carrying out this paragraph, the Task Force shall consider—

(A) the interrelationship of United States and Egyptian economic and political interests;

(B) the possibility of emphasizing programs designed to enhance the opportunities in the Egyptian private business and agriculture sectors, with special emphasis on low-cost approaches to expedite development; and

(C) to the extent appropriate, the views of Egyptian economists and government officials.

(2) Based on an analysis of the considerations described in paragraph (1) and on such other considerations as it may find to be relevant, the Task Force shall develop a plan for the use of future United States economic assistance to Egypt. Such plan shall include, where necessary, suggestions for revising legislation, for specific development projects, and for the staff requirements of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961.

Plan.

(d) (1) In carrying out its responsibilities under paragraphs (1) and (2) of subsection (c), the Task Force shall consult, on a regular basis, with the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

22 USC 2151  
*et seq.*  
Consultation with  
congressional  
committees.

(2) The Task Force shall transmit the plan developed pursuant to subsection (c) (2) to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate not later than February 15, 1978.

Plan, transmittal  
to the Speaker of  
the House and  
congressional  
committee.  
Funds,  
availability.

(e) Not to exceed \$750,000 of the funds authorized and earmarked for security supporting assistance to Egypt in the fiscal year 1977 shall be available to carry out this section.

## INTERNATIONAL MILITARY EDUCATION AND TRAINING

SEC. 10. Section 542 of the Foreign Assistance Act of 1961 is amended by striking out "\$27,000,000 for the fiscal year 1976 and \$30,200,000 for the fiscal year 1977" and inserting in lieu thereof "\$31,000,000 for the fiscal year 1978".

22 USC 2347a.

## PROHIBITION AGAINST ASSISTANCE AND SALES TO ARGENTINA

SEC. 11. Chapter 1 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section: "SEC. 620B. PROHIBITION AGAINST ASSISTANCE AND SALES TO ARGENTINA.—After September 30, 1978—

22 USC 2372.

"(1) no assistance may be furnished under chapter 2, 4, or 5 of part II of this Act to Argentina;

22 USC 2311,  
2346, 2347.

22 USC 2751  
note. “(2) no credits (including participation in credits) may be extended and no loan may be guaranteed under the Arms Export Control Act with respect to Argentina;

“ (3) no sales of defense articles or services may be made under the Arms Export Control Act to Argentina; and

22 USC 2778.

“ (4) no export licenses may be issued under section 38 of the Arms Export Control Act to or for the Government of Argentina.”

NUCLEAR ENRICHMENT AND REPROCESSING TRANSFERS; NUCLEAR  
DETONATIONS

22 USC 2429.

SEC. 12. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by striking out section 669 and inserting in lieu thereof the following new sections:

Assistance,  
agreements and  
safeguards.  
22 USC 2751  
note.

“SEC. 669. NUCLEAR ENRICHMENT TRANSFERS.—(a) Except as provided in subsection (b), no funds authorized to be appropriated by this Act or the Arms Export Control Act may be used for the purpose of providing economic assistance, providing military or security supporting assistance or grant military education and training, or extending military credits or making guarantees, to any country which, on or after the date of enactment of the International Security Assistance Act of 1977, delivers nuclear enrichment equipment, materials, or technology to any other country, or receives such equipment, materials, or technology from any other country, unless before such delivery—

“ (1) the supplying country and receiving country have reached agreement to place all such equipment, materials, or technology, upon delivery, under multilateral auspices and management when available; and

“ (2) the recipient country has entered into an agreement with the International Atomic Energy Agency to place all such equipment, materials, technology, and all nuclear fuel and facilities in such country under the safeguards system of such Agency.

Presidential  
certification,  
transmittal to  
Speaker of the  
House and  
congressional  
committee.

“ (b) (1) Notwithstanding subsection (a) of this section, the President may furnish assistance which would otherwise be prohibited under such subsection if he determines and certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that—

“ (A) the termination of such assistance would have a serious adverse effect on vital United States interests; and

“ (B) he has received reliable assurances that the country in question will not acquire or develop nuclear weapons or assist other nations in doing so.

Such certification shall set forth the reasons supporting such determination in each particular case.

Joint resolution.

“ (2) Any joint resolution which would terminate or restrict assistance described in subsection (a) with respect to a country to which the prohibition in such subsection applies shall, if introduced within thirty days after the transmittal of a certification under paragraph (1) of this subsection with respect to such country, be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

90 Stat. 765.

22 USC 2429a.

“SEC. 670. NUCLEAR REPROCESSING TRANSFERS AND NUCLEAR DETONATIONS.—(a) Except as provided in subsection (b), no funds authorized to be appropriated by this Act or the Arms Export Control Act may be used for the purpose of providing economic assistance, providing military or security supporting assistance or grant military education

22 USC 2751  
note.

and training, or extending military credits or making guarantees, to any country which on or after the date of enactment of the International Security Assistance Act of 1977—

“(1) delivers nuclear reprocessing equipment, materials, or technology to any other country or receives such equipment, materials, or technology from any other country (except for the transfer of reprocessing technology associated with the investigation, under international evaluation programs in which the United States participates, of technologies which are alternatives to pure plutonium reprocessing); or

“(2) is not a nuclear-weapon state as defined in article IX (3) of the Treaty on the Non-Proliferation of Nuclear Weapons and which detonates a nuclear explosive device.

“(b) (1) Notwithstanding subsection (a) of this section, the President may furnish assistance which would otherwise be prohibited under such subsection if he determines and certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that the termination of such assistance would be seriously prejudicial to the achievement of United States nonproliferation objectives or otherwise jeopardize the common defense and security. The President shall transmit with such certification a statement setting forth the specific reasons therefor.

“(2) Any joint resolution which would terminate or restrict assistance described in subsection (a) with respect to a country to which the prohibition in such subsection applies shall, if introduced within thirty days after the transmittal of a certification under paragraph (1) of this subsection with respect to such country, be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.”

21 UST 483.

Presidential certification, submittal to Speaker of the House and congressional committee.

Joint resolution.

90 Stat. 765.

#### MIDDLE EAST PEACE

SEC. 13. Section 903 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (a), by striking out “for the fiscal year 1976 not to exceed \$50,000,000 and for the fiscal year 1977 not to exceed \$35,000,000” and inserting in lieu thereof “for the fiscal year 1978 not to exceed \$25,000,000, of which not less than \$12,200,000 shall be available only for the Sinai support mission;”;

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking out “and” at the end of clause (B), and

(ii) by inserting immediately before the semicolon at the end thereof “, and (D) the reasons why the President has determined that it is in the national interest to use funds appropriated under this section for such purpose rather than (i) using funds available for such purpose under part I, or (ii) if no funds are available for such purpose under part I, awaiting the enactment of legislation making funds specifically available for such purpose”; and

(B) in paragraph (2), by striking out “provided by clauses (A), (B), and (C) of” and inserting in lieu thereof “required by”; and

(3) in subsection (e), by striking out “1977” and inserting in lieu thereof “1978”.

Appropriation authorization.  
22 USC 2443.



## PROHIBITION ON ASSISTANCE FOR NUCLEAR POWERPLANTS

22 USC 2406  
note.  
22 USC 2151  
note.

SEC. 14. None of the funds made available to carry out the Foreign Assistance Act of 1961 for the fiscal year 1978 may be used to finance the construction of, the operation or maintenance of, or the supply of fuel for, any nuclear powerplant under an agreement for cooperation between the United States and any other country.

## REPEAL OF PROHIBITION RELATING TO THE TWELVE-MILE FISHING LIMIT

Repeal.  
22 USC 2753.

SEC. 15. Section 3(b) of the Arms Export Control Act is repealed.

## CONGRESSIONAL DISAPPROVAL OF THIRD COUNTRY TRANSFERS

SEC. 16. Section 3(d) of the Arms Export Control Act is amended—

(1) by striking out “, 30 days prior to giving such consent,” in the text preceding paragraph (1);

(2) by redesignating such section as section 3(d)(1) and redesignating paragraphs (1) through (5) thereof as subparagraphs (A) through (E), respectively; and

(3) by adding the following new paragraph at the end thereof:

“(2) Unless the President states in the certification submitted pursuant to this subsection that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States, such consent shall not become effective until 30 calendar days after the date of such submission and such consent shall become effective then only if the Congress does not adopt, within such 30-day period, a concurrent resolution disapproving the proposed transfer.”.

## TRANSFERS OF DEFENSE ARTICLES AND DEFENSE SERVICES FOR MAINTENANCE, REPAIR, AND OVERHAUL

SEC. 17. Section 3(d) of the Arms Export Control Act, as amended by section 16 of this Act, is further amended by adding the following new paragraph at the end thereof:

“(3) This subsection shall not apply—

“(A) to transfers of maintenance, repair, or overhaul defense services, or of the repair parts or other defense articles used in furnishing such services, if the transfer will not result in any increase, relative to the original specifications, in the military capability of the defense articles and services to be maintained, repaired, or overhauled;

“(B) to temporary transfers of defense articles for the sole purpose of receiving maintenance, repair, or overhaul; or

“(C) to cooperative cross servicing arrangements among members of the North Atlantic Treaty Organization.”.

## PROHIBITION AGAINST SALES, CREDITS, AND GUARANTIES TO COUNTRIES WHICH GRANT SANCTUARY TO INTERNATIONAL TERRORISTS

SEC. 18. Section 3 of the Arms Export Control Act is amended by adding at the end thereof the following new subsection:

“(f) (1) Unless the President finds that the national security requires otherwise, he shall terminate all sales, credits, and guaranties under this Act to any government which aids or abets, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism. The President may not thereafter

make or extend sales, credits, or guaranties to such government until the end of the one year period beginning on the date of such termination, except that if during its period of ineligibility for sales, credits, and guaranties pursuant to this section such government aids or abets, by granting sanctuary from prosecution to, any other individual or group which has committed an act of international terrorism, such government's period of ineligibility shall be extended for an additional year for each such individual or group.

"(2) If the President finds that the national security justifies a continuation of sales, credits, or guaranties to any government described in paragraph (1), he shall report such finding to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate."

Presidential report to Speaker of the House and congressional committee.

#### FOREIGN MILITARY SALES AUTHORIZATION AND AGGREGATE CEILING

SEC. 19. Section 31 of the Arms Export Control Act is amended— 22 USC 2771.

(1) in subsection (a), by striking out all in the first sentence after "not to exceed" the first time it appears and inserting in lieu thereof "\$677,000,000 for the fiscal year 1978";

(2) in subsection (b), by striking out all after "shall not exceed" the first time it appears and inserting in lieu thereof "\$2,102,350,000 for the fiscal year 1978, of which not less than \$1,000,000,000 shall be available only for Israel."; and

(3) in subsection (c)—

(A) in the first sentence, by striking out "the fiscal years 1976 and 1977" and inserting in lieu thereof "the fiscal year 1978"; and

(B) in the last sentence, by striking out "each".

#### LICENSES FOR THE EXPORT OF CERTAIN MAJOR DEFENSE EQUIPMENT

SEC. 20. Section 38(b)(3) of the Arms Export Control Act is amended by adding at the end thereof the following new sentence: "The prohibition contained in the first sentence of this paragraph shall not apply to the issuance of licenses under this section for the export of major defense equipment to Australia, Japan, or New Zealand, or major defense equipment sold commercially in implementation of an agreement between the United States Government and the government of a foreign country for the production of the major defense equipment to which such licenses relate if the President has submitted a certificate with respect to such proposed agreement, prior to its signature, to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate in the same form as the certification required under section 36(b) of this Act and subject to the requirements of such section."

22 USC 2778.  
Presidential certification, submittal to Speaker of the House and congressional committee.

22 USC 2776.

#### FISCAL YEAR 1977 AUTHORIZATIONS AND LIMITATIONS

SEC. 21. Authorizations of appropriations and limitations of authority applicable to the fiscal year 1977 contained in provisions of law amended by this Act shall not be affected by enactment of this Act.

22 USC 2151 note.

#### ASSISTANCE AND SALES TO GREECE AND TURKEY

SEC. 22. (a) In addition to any amounts authorized to be appropriated by any amendment made by this Act which may be available for such purpose, there are authorized to be appropriated such sums

Appropriation authorization.

as may be necessary for the fiscal year 1978 to carry out international agreements relating to defense cooperation with Greece and Turkey.

(b) No funds appropriated under this section may be obligated or expended to carry out any agreement described in subsection (a) until legislation has been enacted approving such agreement.

(c) Funds appropriated for the fiscal year 1978 may not be obligated for assistance to Turkey under chapters 2 and 5 of part II of the Foreign Assistance Act of 1961, other than in accordance with section 620(x) of such Act.

(d) Section 620(x)(1) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out “for the fiscal year 1976, the period beginning July 1, 1976, and ending September 30, 1976, and the fiscal year 1977,” and inserting in lieu thereof “for the fiscal year 1978”;

(2) by striking out “(A) during the fiscal year 1976 and the period beginning July 1, 1976, and ending September 30, 1976, the total value of defense articles and defense services sold to Turkey under such Act, either for cash or financed by credits and guaranties, shall not exceed \$125,000,000, and (B) during the fiscal year 1977,” and inserting in lieu thereof “during the fiscal year 1978”; and

(3) by striking out “\$125,000,000” the second place it appears and inserting in lieu thereof “\$175,000,000”.

#### ARMS SALES AND UNITED STATES DEFENSE READINESS

SEC. 23. The President shall prepare and submit to the Congress not later than March 15, 1978, a report on the impact of United States foreign arms sales and transfers on United States defense readiness and national security. The report should focus on arms sales since 1972 and discuss the impact of such sales on United States troops stationed overseas. The report shall also include an analysis of United States foreign arms sales and transfers which have involved agreements entered into by the United States for the purchase or acquisition by the United States of defense articles, services, or equipment, or other articles, services, or equipment of any foreign country or international organization in connection with or as consideration for such United States foreign arms sales and transfers, including—

(1) an analysis of the impact such agreements have had upon United States business concerns which might otherwise have provided such articles, services, or equipment to the United States;

(2) an estimate of the costs incurred by the United States in connection with such agreements compared with the costs which would otherwise have been incurred;

(3) an estimate of the economic impact and unemployment which have resulted from such agreements; and

(4) an analysis of whether such costs and such domestic economic impact have justified entering into such agreements.

#### STUDY OF TECHNOLOGY TRANSFERS

SEC. 24. (a) The President shall conduct a comprehensive study of the policies and practices of the United States Government with respect to the national security and military implications of international transfers of technology in order to determine whether such policies and practices should be changed. Such study shall examine—

(1) the nature of technology transfer;

22 USC 2311  
et seq. 2347 et seq.  
22 USC 2370.

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(2) the effect of technology transfers on United States technological superiority;

(3) the rationale for transfers of technology from the United States to foreign countries;

(4) the benefits and risks of such transfers;

(5) trends in technology transfers by the United States and other countries;

(6) the need for controls on transfers of technology, including controls on the use of transferred technology, the effectiveness of existing end-use controls, and possible unilateral sanctions if end-use restrictions are violated;

(7) the effectiveness of existing organizational arrangements in the Executive branch in regulating technology transfers from the United States;

(8) the adequacy of existing legislation and regulations with respect to transfers of technology from the United States; and

(9) the possibilities for international agreements with respect to transfers of technology.

(b) In conducting the study required by subsection (a), the President shall utilize the resources and expertise of the Arms Control and Disarmament Agency, the Department of State, the Department of Defense, the Department of Commerce, the National Science Foundation, the Office of Science and Technology Policy, and such other entities within the Executive branch as he deems necessary.

(c) Not later than the end of the one-year period beginning on the date of enactment of this section, the President shall submit to the Congress a report setting forth in detail the findings made and conclusions reached as a result of the study conducted pursuant to subsection (a), together with such recommendations for legislation and administrative action as the President deems appropriate.

Report to Congress.  
Legislative recommendations.

#### POLICY ON ZAIRE

SEC. 25. No assistance of any kind may be furnished for the fiscal year 1978 for the purpose, or which would have the effect, or promoting or augmenting, directly or indirectly, any military or paramilitary operations in Zaire unless and until the President determines that such assistance should be furnished in the national security interests of the United States and submits to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report containing—

Report to Speaker of the House and congressional committee.  
22 USC 2370 note.

(1) a detailed description of the assistance proposed to be furnished, including the amounts of such assistance, the categories and specific kinds of assistance proposed, and the purposes for which such assistance will be used; and

(2) a certification that the President has determined that the furnishing of such assistance is important to the national security interests of the United States and a detailed statement, in unclassified form, of the reasons supporting such determination.

#### POLICY STATEMENT ON UNITED STATES ARMS SALES TO ISRAEL

SEC. 26. In accordance with the historic special relationship between the United States and Israel and previous agreements and continuing understandings, the Congress joins with the President in reaffirming that a policy of restraint in United States arms transfers, including arms sales ceilings, shall not impair Israel's deterrent strength or undermine the military balance in the Middle East.

22 USC 2751 note.

## REVIEW OF ARMS SALES CONTROLS ON NONLETHAL ITEMS

22 USC 2751  
note.

SEC. 27. The President shall undertake a review of all regulations relating to arms control for the purpose of defining and categorizing lethal and non-lethal products and establishing the appropriate level of control for each category.

## REPUBLIC OF KOREA

Cooperation with  
Department of  
Justice  
investigation.

SEC. 28. (a) (1) It is the sense of the Congress that the President should take all effective measures to assure that the Republic of Korea is cooperating fully with the investigation (including any resulting prosecutions) being conducted by the Department of Justice with respect to allegations of improper activity in the United States by agents of the Republic of Korea.

Report to  
Congress.

(2) Accordingly, the President is requested to report to the Congress, within ninety days after the date of enactment of this Act and once during each ninety-day period thereafter while such investigation (including any resulting prosecutions) is underway, with respect to the extent to which the Republic of Korea is cooperating with such investigation.

(b) It is the further sense of the Congress that the President should take all effective measures to assure that the Republic of Korea is cooperating fully with the investigations being conducted by committees of Congress.

## PIASTER CONVERSION

22 USC 2431  
note.

SEC. 29. No provision of law shall be construed to prevent payment of claims of former and present Vietnamese employees of the Agency for International Development, who presently reside in the United States, for the conversion of Vietnamese piasters to dollars because such conversion cannot take place in the territory of the former Republic of Vietnam or because the official with whom such piasters were deposited was not a United States disbursing officer.

Approved August 4, 1977.

## LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-274 (Comm. on International Relations) and No. 95-503 (Comm. of Conference).

SENATE REPORT No. 95-195 accompanying S. 1160 (Comm. on Foreign Relations).

CONGRESSIONAL RECORD, Vol. 123 (1977):

May 23, 24, considered and passed House.

June 15, considered and passed Senate, amended, in lieu of S. 1160.

July 21, House agreed to conference report.

July 22, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 13, No. 32:

Aug. 5, Presidential statement.