

CRS Report for Congress

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Foreign and Defense Policy: Key Issues in the 106th Congress

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ABSTRACT

This report lays out foreign and defense policy issues likely to receive attention in the 106th Congress, either in oversight or in enacting legislation. The report discusses the U.S. role in the world, and addresses tools available to Members to affect foreign and defense policy, including: the use of military force, foreign assistance, foreign policy sanctions, export controls, participation in the United Nations, and oversight of the State Department. The report also identifies issues in foreign and defense policy that remain unresolved from previous Congresses, figure prominently in current news reports, and may be the subject of congressional oversight or legislative effort. These foreign and defense policy issues are organized into categories of: global issues (i.e., financial crisis, terrorism, narcotics control); defense policy (i.e., spending, ballistic missile defense, readiness, acquisition reform, base closures); nonproliferation; treaties; and regional concerns. This report will not be updated. Other CRS products related to the topics discussed in this report are cited in box notes throughout the report. Appendix 2 provides bibliographic information for relevant *CRS Checklists of Products*.

Foreign and Defense Policy: Key Issues in the 106th Congress

Summary

When the 106th Congress comes to work in January, its first order of business will be to deal with the impeachment of the President of the United States.

The 1998 congressional campaigns and elections suggested that the agenda of the 106th Congress also will be largely domestic in its focus: Social Security, health care, and education were the order of the day in campaigns across America and on post-election news programs. Indeed, of the issues discussed in this report, only increased defense spending to address military readiness and retention of trained military personnel has been reported on recently, as the President announced over New Year's weekend his proposal to ask for a substantial increase in the FY2000 budget for military pay and hardware development.

Most immediately, the 106th Congress is expected to consider a supplemental appropriations bill to support the Wye River Memorandum, including increased assistance to Israel, Jordan, and the Palestinians. Congress likely will quickly consider new assistance and trade benefits to Central American countries hit hardest by Hurricane Mitch. Development aid to countries severely affected by the global financial crisis, and more humanitarian assistance to Kosovo are another two issues that might find their way into a supplemental appropriations bill in the first few months of the new Congress. The United States also stands in arrears with the United Nations and the World Bank, but neither matter is expected to receive appropriators' attention in the supplemental.

There are a few routine foreign affairs and defense issues to be addressed by the 106th Congress, albeit with less urgency than the supplemental appropriations. The President will issue international narcotics control certifications before March 1st, as required by law. For any country found to be trafficking or producing narcotics, certification could jeopardize its receipt of U.S. foreign assistance; Congress might respond with legislation supporting or negating specific countries' certification status. New authorizations and appropriations bills will be considered for departments and agencies. Authorization for some foreign assistance programs expires before the end of the first session, and reauthorizations are likely to be taken up. The President's authority to waive proliferation sanctions imposed on India and Pakistan last May must be renewed this year or be allowed to expire, which would require the reimposition of sanctions that many Members of Congress find counterproductive.

Several laws remain in the United States Code that were shaped during the Cold War. The 106th Congress could turn its attention to these. Previous several Congresses have made some effort to amend, repeal, or replace the Foreign Assistance Act of 1961 and Export Administration Act of 1979; consensus on new provisions, however, has not been reached. Congress has not enacted a foreign aid authorization bill since 1985, each year waiving the requirement to do so and relying on the annual appropriations measure to express its foreign policy interests and opinions. Export controls in the Export Administration Act expired in 1994 and since then have been left entirely to the executive branch to administer.

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Foreign and Defense Policy: Key Issues in the 106th Congress

The U.S. Role in the World

Since the end of the Cold War almost ten years ago, two Presidents and Members of four Congresses have sought to adapt U.S. foreign and defense policies to a dramatically new international environment. Without the unifying imperative of a clear and imminent threat to U.S. national security, both branches of government have found it more difficult to produce consistent consensual approaches to a plethora of international challenges.

In the U.S. system of constitutionally-shared responsibility for foreign and defense policy, the President plays a key leadership role. The Congress, however, has precise and important responsibilities, including authorization and appropriation of funds for the United States' international role, the requirement for Senate advice and consent to U.S. participation in international treaties, the responsibility of both houses to oversee the administration's conduct of policy, and declaration of war, should that be necessary.

During the 106th Congress, as in the previous two Congresses, these responsibilities will be assumed in a circumstance of divided government, with the Democratic Party holding the Presidency and the Republican Party controlling both houses of Congress. In such a political setting, the goal of developing consensual approaches to foreign policy will be pursued in the context of philosophical, institutional and partisan differences between the two branches.

Some of the broad questions that the Congress and the President will be called on to address include: How should the United States play its role as the only true global power? What roles should U.S. military forces play in defending U.S. interests? How can an effective balance be struck between unilateral U.S. actions and those taken in concert with allies or the international community? In an increasingly interdependent world, is the United States effectively combining the political, economic and military aspects of its international involvement to maximize benefits for U.S. interests?

These issues were raised prominently when, in December 1998, the United States and the United Kingdom once again used force against Iraq to try to bring Saddam Hussein's regime into compliance with international prohibitions against the possession and manufacture of weapons of mass destruction. Other members of the U.N. Security Council questioned the desirability and effectiveness of the military strikes, and some countries accused the United States of acting like a hegemonic power and undermining the United Nations. The episode has revived fundamental questions about under what circumstances the United States should use force,

particularly in the absence of an international consensus or congressional mandate for the action.

In recent years, such questions have come down to more specific issues in the Congress. With regard to the use of force, the United States has played a key role, with other NATO countries, in restoring an uneasy peace to Bosnia and Herzegovina and in the recent Kosovo crisis. The Congress never explicitly supported the President's decision to send U.S. forces to Bosnia but has also continued to fund their presence. The question of supporting continued U.S. involvement in the Balkans will come before the 106th Congress as well.

With regard to U.S. diplomacy, the Congress and the Clinton Administration have jointly reorganized the U.S. foreign policy establishment, eliminating three foreign policy agencies and merging their functions within the Department of State. Implementation of the reorganization will likely receive oversight from the 106th Congress. Other foreign policy matters raised by preceding sessions of Congress remain unresolved. There are continuing differences about how to deal with the issue of back dues the United States owes to the United Nations, for example. And U.S. foreign assistance authorizing legislation has for several years now been blocked by differences over highly charged political issues. The Administration and Congress have also differed over the imposition and management of export controls and the use of sanctions in U.S. foreign policy.

U.S. foreign policy increasingly is influenced by economic conditions around the world. The well-being of the U.S. economy is affected by weaknesses in other parts of the world, as recently demonstrated by the Asian and Russian financial crises. In an increasingly "globalized" world, for example, issues like how much the United States should contribute to the International Monetary Fund (IMF), become issues of political and security as well as financial importance.

CRS Reports

The U.S. Role in the World: Indispensable Leader or Hegemon?, by (name redacted), CRS Report 97-1046F

The Clinton Presidency in Crisis: Foreign Reactions and Policy Implications, by (name redacted), CRS Report 98-828

Congressional Tools for Managing Foreign and Defense Policy

Although the President, through his powers as Commander in Chief, maintains formidable authority to manage and direct U.S. foreign and defense policy, Congress possesses a broad range of tools to oversee, influence, and in some cases, reverse executive policies. The most direct means for lawmakers is through the enactment of defense, State Department, and foreign aid authorization and appropriations bills, usually considered annually. Control over funding key White House defense and foreign policy initiatives, such as the costs of deploying American forces to Bosnia, paying U.S. obligations at the United Nations and the International Monetary Fund, procuring military weapons systems, and supporting Middle East peace efforts, offers Congress perhaps its most powerful instrument.

Legislative-executive controversies have blocked passage of State Department authorization bills for four years and foreign aid authorizing measures for over a decade. As a result, appropriations bills have grown increasingly important as a means of influencing foreign policy. Placing conditions on how or when defense and foreign affairs funds can be used — such as the current conditions and restrictions on paying for heavy fuel oil for North Korea — offers lawmakers the means to maintain close oversight of executive policy or block initiatives that require financial commitments out of favor with Congress. The Senate also can exert influence through its powers to approve or reject treaties, ambassador and high-level Administration personnel appointments. Congress also enacts non-binding resolutions that do not require presidential signature, holds open hearings where executive officials can be vigorously questioned, or issues statements on personal views to express congressional sentiment and educate the public in ways that may influence the conduct of American foreign and defense policy.

Whether by conducting oversight or by enacting legislation, the 106th Congress can have a significant role in determining the direction of U.S. foreign policy, and might be particularly active in areas pertaining to the use of military force; the allocation of foreign assistance; the imposition, strengthening, or easing of foreign policy sanctions; controlling exportation of sensitive goods and technology; U.S. participation in the United Nations; and the administration of the newly reorganized Department of State, its agencies, and embassies. Each of these issues is discussed in some detail below.

Use of Military Force

In the years since the collapse of the Soviet Bloc, policymakers have struggled to redefine the role of military power in an environment of numerous and diffuse threats. As the United States deployed troops to Bosnia, Southwest Asia, Haiti, and elsewhere, some far-reaching issues have been raised, including:

(1) Determining the circumstances in which force should be used. U.S. defense strategy calls for military forces to help shape the international security environment, respond to challenges across the entire spectrum of conflict, and prepare for future threats. To shape the environment and respond to crises requires, among other things, extensive U.S. military engagement abroad and a willingness to employ force in response to a wide range of challenges to security. Former Defense Secretary William Perry argued that the use of force may be appropriate not only when vital interests are threatened, but also when important interests are at stake and even, under strictly limited conditions, for humanitarian reasons. The issue, he said, is whether costs and risks are properly calibrated to U.S. interests. Many legislators remain skeptical about U.S. involvement where less than vital U.S. interests are at stake.

(2) Peacekeeping. As the Cold War was ending, some policymakers hoped that the use of multilateral forces operating under U.N. auspices in situations short of war — peacekeeping — would help contain and resolve local conflicts, enhancing world stability with a minimal commitment of U.S. forces. Former Presidents Reagan and Bush both endorsed this concept. Deployments during the Bush and Clinton Administrations, however, generated a great deal of debate about U.N.-sponsored peacekeeping operations, particularly where high levels of force were, and are, used. In May 1994 the Clinton Administration announced Presidential Decision Directive

(PDD) 25, a set of guidelines to help determine when and how the United States would support U.N. peacekeeping and, by implication, when it might act either in an *ad hoc* coalition or unilaterally. Skeptics of this approach maintain that many peacekeeping operations, whether under the United Nations or other auspices, cost too much and burden U.S. Armed Forces while doing little to promote U.S. interests.

(3) Congress's Role. The Constitution gives Congress the responsibility to declare war, to raise and regulate the armed forces, and to provide funds for activities of the U.S. government, including military action. How Congress should exercise these responsibilities — and how vigorously it should assert its role — is a matter of perennial debate. Since the votes on the Persian Gulf War in 1991, Congress has not asserted a direct role in deciding between war and peace. Efforts to use the power of the purse to limit military operations, either before or after the fact, have also had limited success. Though Congress has vigorously debated the use of force in Somalia, Haiti, Bosnia, and elsewhere, it has, in the end, imposed few direct constraints on presidential action. The main issue in Congress has been, and continues to be, how to pay for military operations — in particular, whether funds should be provided as emergency supplemental appropriations, over-and-above the regular defense budget, or should they be offset by cuts in other defense programs.

CRS Reports

The Use of Force: Key Statements by Weinberger, Shultz, Aspin, Bush, Powell, Albright, and Perry, by (name redacted) and (name redacted), CRS Report 94-805 F

Peacekeeping: Issues of U.S. Military Involvement, by (name redacted), CRS Issue Brief 94040

Foreign Aid

Following sharp cuts in foreign aid spending during the 104th Congress, lawmakers increased funds for economic and military assistance in 1997 and 1998, with substantial growth for Russia and other former Soviet states, counter-narcotics programs, development assistance concentrated on child survival activities, and appropriations to clear U.S. arrears at the World Bank and regional international financial institutions. It is likely that the Administration will send to Congress a foreign aid budget request for FY2000 at or above the \$13.8 billion enacted for FY1999.

Congress will face foreign aid legislation almost immediately in the new session in the form of a \$2 billion-plus emergency supplemental appropriation to support the Wye River Israeli-Palestinian peace accord and to begin reconstruction for countries severely damaged by Hurricane Mitch. About \$1.8 billion is anticipated for support of the Middle East peace process: \$400 million in economic aid for the Palestinians for education, water development and support of the rule of law; \$1.2 billion for Israel to cover the costs of relocating Israeli military forces from West Bank territory, and \$200 million for Jordan in security assistance. The Administration is also expected to seek \$120 million or more for hurricane-related reconstruction in Central America. The United States has already committed \$300 million for emergency assistance to the region, mostly for the most seriously damaged nations of Nicaragua and Honduras. Congress is likely to suggest other options. Senator Graham, for example, advocates adding to a Hurricane Mitch supplemental provisions similar to Caribbean

Basin Initiative (CBI) parity legislation that stalled in the 105th Congress. Such a measure would extend NAFTA trade benefits to CBI nations. Also under consideration, although less certain, is an additional request for development aid for countries affected by the Asian financial crisis, and more humanitarian aid for Kosovo. While the Administration is likely to designate the entire supplemental as an “emergency,” requiring no equivalent reductions in existing spending, some Members may recommend offsets to make the supplemental appropriations budget neutral. Funding for the Wye River accord could prove contentious because it would exceed a congressionally-imposed FY1999 cap of \$5.4 billion total U.S. assistance to the Middle East.

While Congress will consider many foreign aid issues in supplemental and foreign operations appropriations measures, the balance of the foreign aid legislative agenda is less certain. Without enactment since 1985 of foreign assistance authorization bills, the main statute — Foreign Assistance Act of 1961 — is seriously out of date and reflects few of the post-Cold War changes in foreign aid policy priorities. Congress could attempt to revise the 1961 Act, or address individual, and perhaps less controversial, issues in more narrowly focused authorization bills. Authority for continuance of the Overseas Private Investment Corporation (OPIC), a program authorized in the 1961 Act, for example, expires on September 30, 1999, and will require some legislative action for OPIC to continue.

Foreign aid bills, whether authorizations or appropriations, frequently attract debate on broader foreign policy issues, some of which are matters of significant controversy between the President and Congress. Conditioning aid to Russia on that country's termination of nuclear cooperation with Iran is likely to be raised again in the new session. The submission of Presidential certifications by March and June 1999 regarding North Korea's suspected resumption of a nuclear weapons program, as required by law, will be closely scrutinized, and lawmakers may consider attaching further restrictions to the Administration's FY2000 funding requests to supply heavy fuel oil to North Korea. A persistent controversy in annual foreign aid debates that past two Congresses have considered but reached no long-term consensus concerns abortion restrictions and U.S. international family planning programs, and will almost certainly be revisited in 1999.

CRS Reports

Appropriations for FY1999: Foreign Operations, Export Financing, and Related Programs, by Larry Q. Nowels, CRS Report 98-211

Foreign Aid: An Introductory Overview of U.S. Programs and Policy, by (name redacted) and Larry Q. Nowels, CRS Report 98-916F

North Korea's Nuclear Weapons Program, by (name redacted), CRS Issue Brief 91141

U.S. International Population Assistance: Issues for Congress, by Kerry B. Dumbaugh and Larry Q. Nowels, CRS Issue Brief 96026

The Imposition of Sanctions to Achieve Foreign Policy Goals

The 106th Congress inherits from its predecessors a continuing debate about how and when to use coercive economic measures to achieve U.S. foreign policy goals. Both Congress and the President selectively support sanctions as a foreign

policy tool to combat proliferation, terrorism, aggression, drug trafficking, or human rights abuses. Some U.S. business representatives, and others, depict foreign policy sanctions as often ineffective and damaging to the U.S. economy. Congress often incorporates sanctions in foreign aid authorization and appropriation bills, and in bills targeting specific countries, most recently Cuba, Iran, Iraq, Libya, China, Burma (Myanmar), Serbia, Russia, or North Korea.

While the congressional debate over the use of sanctions has its recent roots in Cold War legislation of the 1960s, anti-apartheid legislation of the 1980s, and U.S. reaction to Iraq's aggression toward Kuwait in 1990, the debate changed dramatically in the aftermath of India's and Pakistan's testing of nuclear detonation devices in the spring of 1998. The President was required by law to impose sanctions against the two nations, sanctions that, in part, prohibited American wheat growers from selling their harvest to Pakistan — a primary market. At about the same time news reports were circulating stating that sanctions against Iraq were having a serious impact on the civilian population in Iraq. Congress looked anew at the practice of restricting another country's access to American food and medical exports for foreign policy reasons. The sanctions against India and Pakistan were eventually modified by Congress to allow for agricultural commodity sales, and the President was authorized to ease or adjust those sanctions over the course of one year. Multilateral sanctions against Iraq, imposed by the U.N. Security Council, were offset with renewal and enlargement of the U.N.'s oil-for-food program.

The 105th Congress considered the Enhancement of Trade, Security, and Human Rights Through Sanctions Reform Act, legislation that sought to constrain the use of sanctions by the executive branch and to make the cost and impact of sanctions more transparent. It gained momentum throughout the second session but was not enacted; a version of the measure is likely to be introduced early in the 106th Congress. During the adjournment between the 105th and 106th Congresses, Senator Dorgan (ND-Dem.) and Representative Nethercutt (WA-Rep.) both announced they would introduce legislation to repeal or prohibit the imposition of agricultural commodity and medical export sanctions. In December 1998, more than 30 Members of Congress sent a letter to the President asking him to authorize a one-time agricultural commodities sale to Iran — a country otherwise prohibited from such transactions by U.S. unilateral sanctions — and to generally reconsider the use of food as a foreign policy weapon. The 105th Congress, on the other hand, enacted the Freedom from Religious Persecution Act, which authorizes the President to impose new sanctions; the 106th Congress will probably provide some oversight to the Act's implementation. Difficulties in U.S. foreign policy *vis-a-vis* hot spots such as Cuba, China, Iran, Iraq, or Serbia might result in the 106th Congress enacting new sanctions legislation. Congressional efforts to make humanitarian exemptions to the use of sanctions, recent complaints before the World Trade Organization by the United States' European trading partners about the imposition of unilateral sanctions, human rights organizations' reporting on the impact of sanctions, all might result in serious deliberation in the 106th Congress on the utility and effectiveness of sanctions.

CRS Reports

Economic Sanctions to Achieve U.S. Foreign Policy Goals: Discussion and Guide to Current Law, by (name redacted) and (name redacted), CRS Report 97-949 F

Nuclear, Biological, Chemical, and Missile Proliferation Sanctions: Selected Current Law, by (name redacted), CRS Report 98-116 F

Export Controls of Sensitive Goods and Technology

Congress and the Administration have tried to rewrite the Export Administration Act of 1979 (EAA-1979) since it initially lapsed in 1990. Different views on the value of export controls in foreign policy and national security, the role and procedures of government agencies in exerting such controls, and participation in international nonproliferation regimes have kept Congress from approving a new Act or reauthorizing the EAA-1979. Most provisions of the EAA-1979, authorizing the Department of Commerce to regulate exports of civil and dual-use goods and technology, were extended by executive order after its initial lapse and since its final expiration in 1994. (Exports of defense goods and services are regulated by the Department of State under the Arms Export Control Act.) One attempt by the 101st Congress to extend and amend the EAA-1979 was pocket vetoed by President Bush; subsequent Congresses were unable to resolve numerous disputes. The EAA-1979, which had a primary purpose of blocking exports that could help the military buildup of Communist bloc countries, was Cold War law that some contend is no longer relevant to U.S. interests. Threats to U.S. national security and foreign policy goals now stem from less powerful countries and sub-national groups that seek to expand their influence or intimidate their neighbors, many by acquiring weapons of mass destruction and related delivery systems, and many by employing or supporting international terrorists. Although export controls might still restrict the military capabilities of these potential belligerents, U.S. and other Western business interests are less willing to link export regulations to national security and foreign policy goals since the end of the Cold War and rapid technological developments. A multilateral regime, CoCom, once controlled the exports of participating countries to communist countries. CoCom dissolved in 1994, however, and was eventually replaced by the Wassenaar Arrangement, under which export control efforts are largely voluntary. A few countries, such as North Korea, China, and Russia, continue to defy international norms by exporting dangerous goods and technology to unstable regions and aggressive nations.

Many Members of Congress have expressed concern that the Administration has liberalized export controls to such an extent that U.S. national security interests are not sufficiently protected. Others are concerned that some export controls are arbitrary and harmful to the U.S. economy. Exports of nuclear technology, satellites, high-performance computers, jet engines, and machine tools to China have been particularly controversial and have helped prompt a closer look at U.S. export administration. Congress has also critiqued U.S. policies regarding transfers of encryption, stealth (low radar cross-section), and telecommunication technology. U.S. businesspersons and some Members of Congress have also criticized unilateral controls on exports to Iran, India, Pakistan, and Cuba, particularly when other industrial countries do not restrict exports to these countries. Some key issues for Congress are: implications of U.S. export administration for nonproliferation policy,

for national security and foreign policy, and for U.S. business; foreign availability of goods and technology; end-use controls; criminal and civil penalties; and judicial review. Revising export administration legislation to reflect the changed international environment could benefit U.S. national security, foreign policy, and commerce but would require compromise or agreement on some difficult questions between the Administration and Congress and among Members of Congress and committees of diverse perspectives and conflicting interests.

Participation in the United Nations

Congressional use of legislative tools to influence U.S. policy on the United Nations has both negative and positive effect on the United Nations, its agencies, and activities, as well as on the ability of the United States to promote its interests more broadly.

Withholding full funding of U.S. contributions to international organizations, including the United Nations, and to U. N. peacekeeping accounts has produced a number of consequences, both negative and positive.

- **Arrears in U.S. assessed contributions to the U.N. regular budget** have threatened a loss of its vote in the U.N. General Assembly in 1999. However, congressional appropriation for FY1999 of nearly the full amount of Presidential requests in current funding ensures probably that the United States will retain its vote. U.N. officials and member states have launched positive changes, in part, in response to U.S. congressional and Administration demands for reform prior to the release of U.S. arrears money. In 1997 and 1998, however, in actions directly attributed to continued U.S. arrears, the U.N. General Assembly refused to elect the United States to membership in the Advisory Committee on Administrative and Budgetary Questions. In the past, a U.S. national has always been on this body.
- **Substantial arrears to U.N. peacekeeping operations accounts**, in the view of some experts, have damaged the ability of the United Nations to set up and carry out peacekeeping operations. The United Nations would use most of these arrearages to reimburse states, including the United States, that contribute troops and lease equipment for U.N. peacekeeping operations. According to a June 1998, General Accounting Office report, at the end of 1997, the United Nations owed \$1.2 billion to 71 nations, including \$109.2 million to the United States.
- **Arrears in U.S. payments to U.N. specialized agencies and to non-U.N. regional organizations** may have caused some programmatic changes but they have also led to reviews by these organizations of budgetary goals and spurred structural and other reforms.

Secondly, Congress' linkage of the release of appropriated funds for current U.N. contributions to achievement of specified U.N. actions has apparently prompted positive changes, such as the establishment and effective operation of the U.N. Office of Internal Oversight Services and adherence to a specific regular budget limit. U.N. implementation of these congressionally initiated reforms has been viewed widely as

beneficial because they have helped identify and eliminate cases of “waste, fraud, and abuse” and controlled “run away” spending.

Thirdly, Congress has required the executive branch to report to it before supporting in the U.N. Security Council any new U.N. peacekeeping operation or increases in size or mandate of current operations. This report is to include a reprogramming request showing how additional U.S. contributions are to be financed. In at least three instances, congressional committee chairpersons have rejected the reprogramming request. Critics have charged that this reporting process has hampered U.N. Security Council responses to peace and security threats, thus diminishing the United Nations' capacity to react to breaking crises. Others maintain that these restraints on the U.S. executive branch have ensured congressional access to information about and participation in decisions requiring a commitment of U.S. taxpayer funds for U.N. operations.

As the 105th Congress ended, a bill authorizing substantial payment of \$819 million in U.S. arrears to the United Nations was sent to the President for signature. The legislation also included abortion related provisions, however, leading to a veto of the entire bill, despite Presidential agreement with its United Nations-related portions. Thus when the 106th Congress convenes, it will face issues of financing U.S. arrears payments for assessed budgets of these organizations and the status of the congressionally proposed conditions for payment of these arrears. The Administration maintains that some of these conditions are now outdated and require revision. Some in the Congress maintain that revision or reopening of negotiations on these conditions is unnecessary and unacceptable.

Congress will continue to consider authorizations and appropriations for current U.S. contributions to international organizations, including U.N. and U.N. Peacekeeping assessed accounts, in the annual State Department appropriations bill, under Contributions to International Organizations and Contributions to International Peacekeeping Activities.

CRS Reports

U.N. Funding, Payment of Arrears and Linkage to Reform: Legislation in the 105th Congress, by (name redacted), (name redacted), and (name redacted), CRS Report 97-711F

U.N. System Funding: Congressional Issues, by (name redacted), CRS Issue Brief 86116

United Nations Peacekeeping: Issues for Congress, by (name redacted), CRS Issue Brief 90103

Peacekeeping: Issues of U.S. Military Involvement, by (name redacted), CRS Issue Brief 94040

Administration of the State Department, Diplomacy and Embassy Issues

U.S. diplomacy, America's first line of defense overseas, and the foreign policy agencies that contribute to those goals are in a transition phase as the United States grapples with how best to address global and regional issues in the post-Cold War era. To streamline the U.S. foreign policy apparatus, the 105th Congress passed

legislation to consolidate the foreign policy agencies under the aegis of the Department of State. In addition, examination of security procedures in U.S. facilities overseas was emphasized as a top priority, particularly after terrorist attacks in August 1998 razed two U.S. embassies in Africa. It is likely that the 106th Congress will hold oversight hearings on the role of U.S. diplomacy in the 21st century, including concerns about continually changing technologies, implementation of the foreign policy agencies reorganization, and the security of those carrying out U.S. foreign policy abroad. Among other sources, this oversight may draw on the recent recommendations of two prominent policy institutes' reports concerning the need for substantive changes in the management of U.S. foreign policy.

After being debated by both the 104th and 105th Congress, a plan reorganizing the foreign policy agencies — Department of State, U.S. Information Agency (USIA), Agency for International Development (USAID), the International Development Cooperation Agency (IDCA), and the Arms Control and Disarmament Agency (ACDA) — finally signed into law on October 21, 1998, as the Foreign Affairs Reform and Restructuring Act of 1998 (division G of P.L. 105-277) requires that: ACDA and its functions merge into State by April 1, 1999; USIA merge into State by October 1, 1999; IDCA terminate by April 1, 1999; and USAID reorganize by April 1, 1999, operating under the authority of the Secretary of State. The 106th Congress is likely to oversee the consolidation early in the first session with hearings perhaps coinciding with the appropriations process, and continue monitoring the evolution of the new State Department to ensure that the objectives of the reorganization — budgetary savings, streamlining and better coordination U.S. foreign policy — are attained.

In order to help advance American interests abroad, the United States maintains 249 posts in over 180 countries around the world. Security of these facilities and the people that work in them became a top priority in August 1998 after terrorist attacks on U.S. embassies in Tanzania and Kenya. As part of P.L. 105-277 (division B), Congress approved an FY1998 emergency supplemental appropriations of \$1.8 billion to defray antiterrorism and overseas security expenses. The appropriations provided for rebuilding the bombed embassies, medical needs of injured personnel, reestablishing embassy functions, improvements in security procedures for U.S. facilities worldwide, and establishing a new security review panel (see further discussion under *International Terrorism*).

CRS Reports

Foreign Policy Agency Reorganization in the 105th Congress, by (name redacted), Larry Q. Nowels, and (name redacted), CRS Report 97-538 F

Embassy Security: Background, Funding, and FY1998 Supplemental Request, by (name redacted), CRS Report 98-771 F

Terrorism: U.S. Response to Bombings in Kenya and Tanzania: A New Policy Direction?, by (name redacted), CRS Report 98-733 F

Terrorist Attacks on U.S. Embassies in Africa: Aftermath and U.S. Retaliation, by (name redacted) and Theodoros S. Dagne, CRS Issue Brief 98042

Global Issues

The Global Financial Crisis

In early 1997, it seemed unlikely that difficulties in Thailand would develop into a global financial crisis that has now taken, perhaps, one-third of the world's economies into deep recessions. The crisis has generated serious discussion of the ability of the current institutional structures, most notably the International Monetary Fund (IMF), to deal with the present crisis, prevent future crises, and fulfill the needs of the global economy in the 21st century. In approving funding for the IMF (division A, sec. 101(d), title VI, of P. L. 105-277), the 105th Congress laid the basis for an active congressional role in these discussions and for an unprecedented degree of oversight. Some of the ways in which this was achieved include:

- establishing, with appointment by House and Senate leadership, for a duration of six months, an International Financial Institution Advisory Commission to advise and report to Congress and the Secretary of the Treasury;
- requiring an annual report (by Oct. 1) to various congressional committees, and testimony by the Secretary of the Treasury on international financial issues;
- providing for annual audits of the IMF by the General Accounting Office (GAO) to congressional committees; and
- requiring two reports to congressional committees, in July 1999 and 2000, on the “architecture” of the international monetary system.

The 106th Congress is scheduled to appoint Commissioners to the Advisory Commission early in the first session, and will oversee implementation of IMF reforms enacted in the 105th Congress. It is likely, also, that the Administration will send requests to Congress for approval of bilateral assistance for countries most deeply afflicted by the debt crisis.

CRS Reports

The International Monetary Fund's Proposed Quota Increase and "New Arrangements to Borrow" (NAB), by (name redacted), CRS Issue Brief 97038

Asian Financial Crisis: An Analysis of U.S. Foreign Policy, by (name redacted), CRS Report 98-74 F

The Asian (Global) Financial Crisis, the IMF, and Japan: Economic Issues, by (name redacted), CRS Report 98-434 E

International Terrorism

The August 7, 1998 terrorist attacks on U.S. embassies in Kenya and Tanzania have given renewed focus to Administration and congressional concern about the threat of international terrorism. The Administration announced a new more aggressive approach to combating terrorist groups, exemplified by the U.S. missile strikes against alleged terrorist bases in Afghanistan and Sudan. The new policy is

said to involve: (1) a more global and proactive rather than reactive stance; (2) an increasingly national security focus rather than law-enforcement orientation; (3) a greater willingness to use military force; (4) less constraint over national boundaries when countries provide sanctuary to terrorists; and (5) a willingness to take unilateral action when other measures cannot be agreed. Critics have questioned the usefulness and the sustainability of such a new policy. Some have also questioned whether there has been a real change in policy to which the Administrations has a long-term commitment.

Substantial counterterrorism legislation was incorporated into the FY 1999 Omnibus Consolidated and Emergency Supplemental Appropriations Act (division G, title XXIII of P.L. 105-277). Significant new funding was provided for anti-terrorism and anti-proliferation efforts, as well as embassy security. The Act established within the Department of State the position of Coordinator for Counterterrorism to supervise international counterterrorism activities. The Act also established a 10-member National Commission on Terrorism, to be appointed by House and Senate leadership, tasked with issuing a final report to the President and to Congress within six-months of its first meeting. The Administration and Congress are likely to take up further measures to deter and punish terrorist acts and to reduce U.S. vulnerabilities, particularly to potential attacks with chemical, biological, or nuclear weapons, that could cause mass-casualties. A review of U.S. policy, organizational mechanisms, and the adequacy of consultation with Congress is also possible. Any significant new terrorist act against U.S. interests during the 106th Congress would add urgency.

CRS Reports

Terrorism, the Future, and U.S. Policy, by (name redacted), CRS Issue Brief 95112

Terrorism: U.S. Response to Bombings in Kenya and Tanzania-A New Policy?, by (name redacted), CRS Report 98-733 F

Terrorism: Middle Eastern Groups and State Sponsors, by Kenneth B. Katzman, CRS Report 98-722 F

Embassy Security: Background, Funding, and FY 1998 Supplemental Request, by (name redacted), CRS Report 98-771 F

Terrorism: Domestic Preparedness and Response

Concern over the threat of a large-scale terrorist attack in the United States, especially one using nuclear, chemical, or biological weapons — weapons of mass destruction (WMD) — has recently increased. Terrorist use of nerve agents in the Tokyo subway, the World Trade Center and Oklahoma City bombings, and reports concerning the availability and proliferation of chemical and biological weapons have led to closer scrutiny of the ability to deter or mitigate WMD domestic terrorism. Popular literature and films have also served to heighten public concern. Government agencies have identified shortcomings in protection, detection, and medical capabilities, and efforts are underway to remedy them. Domestic WMD terrorism would present unique challenges and require the resources of governmental agencies from the local to the Federal level. Congress has demonstrated its concern by holding extensive hearings, mandating reports from the Defense Department and intelligence agencies, and by enacting increasingly large appropriations for research, defensive

equipment, and training. Major FY1999 appropriations included \$529 million for the Defense Department, \$135 million for the Department of Justice, and \$216 for the Department of Health and Human Services.

Though WMD have historically been considered the province of the armed forces, civilian agencies must grapple with their potential effects. Emergency response personnel, public health care facilities, police departments, along with local and state governments are all beginning to focus on this issue. Using the reservoir of professional military expertise in this area, the Department of Defense has played a leading role in assisting civilian authorities; notably, its Domestic Preparedness Program is training emergency personnel in 120 cities around the nation.

Recently, the Federal Bureau of Investigation assumed the role of lead agency in domestic efforts, and the National Security Council established a National Coordinator for Security, Infrastructure Protection, and Counter-Terrorism. Nevertheless, questions have arisen over efficient inter- and intra-government coordination and cost effectiveness. Given the broad range of agencies involved, (e.g. the Departments of Defense, Energy, Justice, Health and Human Services, and the Federal Emergency Management Agency), numerous congressional committees and subcommittees will be involved in legislative oversight and address their concerns through authorizing and appropriations legislation.

International Narcotics Control

International political and economic instabilities, especially political turmoil and ethnic strife in third world and former communist states where police powers and capabilities have been drastically reduced, provide fertile ground for expansion of a wide range of criminal activities. One such criminal activity, illicit production and smuggling of narcotics, remains an important area of concern for Congress.

Increasingly, drug trafficking organizations, terrorist organizations, and other international criminal groups cooperate with each other to facilitate illicit cross-border and transnational activities. Intergovernmental cooperative efforts to combat such criminal enterprises are often slow and cumbersome.

Issues likely to be the focus of attention in the upcoming Congress include: (1) whether Congress should seek to override any of the President's March 1 determinations of certification for major drug producing or transiting countries (an annual certification as to a country's cooperation in international drug control efforts is required of the President under the Foreign Assistance Act of 1961; a negative certification may result in loss or reduction of foreign assistance); (2) the effectiveness of current drug interdiction policies; (3) the rising importance of drug cartels in Mexico and their potential destabilizing effect on the country; (4) the growing relationships between drug traffickers and other organized criminal groups; and (5) North Korean drug production and trafficking activity. Moreover, U.S. relations with Burma, the world's largest source of illicit opium and heroin, are strained over lack of narcotics control cooperation and human rights violations. Prospects for immediate improvement do not appear promising.

CRS Reports

Drug Control: International Policy and Options, by (name redacted), CRS Issue Brief 88093

The International Drug Trade and its Impact on the United States, by (name redacted), et al.,
CRS Report 96-671 F

International Crime

International crime has become a major problem for the United States and other countries around the world. A growing share of organized crime in the United States has foreign roots. International criminal activities, furthermore, have begun to threaten broader U.S. foreign policy interests, such as a stable and healthy work economy, the spread of democracy, establishment and strengthening of market economies, regional stability, and nonproliferation. There is a growing connection among international organized crime groups, drug cartels, and terrorist organizations. As a result, international crime is seen as a national security threat, in addition to a law enforcement challenge.

Governments and international bodies are struggling to keep pace with what many see as a global security threat. The State Department and Federal Bureau of Investigation have been given the lead U.S. role abroad in the fight against international crime. The United States now has a permanent crime fighting presence in some 34 countries, including Russia, for purposes of investigation, training, and other cooperation. The United States has worked closely with foreign governments and international organizations to curb international criminal activities.

The Administration and Congress have expressed growing concern about international crime. In May 1998, the Clinton Administration announced a new International Crime Control Strategy to combat global crime. As a key part of its announced strategy, the Administration transmitted to Congress proposed legislation, the International Crime Control Act of 1998. The bill was introduced as S. 2303 in the Senate in June 1998. It was not acted on by the 105th Congress. It is likely to be reintroduced in the 106th Congress.

CRS Report

International Crime: Russian Organized Crime's Role and U.S. Interests, by (name redacted),
CRS Report 98-907 F

Global Y2K (Year 2000) Technology

The Year 2000 (Y2K) technology issue refers to the inability of many computers and information systems to process calendar dates after midnight on January 1, 2000. Hence, serious concerns are raised over potential adverse effects to a wide range of critical U.S. sectors, such as telecommunications, transportation, energy systems, defense and government services. Fixing these problems may cost the U.S. public and private sectors tens or even hundreds of billions of dollars; there is no assurance all Y2K problems will be fixed in time.

By comparison, addressing Y2K problems in foreign computer and information systems lags considerably behind the United States. This relative unpreparedness overseas may adversely affect U.S. national security interests. United States national security, for instance, is affected by economic prosperity at home and abroad. Attempts to resolve the current global economic crisis through financial reform, however, likely will be slowed or exacerbated because of the Y2K problem. Under the current national security strategy multilateral solutions to national security threats and challenges are preferred over unilateral action. Fixing Y2K software and hardware problems on U.S. weapon systems does not necessarily ensure that such systems will continue to operate effectively with foreign allied and friendly systems that may not be Y2K compliant. The potential, albeit temporary, collapse of key sectors in some countries, such as food distribution and energy systems, might precipitate very serious problems for struggling or failing states, or create new, global humanitarian demands that could, in turn, further stress the international system and place additional burdens on the United States. Given the wide reach of the potential problem, and its unanticipatable impact, any number of committees might hold oversight hearings, particularly the Senate Committees on Armed Services, and Commerce, Science and Transportation, and House Committees on National Security, and Science.

CRS Reports

The Year 2000 Computer Problem: Activity in the 105th Congress, by (name redacted), CRS Issue Brief 97036

Year 2000 Computer Problem: Info Pack, CRS IP 528Y

Year 2000 Problem: Potential Impacts on National Infrastructures, by (name redacted), CRS Report 98-967 STM

Defense Policy

Defense Spending

The White House-congressional budget agreement of 1997 projected an essentially flat defense budget over the five years through FY2002. In the months since the budget agreement was reached, however, defense officials have warned that planned spending is not adequate both to maintain military readiness in the short term and to acquire new weapons for the future. Problems have grown particularly severe, they have said, in recruiting and retaining a high quality force. At the end of 1998, Congress approved an additional \$8.3 billion in emergency funding for the Pentagon. The level of defense spending promises to be a major issue when the 106th Congress considers, first, the annual budget resolution for FY2000 and, then, defense authorization and appropriations bills.

Military readiness is likely to be a particular focus of debate. Senior military officers now warn that shortages of personnel in key specialties, gaps in weapons maintenance, and a high pace of operations are affecting even forward-based military forces and units tagged for early deployment in a conflict. These concerns are mounting even though budgets have repeatedly been adjusted to protect readiness-related activities at the expense of weapons modernization.

A number of factors appear to be at work. Shortfalls in personnel recruitment and retention have aggravated problems in ensuring full manning of deployed units. Underfunding of real property maintenance and facility operations has often led commanders to reallocate money meant for training to meet urgent repair needs. Weapons maintenance costs have regularly been underestimated. A constant presence in the Persian Gulf and occasional surges to the region have stretched the Air Force, which has recently reorganized to be more expeditionary in character. Even a relatively small presence in Bosnia has strained the Army because units are not fully manned in peacetime, certain units are in particularly heavy demand, and the pace of regular training activities is intense.

The 106th Congress will consider changes in military pay, retirement benefits, and recruitment. The military services have also proposed large increases in funding both for short-term readiness and long-term weapons modernization programs, and Congress may confront difficult trade-offs among competing priorities. Missile defense, its development, and the spending it would require, also remains a key issue. Both development and funding for shorter-range theater missile defense and longer-range national missile defense are challenging, high-risk development programs. At issue is whether imminent threats warrant an effort to accelerate development despite technical uncertainties.

CRS Report

Appropriations for FY1999: Defense, by (name redacted), CRS Report No. 98-205F

Ballistic Missile Defense

The debate over National Missile Defense (NMD) has focused on how best and how quickly to develop and deploy a system to protect the United States against a limited, long-range missile attack. Such an attack might be accidental from a country friendly to the United States, or deliberate from a nation hostile to the United States. The Clinton Administration is pursuing a 3 plus 3 strategy — the goal of which is to develop an NMD system over a three-year period ending in 2000 to permit deployment of that system three years later in 2003, if a decision to do so were made. If a deployment decision were deferred, development of an increasingly effective system would continue. Missile defense advocates in Congress, however, want to set a firm date for deployment. Faced with the prospect of a presidential veto, Congress has not set a deployment date in annual defense bills. Instead, Congress has considered, but not enacted, freestanding bills to establish NMD policy, such as the American Missile Protection Act of 1998 (S. 1873). Similar legislative efforts are likely in the 106th Congress. NMD programs receive about \$1 billion in annual appropriations. Some key issues include how quickly rogue nations might acquire long-range missiles, weighing program risk, technical advances, and near-term deployment, and implications for the Anti-Ballistic Missile (ABM) Treaty.

U.S. troops deployed abroad and U.S. allies are increasingly threatened by enemy short and medium-range ballistic and cruise missiles, some potentially armed with biological, chemical, or even nuclear warheads. During the Gulf War, 23 U.S. troops were killed by an Iraqi Scud missile with a conventional warhead. More than 30 countries have ballistic missiles and scores of countries have various types of cruise missiles — mostly anti-ship missiles. There is considerable support in Congress to

develop and deploy theater missile defense systems with U.S. forces overseas and to help allied countries achieve effective theater missile defense. The Department of Defense (DOD) has six basic theater missile defense weapons programs: Patriot (PAC-3), Navy Area (NA) defense, Medium-Extended Air Defense System (MEADS), Theater High Altitude Air Defense (THAAD), Navy Theater Wide (NTW), and Airborne Laser (ABL). These programs and related research, international cooperation, and support programs receive over \$2 billion in annual appropriations. Congress has criticized the pace of development and schedules of deployment, redundancy of the various systems, restrictions that adherence to the ABM Treaty may impose, and systems management of missile defense. Congress has been particularly critical of THAAD, which has failed its five attempted interception flight tests, and MEADS, which is a joint program with Germany and Italy, but has not been given high priority by DOD. NTW has received strong congressional support and is considered a possible supplement to NMD.

As the 106th Congress reviews DOD's TMD and NMD programs, it may also explore the relationship between these programs and the ABM Treaty. This agreement limits the United States to a single site for NMD, with no more than 100 interceptor missiles at that site. It does not limit TMD programs, and several agreements that the United States and Russia signed in September 1997 confirm that U.S. TMD programs would be considered outside the constraints of the ABM Treaty. The President has stated that he will submit these agreements to the Senate, for its advice and consent to ratification, after the Russian parliament approves the START II Treaty. Because the ABM Treaty is controversial, the Senate may reconsider U.S. adherence when it debates these agreements. Some in Congress contend that the U.S. could develop more effective TMD systems and a more robust NMD system if it were not limited by the ABM Treaty. Others, however, argue that this agreement is central to the U.S. strategic relationship with Russia and that, without it, Russia would not continue to reduce offensive nuclear weapons under the START Treaties.

CRS Reports

National Missile Defense: Status of the Debate, by (name redacted) and (name redacted),
CRS Report 97-862 F

Theater Air and Missile Defense: Issues for Congress by (name redacted), CRS Issue Brief
98028

*Anti-Ballistic Missile Treaty Demarcation and Succession Agreements: Background and
Issues*, by (name redacted), CRS Report 98-496 F

Military Readiness: Recruitment, Retention, and Retirement

For the first time since the early 1980s, Congress will be concerned about the ability of the armed forces to recruit and retain sufficient quantities of qualified active duty military personnel. Plentiful jobs in the civilian economy, an alleged reduction in the competitiveness of military pay and benefits, and, for some military personnel, an exhausting frequency of overseas deployments and rapid-response contingencies, have all combined to dissuade prospective recruits from joining and prospective career members from staying on active duty. In FY1998, for the first time in over 20 years, the Army and Navy did not meet their recruiting goals. The consequences have

included understrength or zero strength combat infantry units and naval vessels having to sail with understrength crews.

Particularly important is debate over whether the Military Retirement Reform Act of 1986, which reduced the retired pay (for those who retire with less than 30 years of service) of those personnel who first entered the military after August 1, 1986, should be repealed. Secretary of Defense Cohen, Joint Chiefs of Staff Chairman General H. Hugh Shelton, and the other five JCS members (the four service chiefs and the Vice Chairman) have all called for repeal (partial or total) of the 1986 Act, known as Redux. They, and others, assert that as military people whose retirement pay will be computed according to Redux get close to making the key decision to leave the service or stay for a full 20 years or more, they are “voting with their feet” due to the inadequacy of Redux-computed retired pay. Those opposed to repealing Redux usually acknowledge the need to improve pay and benefits, but think repealing Redux is less effective than: (1) increasing active duty pay, particularly for senior noncommissioned officers and some field-grade officers; (2) increasing bonuses and their effectiveness by relating them more to manpower requirements; and (3) improving other quality-of-life benefits such as housing, health care, and moving costs.

Leaders of both parties, including President Clinton, have stated their general support for a package of military benefit increases in the 106th Congress. The issues will be exactly what kind of benefits are to be increased, and by how much. In addition to debate over whether Redux should be repealed, compensation increases will have to compete with the desire of the uniformed leadership of the services for increased weapon system modernization and training funds, and both will have to compete with a broader range of uses for the projected budget surplus. The issue cuts across party lines; some Republicans who are “deficit hawks” may view large pay increases skeptically; some Democrats who are generally opposed to defense budget increases may be supportive of “people programs” which do not involve expenditures on large, high-tech weapon systems. These issues will be debated, and voted on, in the legislative vehicle of the FY2000 National Defense Authorization and Department of Defense Appropriation Acts.

CRS Reports

Military Retirement: Major Legislative Issues, by (name redacted), CRS Issue Brief 85159

The Military Retirement Reform Act of 1986: Issues and Implications, by (name redacted),
CRS Report 87-702 F

Military Medical Care Services: Questions and Answers, by Richard A. Best, CRS Issue Brief
IB93103

Military and Civilian Pay: Is There a Gap?, by (name redacted), CRS Report 95-492 F

Acquisition Reform, Outsourcing, and Infrastructure Reductions

The Department of Defense (DOD) leadership is implementing a number of defense reform initiatives in order to streamline its operational capabilities and produce budgetary savings that can fund critical needs in readiness and modernization. These initiatives, which some describe as a revolution in business affairs, are aimed

at reforming acquisition procedures, outsourcing support functions, reducing headquarter staffs and other overhead activities, and reducing inventories of spare parts and munitions. The Congress has supported many DOD measures to improve the efficiency of DOD business practices, but has sometimes differed with DOD on some issues.

The 104th Congress enacted a major reform of DOD acquisition regulations as part of the FY1996 DOD Authorization Act (P.L. 104-106). Key reform provisions included: simplifying procedures to procure commercial products and services to preserve the concept of full and open competition; and eliminating the requirement for certified cost and pricing data for commercial products to reduce procurement barriers for more commercial company participation. Congress also required DOD to reduce its acquisition workforce by 25 percent over a five-year period, a rate that is viewed in DOD as controversial and difficult to achieve.

The 105th Congress went further to prompt DOD and other Federal agencies to streamline their operations. The FY1998 DOD Authorization Act (P.L. 105-85) required DOD to: review opportunities for cross-service, cross-functional arrangements within the military services and defense agencies; and identify overlapping and duplicating functions with an eye toward further streamlining acquisition processes. In addition, Congress enacted the Federal Activities Reform Act (P.L. 105-270) requiring Federal executive agencies to categorize agency activities as either inherently governmental or commercial. Activities in the latter category would be subject to managed competition, possibly resulting in outsourcing or transferring some activities to the private sector.

The 106th Congress will have an important oversight role on defense reform, especially monitoring DOD reports to Congress on many of its acquisition reform initiatives such as progress in reducing the size of the acquisition workforce, or in defining governmental activities subject to competition and outsourcing.

CRS Reports

Defense Acquisition Reform: Status and Current Issues, (name redacted), CRS Issue Brief 96022

Defense Acquisition Workforce: Issues for Congress, (name redacted), CRS Report 98-938 F

Privatizing DOD Functions through Outsourcing: A Framework for Discussion, (name redacted), CRS Report 96-700 F

New Military Base Closure Rounds

Over the last decade, as part of its post-Cold War transition, the Department of Defense has reduced its overall base structure by about 21 percent. This figure compares to a 33 percent reduction in DOD's force structure (personnel and units) during the same period. Secretary of Defense William Cohen, as well as other high ranking officials, has pointed to this structural imbalance as one reason for Congress to authorize two more rounds of base closures in 2001 and 2005. He has also declared that significant savings would be achieved.

In an April 1998 report to Congress, the Defense Secretary estimated that savings from the first four base closure rounds (initiated in 1988, 1991, 1993, and 1995) would produce net total savings of about \$14 billion through 2001. Annual savings, thereafter, were estimated at \$5.6 billion. As for the two new rounds sought by DOD, he projected additional savings, after implementation, of about \$3 billion a year.

In the 105th Congress, the Secretary of Defense was unable to persuade Congress to pass legislation authorizing him to close more bases. Many Members were opposed for reasons that included: (1) the need to assess fully the outcome and consequences, especially in terms of costs/savings, of the first four rounds of base closings; (2) the concern of many local communities about the potentially disruptive economic and social impact of any new rounds; and (3) the continuing anger of lawmakers over President Clinton's 1995 actions in the closing of McClellan and Kelly air force bases.

In the 106th Congress, Secretary of Defense Cohen will almost certainly resume his campaign to close down more bases — beginning with his submission of DOD's FY2000 budget to Congress in January 1999. He will emphasize, as he has in the past, the importance of bringing DOD's base structure into alignment with the force structure, as well as achieving much needed savings. In the absence of such savings, he has warned, funding will not be available to maintain an adequate level of military readiness and investment in new weapons.

CRS Report

Military Base Closures: Time for Another Round?, by (name redacted), CRS Report 97-674 F

Nonproliferation

U.S. policy regarding foreign weapons of mass destruction (WMD) was severely tested in the 1990s and particularly in 1998 when India and Pakistan detonated nuclear devices, North Korea showed signs of resuming its nuclear program, Iraq again defied the United Nations Special Commission (UNSCOM) assigned to eliminate Iraq's WMD programs, and Iran continued its nuclear program with Russian help. Also in 1998, North Korea, Pakistan, and Iran cooperated in missile development, received help from China and/or Russia, and each tested medium or longer-range missiles. Congress will confront the policy as a flurry of legislative issues, including authorizations and appropriations, and as topics of oversight. While considering legislation on numerous and complex issues, Congress has also indicated concern for the overall policy regarding foreign WMD and the U.S. ability to combat this key threat. Two aspects Congress has focused on are how the Federal government is organized to establish and carry out U.S. nonproliferation policies, and the proper control of exports of sensitive dual-use goods and technology that can contribute to WMD programs.

Controlling the Spread of WMD

Multilateral nonproliferation regimes augment U.S. policies with treaties, agreements, verification mechanisms, and shared export policies. Key elements of the

nuclear nonproliferation regime include the Nuclear Non-Proliferation Treaty, its verification arm (the International Atomic Energy Agency), the Zangger Committee, and the Nuclear Suppliers Group. The Chemical Weapons Convention has a verification agency (the Organization for the Prohibition of Chemical Weapons). The Australia Group monitors chemical exports of primary supplier countries as well. The Biological Weapons Convention has no inspection or verification arms but the Australia Group also monitors biological exports. The Missile Technology Control Regime sets export guidelines to which Congress added unilateral enforcement mechanisms. The Export Administration Act, which expired in 1994, but the authority contained therein is continued pursuant to the President invoking national emergency authority, and congressionally mandated sanctions are primary tools in restricting proliferation. Several government departments are involved in these decisions and they are frequently in disagreement. Good intelligence on foreign WMD programs is also critical to U.S. nonproliferation efforts.

Arms control treaties can support nonproliferation by capping weapons development through a nuclear weapon test ban, halting the production of fissile material, and by establishing nuclear weapons free zones. Such agreements will face significant opposition in Congress, requiring the Administration to expend political and economic resources to gain their approval. In several cases, the United States and other countries have resorted to stopgap measures: the Agreed Framework effort to freeze nuclear weapon development in North Korea; the UNSCOM mission to block Iraqi WMD programs; negotiations to reduce the nuclear threat in South Asia; controls on sensitive exports to Iran; and Nunn-Lugar Cooperative Threat Reduction programs help prevent nuclear capabilities from leaking out of Russia and other former-Soviet Republics. Success in these efforts depends on vigorous advocacy for coherent policies by the Administration and support by Congress.

An ultimate goal of U.S. nonproliferation policy is to reduce the number of countries that possess WMD. A number of countries have abandoned their nuclear capabilities in recent years. Most recently, however, India and Pakistan joined the ranks of those with demonstrated nuclear capability. Currently, only U.S. and Russian nuclear inventories are being reduced in accordance with treaties and international agreements. The Chemical Weapons Convention and the Biological Weapons Convention call for a total ban on production, stockpiling, or use of these weapons. The United States, Russia, and other republics of the former Soviet Union are eliminating certain classes of missiles, and most states that join the MTCR agree not to produce missiles with ranges greater than 300 km (186 miles).

Detering and Defending Against the Use of WMD

U.S. conventional and nuclear military forces are the primary means of deterring WMD attacks against the United States, U.S. interests overseas, and our allies. Although nuclear war has been avoided since 1945, some question the credibility of U.S. deterrence policy, especially as it is extended to allies and friends, and particularly as it may be applied to the use of chemical or biological weapons by rogue regimes or sub-national groups. Among some countries and subnational groups there is little stigma attached to the use of chemical or biological weapons, ballistic or cruise missiles against military targets or even civilian population centers. Recent statements by Administration officials have tried to emphasize the United States' intolerance of the use of WMD and all forms of terrorism, and the President has reiterated U.S.

commitment to help defend Israel against missile attacks and to help defend South Korea against North Korean aggression. In regions such as South Asia, where U.S. security interests are not directly threatened, the United States has used diplomacy, confidence building measures, sanctions, and incentives rather than deterrence to prevent the use of WMD.

U.S. national missile defense and theater missile defense objectives have been the subject of great congressional interest, and have received large annual authorizations and appropriations. Congressional debate will surely continue as to whether the programs are sufficient and appropriate (see *Ballistic Missile Defense*, above). Other programs to defend against WMD attacks include measures to detect chemical and biological agents and protect troops and civilian populations against them. The U.S. military is also developing special counterproliferation weapons to destroy WMD, even when protected in bunkers, without dispersing deadly materials. Faced with WMD in the hands of many potential adversaries, the U.S. military is devising new methods for projecting force while minimizing the WMD threat to U.S. troops. Congress has also called on the Administration to improve the coordination of military and civilian agencies with state and local governments to protect against the use of WMD by foreign or domestic terrorists.

CRS Reports

Chinese Proliferation of Weapons of Mass Destruction: Current Issues, by (name redacted), CRS Issue Brief 92056;

Nuclear, Biological, and Chemical Weapons and Missiles: the State of Proliferation, by (name redacted), CRS Report 98-103 F;

Nuclear Nonproliferation Policy, by (name redacted), CRS Issue Brief 98039

Nuclear, Biological, Chemical, and Missile Proliferation Sanctions: Selected Current Law, by (name redacted), CRS Report 98-116 F

Treaties and International Agreements

Arms Control Treaties Under Revision

Negotiations are currently underway either to revise or expand the provisions of two arms control treaties: the Biological Weapons convention (BWC), and the Treaty on Conventional Armed Forces in Europe (CFE). Neither is expected to require consideration in the 106th Congress' first session, but new provisions for either could be submitted during the second session. The BWC currently has no verification provisions, and efforts have been underway for several years to devise a verification protocol acceptable to all State Parties. Progress has been slow, but negotiators hope that a protocol will be submitted for approval by the next BWC Review Conference in 2000. The CFE, which establishes overall and regional limits on certain types of military equipment in Europe, was negotiated prior to the dissolution of the Soviet Union and the Warsaw Pact. All State Parties agree that it must be adapted to reflect the new political and military realities in Europe. Talks to this end are underway, though it is not clear if they will be completed during the 106th Congress. Russian concerns stemming from the enlargement of NATO eastward and restrictions on

deployments in its volatile Caucasus border region have proven to be major stumbling blocks.

Another arms control treaty issue that could come under consideration is revision of the Chemical Weapons Convention's (CWC) ratification resolution and/or its implementing legislation. Some CWC supporters believe that certain provisions of these measures, as passed by the 105th Congress, are not consonant with CWC requirements, open loopholes in the verification regime, or could serve to erode the effectiveness of the Convention. There has been some discussion of introducing legislation to address these concerns in the 106th Congress.

Human Rights Treaties

In Executive Order 13107, issued on December 10, 1998, on the occasion of the 50th anniversary of the adoption of the Universal Declaration of Human Rights, President Clinton defined current U.S. Government policy and practice on implementation of human rights treaties. He stated that policy, "being committed to the protection and promotion of human rights and fundamental freedoms, fully to respect and implement its [U.S.] obligations under the international human rights treaties to which it [U.S.] is a party...." The executive order set up an Interagency Working Group on Human Rights Treaties, to provide "guidance, oversight, and coordination...concerning the adherence to and implementation of human rights obligations and related matters." Of particular import for Congress are the following functions delineated for the Working Group: (1) to conduct an annual review of U.S. reservations, declarations, and understandings to human rights treaties "in order to determine...consideration of any modification" thereof; and (2) to review legislation proposed by the Administration or under consideration by Congress for "conformity with international human rights obligations."

CRS Report

Human Rights Treaties: A Summary of Provisions and Status in the U.S. Ratification Process,
by (name redacted), CRS Report 95-191 F.

Kyoto Protocol: Global Climate Change

Congress has taken an active and continuing interest over the past several years, reflected in legislation and hearings, in implications for the United States of possible global climate change resulting from increased levels in the atmosphere of several greenhouse gases, such as carbon dioxide emitted from burning of fossil fuels and wood. In particular, recent attention has focused on the international negotiations that respond to these concerns that as human activities increase the concentrations of greenhouse gases — carbon dioxide, methane, and others — in the atmosphere, the Earth may experience significant warming of the climate with a corresponding rise in sea levels, changes in agricultural production, possible effects on health, and other consequences.

In 1992, the nations of the world agreed upon the United Nations Framework Convention on Climate Change (UNFCCC), which the United States was among the first to sign and ratify. In 1997, the parties to this convention further agreed to the Kyoto Protocol to establish binding reductions in greenhouse gases for the developed

countries. The terms of reference under which these negotiations were carried out limited new commitments to developed countries and excluded developing countries until the wealthier industrialized nations had taken the first steps. The United States made a commitment under this Protocol to reduce its emissions of the six major greenhouse gases by 7% below 1990 levels, including carbon dioxide (1995 levels for three man-made gases) during a commitment period between 2008-2012. In 1998 the parties met again in Buenos Aires, Argentina, to flesh out the specifics of this Protocol, and decided on work plans for each of the major issues, such as how emissions trading would be structured, funding for developing countries under the Clean Development Mechanism (CDM), compliance, and enforcement. These work plans are to be completed by 2000. In November, 1998, the United States signed the Kyoto Protocol, but President Clinton continues to hold that the Administration will not submit it to the Senate for advice and consent, which is required for U.S. ratification, until developing countries are also brought under binding requirements to limit their emissions. The U.S. Senate passed a resolution, S.Res. 98, in 1997, stating that the United States should not agree to a protocol that does not include requirements for developing countries. Congressional interest has focused on issues related to the extent and nature of global warming threats, if any, and related research needs, whether and under what conditions the United States should ratify and become a party to the Kyoto Protocol, and implications for the U.S. economy of various means of complying with the emissions reductions in the Protocol.

CRS Reports

Global Climate Change, by (name redacted), CRS Issue Brief 89005

Global Climate Change Treaty: The Kyoto Protocol, by (name redacted), CRS Report 98-2 ENR

CRS Electronic Briefing Book: *Global Climate Change*; available at:
<http://www.crs.loc.gov> or <http://thomas.loc.gov/brbk/html/ebgcctop.html>.

Controlling the Use of Anti-Personnel Landmines

Anti-personnel landmines (APL) are small, inexpensive weapons that kill or maim people upon contact. Indiscriminate use in many countries has resulted in numerous civilian casualties. Worldwide awareness of this problem has resulted in recent efforts to control or ban use of APL. The United States is a party to the Convention on Conventional Weapons (CCW), in which Protocol II seeks to regulate the use and removal of landmines. The United States also supports more far-reaching efforts to restrain the use of anti-personnel landmines, but did not sign a recent international convention, the Ottawa Treaty, banning APL. President Clinton would not sign because he felt certain exceptions were needed: the ability to use smart APL to protect anti-tank minefields, and continued use of APL to protect U.S. and South Korean forces in Korea. He did suggest that the United States would sign the Ottawa Treaty in 2006 if effective alternatives to APL were then available. In May, 1996, a CCW review conference amended Protocol II to improve protection of non-combatants; the President referred it to the Senate for ratification in January 1997. The Senate Committee on Foreign Relations has recommended that the Senate give advice and consent, with reservation, to the Amended Protocol. The resolution would make clear that the Administration should not effectively implement the Ottawa Treaty before the Senate advises on its ratification.

CRS Report

Landmines: Basic Facts and Congressional Concerns, by (name redacted), CRS Report 96-362

Regional Concerns

Africa

In the 106th Congress, legislation to promote U.S./Africa trade, as well as U.S. investment in Africa, will likely be re-introduced, and Congress is also expected to act on legislation funding U.S. assistance for the sub-Saharan region. Hearings are anticipated on U.S. policy toward a number of conflicts distressing sub-Saharan Africa, and on the political, humanitarian, and economic consequences of those conflicts. Legislation could be introduced on one or more of these conflicts. Congress may use hearings to monitor elections scheduled in Nigeria and South Africa. Resolutions supporting Nigeria's democratic transition may be proposed.

Trade, Investment, and Aid. At the end of the 105th Congress, the House passed H.R. 1432, the Africa Growth and Opportunity Act, which sought to accelerate African economic development by strengthening trade relations and boosting U.S. investment in the region. The Senate did not vote on the bill; sponsors are expected to re-introduce it and the Clinton Administration has said it will again support passage. In addition, Congress is expected to act on the annual Administration request for funding for U.S. economic and security assistance programs in Africa. Issues may include the balance between development programs and support for child survival; the appropriateness of aid for broad development programs as against specific development projects; and aid proposals for countries that are controversial for a range of reasons.

CRS Reports

The Africa Growth and Opportunity Act, by Theodoros S. Dagne and (name redacted), CRS Issue Brief 98015

Africa: U.S. Foreign Assistance Issues, by (name redacted), CRS Issue Brief 95052

African Conflicts. Africa's Great Lakes region, dominated by events in the vast Democratic Republic of the Congo (formerly Zaire), is engulfed in a number of complex ethnic and inter-related conflicts. Several African countries have troops in Congo, where a new civil war broke out in August 1998, and there is continuing armed conflict or violent unrest in the Congo Republic (Brazzaville Congo), Burundi, Uganda, Angola, and Rwanda. In northeast Africa, the 15-year war in southern Sudan continues to rage, with serious consequences for Christian civilians in the area; and border tensions are high between Ethiopia and Eritrea, which fought a brief war in 1998. In West Africa, Sierra Leone and Senegal face lingering rebellions, while several other countries, including Liberia, are potentially unstable.

CRS Reports

Angola Update, by (name redacted), CRS Report 98-816 F

Burundi Update, by Theodoros S. Dagne, CRS Report 98-877 F

Congo (formerly Zaire), by (name redacted), CRS Issue Brief 96037

Liberia: Issues for the United States, by Carl W. Ek, CRS Issue Brief 96025

Sudan: Humanitarian Crisis, Peace Talks, Terrorism, and U.S. Policy, by Theodoros S. Dagne, CRS Issue Brief 98043

Elections. Nigeria, a leading U.S. oil-supplier, is moving forward with elections in preparation for a May 1999 democratic transition. Nigeria has been under military rule for most of its history as an independent nation, and congressional observers will closely monitor this attempt to restore democracy in a country that is home to more than 110 million people. Many in Congress will also follow the parliamentary elections in South Africa, which will take place in late April or May. The new parliament will choose President Nelson Mandela's successor.

CRS Reports

Nigeria in Political Transition, by Theodoros S. Dagne, CRS Issue Brief 98046

South Africa: Background, Current Issues, and Political Outlook, by (name redacted), CRS Report 98-650 F

Asia

China. The Clinton Administration continues to favor engagement with China and to put a high priority on improving U.S.-China relations. These efforts have included the resumption of presidential summitry (in October 1997 and June 1998); decisions to move forward on bilateral nuclear energy cooperation and a range of other languishing bilateral issues; and a 1998 statement by President Clinton that many believe appeared to distance U.S. policy from Taiwan and move it in a direction preferred by Beijing. The 105th Congress was active in targeting these and other Administration policies on China, seeking to pressure the White House to take a firmer, more sanction-oriented approach. These efforts are likely to continue in the 106th Congress. Although Congress in 1999 may well be unwilling to disapprove the annual extension of China's most-favored-nation (MFN) trade status (or normal trade relations), the MFN renewal process will most likely trigger consideration of other trade-related issues. These include conditioning China's entry into the World Trade Organization (WTO); possibly linking WTO access with permanent MFN status; and determining how to handle the increasing U.S.-China trade deficit, which is expected to widen if the Asian financial crisis worsens or continues.

The 106th Congress will also likely visit a range of other, perennial issues in U.S.-China relations, including religious persecution in China; allegations about China's prison system and treatment of prisoners; allegations about coercive abortion; and allegations that China continually violates its weapons nonproliferation commitments. The 105th Congress requested two reports from DOD by early 1999 on theater missile defense in Asia and security in the Taiwan Strait, which might stress U.S.-China

relations. Finally, one of the first issues likely to demand congressional attention in the new year will be the report of the House Select Committee on U.S. National Security and Military/Commercial Concerns with the People's Republic of China, released in classified form on December 30, 1999. According to the Select Committee, two American aerospace companies, Hughes Electronic Corporation, and Loral Space and Communications Systems, Ltd., transferred sensitive missile-related information to China that improved the accuracy of China's ballistic missiles, and thus harmed U.S. national security.

CRS Reports

China-U.S. Relations, by Kerry B. Dumbaugh, CRS Issue Brief 98018

China's MFN Status: Congressional Consideration, 1989-1998, by Kerry B. Dumbaugh, CRS Report 98-603 F

Chinese Proliferation of Weapons of Mass Destruction: Current Policy Issues, by (name redacted) and (name redacted), CRS Issue Brief 92056

China: Possible Missile Technology Transfers From U.S. Satellite Export Policy — Background and Chronology, by (name redacted), CRS Report 98-485 F

Korean Peninsula. The 106th Congress will be concerned primarily with overseeing and making future legislative decisions regarding the provisions related to North Korea in the Omnibus Appropriations measure for FY 1999 (Public Law 105-277). That measure appropriates \$35 million for funding of the Korean Peninsula Development Organization (KEDO), the multinational organization created to implement the obligations assumed by the United States under the October 1994 U.S.-North Korea Agreed Framework. The Agreed Framework obligates the United States to facilitate the provision to North Korea of two light water nuclear reactors and 500,000 tons of heavy oil annually, the oil shipments to cease when the reactors are constructed. North Korea is obligated to suspend the operations of its nuclear facilities, which the United States believed were for production of nuclear weapons.

The Omnibus Appropriations bill for FY 1999 conditions the allocation of the \$35 million to two sets of presidential certifications. The first is due on March 1, 1999, for the allocation of \$15 million. The second for the balance is due on June 1, 1999. These restrictions were the result of two developments in the summer of 1998: (1) the disclosure that U.S. intelligence agencies had uncovered a secret underground facility in North Korea that had the appearance of a nuclear installation; and (2) a North Korean test of a three-stage rocket on August 31, 1998, which U.S. intelligence agencies reportedly believe indicates that North Korea soon will have an intercontinental ballistic missile capable of striking Alaska or Hawaii. Another factor was growing congressional discontent over the Clinton Administration's offers of enlarged amounts of food aid (500,000 tons promised in 1998) to North Korea to secure its agreement to hold negotiations and meetings.

The certifications call for the President to show that progress is being made on a number of issues between the United States and North Korea. These include securing access to the secret underground facility; reducing and eliminating North Korea's missile threat, including the export of missiles; certification that North Korea is complying with all provisions of the Agreed Framework; and implementation of the North Korea-South Korea Denuclearization Agreement of 1992.

In 1999, Congress will review the President's response to these certification requirements and will evaluate them in deciding on funding for KEDO in FY 2000. Congressional criticism of the Administration's use of food aid also makes likely increased congressional scrutiny of the food aid program in 1999.

CRS Reports

North Korea's Nuclear Weapons Program, by (name redacted), CRS Issue Brief 91141

Korea: U.S. South Korean Relations: Issues for Congress, by (name redacted), CRS Issue Brief 98045

India and Pakistan. Following their May 1998 nuclear tests, President Clinton imposed economic and military sanctions on India and Pakistan as required by section 102 of the Arms Export Control Act (AECA.). In November 1998 — under one-year waiver enacted in 1998 — the President eased some economic sanctions against India and Pakistan in response to positive steps taken by both countries to address U.S. nuclear nonproliferation concerns. A major South Asia issue for the 106th Congress will be to decide whether to extend the one-year waiver authority, in return for specific actions of restraint by India and Pakistan, or to maintain or broaden the AECA sanctions.

U.S. policy analysts have long considered the continuing arms race between India and Pakistan as posing perhaps the most likely prospect for the future use of nuclear weapons. The two nations have fought three wars and have a continuing standoff over the disputed territory of Kashmir. Both India and Pakistan have aircraft and missiles capable of delivering nuclear weapons. The United States has urged both countries to take the following steps in order to avoid a destabilizing nuclear and missile competition and to end sanctions: halt further nuclear testing and sign and ratify the Comprehensive Test Ban Treaty; not deploy or test missiles or nuclear weapons; halt fissile material production and cooperate in Fissile Material Control Treaty negotiations; maintain and formalize restraints on sharing sensitive goods and technologies with other countries; and reduce bilateral tensions.

CRS Reports

India-Pakistan Nuclear Tests and U.S. Response, coordinated by (name redacted), CRS Report 98-570F

India-US Relations, by (name redacted), CRS Issue Brief 93097

Pakistan-US Relations, by (name redacted), CRS Issue Brief 94041

India-Pakistan: Arms Race in South Asia, CRS InfoPak IP525I

Southeast Asia. Congress shares serious Clinton administration concerns over the implications of Indonesia's severe economic decline and related political instability. Indonesia's economy is not seen as critically important to the U.S. economy, but its large size and location mean that economic and political turmoil there have important repercussions throughout Southeast Asia. Congress continues to debate the efficacy of the Clinton Administration-backed IMF rescue efforts, and it provided \$70 million in additional humanitarian assistance to Indonesia at the end of the 105th Congress. Some in Congress favor using the currently fluid political

situation to push for tangible progress toward greater democracy and for autonomy (some seek independence) for Indonesian-controlled former Portuguese colony of East Timor; others argue for caution in the politically delicate Indonesian situation.

Free market and human rights issues also drive congressional concerns regarding Malaysia, where a late 1998 reassertion of state guidance in economic development coincided with the arrest, beating, and prosecution of the leading pro-free market political leader. His arrest and treatment in detention was condemned by many in the Congress and the Clinton Administration. Many in Congress also support a firm U.S. policy in the face of human rights violations of the authoritarian regime in Burma; and some criticize forward movement in U.S. normalization with Cambodia and Vietnam on human rights grounds, and in the latter case, on the basis that Hanoi has not provided a full accounting of U.S. prisoners of war and missing in action (POW/MIAs).

CRS Reports

Indonesia: Political and Economic Situation and U.S. Policy, by (name redacted), CRS Report 98-686

East Asia and the Pacific: Issues at the End of the 105th Congress, by (name redacted), CRS Report 98-931

Cambodia in Crisis; Elections and Their Aftermath—Concerns for Congress, by (name redacted), CRS Issue Brief 98036

Vietnam-U.S. Relations: Background, Recent Developments, and Issues for Congress, by (name redacted), CRS Issue Brief 98033

Japan. A budding regional power shift since the end of the Cold War and the tarnishing of Japan's postwar economic miracle in recent years have combined to undermine Japan's self-confidence and raise some questions about the future of U.S.-Japan relations. Particularly troubling to the Japanese have been the demoralizing effects of a steadily worsening economy, which has experienced little or no economic growth since 1991, and fears about the United States by-passing Japan in favor of closer ties to an increasingly powerful and influential China. Japan remains strongly attached to its alliance relationship with the United States, but it is also uneasily aware that American perceptions of Japan are in flux.

Although Congress has paid comparatively little attention to U.S.-Japan relations in recent years, several developments during the past year could reverse this pattern. The inability thus far of the government headed by Prime Minister Keizo Obuchi to deal effectively with the deepening financial and economic crisis might attract Congress' attention. Congress might also move forward on legislation necessary to activate a September 1997 U.S.-Japan agreement that would expand Japan's role in providing non-combat logistical support to U.S. forces in the event of a regional military contingency, such as a crisis on the Korean peninsula. Among the consequences of Japan's economic policy failures, the U.S. market has been flooded with low-cost Japanese steel, generating strong complaints about dumping that have been echoed in Congress. Because of domestic political pressure from agricultural and wood products interest groups, Japan also obstructed a U.S.-promoted plan for early liberalization of a number of trade sectors at the November 1998 annual meeting of the Asia-Pacific Economic Cooperation forum (APEC) countries. On the

more positive side, however, there are some encouraging political developments in Japan. In a November 1998 gubernatorial election in Okinawa Prefecture, host to the largest contingent of U.S. military forces in Japan, the Socialist-backed, anti-bases incumbent was unseated by a conservative candidate who has called for a pragmatic accommodation with the Japanese government and the U.S. military. In addition, a late 1998 political realignment is seen as strengthening the hand of the Obuchi in gaining Diet approval of the currently stalled defense cooperation legislation. All of these issues can be expected to be the subject of oversight hearings by Congress during 1999.

CRS Reports

Japan-U.S. Security Relations and the Revised Defense Cooperation Guidelines: Status Report and Policy Options, by (name redacted), CRS Report 98-857 F

Japan-U.S. Relations, by (name redacted), CRS Issue Brief 97004

Europe

Russia. U.S. interest in and concern about Russia is fueled by that country's sharply increasing political, economic, and social instability. During the 106th Congress, Russia is scheduled to elect a new parliament (December 1999) and president (June-July 2000), although it is unclear whether President Yeltsin's physical, mental, and political health will sustain him through mid-2000. The Russian economy stumbled into its most serious crisis yet in mid-1998, with the likelihood of sharper contraction and social misery in 1998-1999, and the possibility of a catastrophic economic collapse — with grave social and political consequences.

Some believe that in response to Russia's present instability and apparent drift away from western-oriented reforms by the government of Premier Primakov, U.S. policy should be to disengage somewhat from the waning Yeltsin regime, reducing both assistance and advice in favor of a wait-and-see posture. Others argue that disengagement and failure to help Russia avoid economic collapse (Moscow is urgently seeking international debt rescheduling) could increase the likelihood of an authoritarian anti-western regime coming to power. These issues could affect congressional consideration of direct U.S. assistance to Russia in the annual foreign aid bill and indirect assistance through institutions such as the International Monetary Fund (IMF). The 105th Congress conditioned aid to Russia on how it implements a controversial 1997 law restricting religious activities, and on Russia halting ballistic missile and nuclear reactor technology transfers to Iran. Congress is highly concerned about the missile and nuclear technology transfer issue. The 105th Congress passed the Iran Missile Proliferation Sanctions Act (H.R. 2709), which would have required the president to impose sanctions on Russian, and other, entities assisting Iran's ballistic missile program. The President, however, vetoed the measure. Similar legislation may be introduced in the 106th Congress.

The continuing instability in Russia has deepened concerns about the safety and security of Russia's nuclear weapons and materials. The United States has provided around \$2 billion to help Russia and other former Soviet republics safely store, transport, and dismantle these weapons and to enhance the security of nuclear materials. But questions about discipline, morale, and funding in the armed services

have led some to conclude that Russian scientists or materials might end up in nations seeking to develop their own nuclear weapons. Some, including Senators Lugar and Domenici, have suggested that the United States provide additional funding and assistance to avert this problem. Others fear that financial and personnel problems in Russia's nuclear command and control system could lead to a loosening of control over those weapons. They suggest that the United States and Russia alter the alert postures of their nuclear weapons to reduce this risk. Finally, many remain hopeful that the Russian parliament will soon approve the START II Treaty, which would reduce U.S. and Russian nuclear forces each to 3,500 deployed warheads and allow for the negotiation of further reductions in a START III Treaty.

CRS Reports

Russia, by (name redacted), CRS Issue Brief 92089

The Former Soviet Union and U.S. Foreign Assistance, by (name redacted), CRS Issue Brief 95077

Nuclear Weapons in Russia: Safety, Security, and Control Issues, by (name redacted), CRS Issue Brief 98038

Russian Missile Technology and Nuclear Reactor Transfers to Iran, by (name redacted), Kenneth B. Katzman, (name redacted), and Carl Behrens, CRS Report 98-299

Bosnia. President Clinton's decision in late 1995 to send up to 20,000 U.S. troops to Bosnia, initially for a year, to implement the Dayton peace agreement touched off a heated debate in Congress. Since then, many Members of Congress have raised concerns about the NATO-led Stabilization Force (SFOR) mission in Bosnia, its lapsed deadlines and repeated extensions, its costs to the United States, and its impact on U.S. military readiness. In June 1998, NATO extended SFOR's mandate without assigning a specific withdrawal date. Instead, NATO has outlined a number of benchmarks to indicate progress toward sustainable peace in Bosnia. Currently, about 7,000 U.S. troops, of a total of about 32,000 from all participants, continue to serve with SFOR in Bosnia. Incremental Department of Defense costs for Bosnia/former Yugoslavia operations have totaled over \$8 billion from Fiscal Year 1996 through Fiscal Year 1999.

Congress did not give formal authorization to the initial deployment of U.S. troops to Bosnia, but has since provided funding for U.S. participation in SFOR in emergency supplemental and regular Defense Department appropriations bills. In these bills, Congress has considered numerous amendments relating to the deployment of U.S. troops in Bosnia; some that would have barred funding for the operation or mandated troop level reductions were eventually defeated in floor votes or dropped in conference. Congress has also provided funding for civilian reconstruction programs in Bosnia in annual foreign operations appropriations bills, and has passed legislation regarding Yugoslav war criminals. The 106th Congress will be asked to authorize and appropriate funding for the NATO operation and for economic assistance to Bosnia for Fiscal Year 2000. As in the past, foreign affairs and defense authorization and appropriations committees may hold oversight hearings on U.S. and international policy in Bosnia.

Kosovo. Years of simmering tensions in Serbia's Kosovo region exploded into large-scale violence between ethnic Albanian guerrillas and Serbian security

forces in February 1998. About 1500 people have been killed and nearly 300,000 driven from their homes by the fighting. A NATO threat of air strikes in October 1998 induced Yugoslav President Slobodan Milosevic to agree to a series of conditions, including a cease-fire, a partial pullback of his forces, and verification by the OSCE and NATO. This may have averted a humanitarian disaster this winter and has given a breathing space for ongoing talks on a political settlement brokered by U.S. envoy Christopher Hill. However, it is uncertain whether the agreement marks merely a pause before fighting resumes in the spring or whether it is the first step to a peaceful resolution of the Kosovo problem. It does appear that whatever the outcome of the current situation, the United States and the international community may see a need to remain engaged in Kosovo for some time to come. If the current cease-fire breaks down, the United States and its NATO allies may conduct air strikes against Serb positions to halt the fighting. If a peace agreement is achieved, the United States may be involved in implementation of the settlement for some time. Congressional concerns about such issues as U.S. national interests in former Yugoslavia, war powers, and the costs of deeper U.S. involvement in the Balkans may be reflected in foreign aid and defense authorization and appropriations bills, as well as other legislation, and in oversight hearings.

CRS Reports

Kosovo and U.S. Policy, by Steven J. Woehrel and (name redacted), CRS Issue Brief 98041

Bosnia-Former Yugoslavia and U.S. Policy, by Steven J. Woehrel and (name redacted), CRS Issue Brief 91089

Bosnia and Kosovo: U.S. Military Operations, by Steven R. Bowman, CRS Issue Brief 93056

Northern Ireland. Since 1969, over 3,200 people have died as a result of political violence in Northern Ireland. The Protestant majority (56%) defines itself as British and largely supports continued incorporation in the United Kingdom; the Catholic minority considers itself Irish and many Catholics desire a united Ireland. On April 10, 1998, the British and Irish governments and the eight parties participating in the peace talks announced agreement on a political settlement. It includes the establishment of a Northern Ireland Assembly, a North/South Ministerial Council, and a British-Irish Council. The Assembly is in place, but implementation of other key elements of the agreement has stalled. The Clinton Administration and many Members of Congress have played an active role in the peace process. For FY1999, Congress approved \$19.6 million for the International Fund for Ireland to aid the region (division A, sec, 101(d) of P.L. 105-277). President Clinton signed the Irish Peace Process Cultural and Training Program Bill into law (P.L. 105-319) on October 30, 1998, to establish a cultural and training program for disadvantaged individuals from Northern Ireland and the Republic of Ireland.

CRS Report

Northern Ireland: The Peace Agreement, by (name redacted), CRS Issue Brief 98029

NATO Enlargement and NATO's Missions. During the 105th Congress, the Senate gave its advice and consent to amending the North Atlantic Treaty to admit Poland, the Czech Republic, and Hungary to NATO. The three countries will join the alliance in early 1999. Congress also passed the European Security Act

(division G, title XXVII, of P.L. 105-277), which endorsed further enlargement of the alliance, and named the Baltic states, Bulgaria, and Romania as potentially viable candidates. Some Members of Congress have also strongly supported Slovenia's candidacy. At the April 1999 Washington summit, the NATO allies plan to agree to a new strategic concept to outline the alliance's future missions and the means to achieve them. During the debate over enlargement, the Senate urged the Administration to seek further evolution of the alliance to embrace responsibility for countering threats, such as the proliferation of weapons of mass destruction, outside the treaty area. The Senate also called for the development of lighter, more flexible combat forces in all member states in order to meet such threats. Some allies are developing such forces, while others are not. The 106th Congress will likely address appropriations measures for funding further development of U.S. forces for greater power projection, and assistance to the three new member states and to candidate states that meet the criteria for admission.

CRS Reports

NATO: Congress Addresses Expansion of the Alliance, by Paul E. Gallis, CRS Issue Brief 95076

NATO's Evolving Role and Missions, by (name redacted), CRS Report 97-708

Latin America and the Caribbean

Trade Issues. The 106th Congress is expected to consider two main trade issues that will affect Latin America directly: (1) Caribbean Basin parity legislation, and (2) reauthorization of fast-track trade negotiating authority.

As in the 104th and 105th Congresses, legislation to provide Caribbean Basin countries the same treatment Mexico receives under the North American Free Trade Agreement (NAFTA) is expected to be introduced in the 106th Congress. These countries maintain that they have been losing trade and investment opportunities to Mexico as a result of the preferential access Mexico has to the U.S. market under NAFTA. Differences between a bill reported out of the Senate Committee on Finance, which was supported by the American Textile Manufacturers Institute (ATMI), and a bill reported out by the House Committee on Ways and Means, which was supported by the American Apparel Manufacturers Association (AAMA), impeded passage of a CBI bill in the 105th Congress. In the wake of the devastation caused by Hurricane Mitch, efforts are now being made to forge an intra-industry consensus on a CBI bill that could be incorporated into a Central American hurricane-relief package, and introduced in the beginning of the 106th Congress.

The Clinton Administration is expected to seek reauthorization of fast-track trade negotiating authority again in the 106th Congress. Renewal of fast-track, which provides that a trade agreement negotiated by the President will be voted on by both houses of Congress under a fixed timetable with no amendments allowed, could provide the Administration with greater leverage to negotiate Chile's joining NAFTA and advance negotiations to create a Free Trade Area of the Americas (FTAA) that began September 1998 in Miami. Efforts in the 104th and 105th Congresses to reauthorize fast-track were impeded by disagreements about whether and how labor and environmental issues should be addressed in future trade agreements.

CRS Reports

Trade and the Americas, by (name redacted), CRS Issue Brief 95017

Caribbean Basin Interim Trade Program, by (name redacted), CRS Issue Brief 95050

Central American Reconstruction after Hurricane Mitch. As of December 11, 1998, according to President Clinton, the United States had committed \$283 million in disaster assistance to the countries of Central America and will add another \$17 million shortly. The life threatening emergency is now over and the focus of U.S. assistance has shifted to reconstruction. While the Administration and the Congress are in agreement that a major reconstruction effort should be undertaken, the shape and extent of that effort remains to be decided. The President has said he will ask Congress for a supplemental appropriation early in 1999. He is calling for debt forgiveness, new loans with easy terms, improved trade terms, private and public investment initiatives and changes in policy on immigration from the area as well as funds for rebuilding. The governments of Central America have also called for a favorable resolution of the status of the illegal immigrants currently in the United States and trade terms like those for Mexico (NAFTA parity). Although the 106th Congress may reconsider these suggestions, several have been opposed in the past. The Administration has granted temporary protected status to some immigrants in the United States from Nicaragua and Honduras. It is likely that some Members on both sides of the aisle will object to the new immigration status. Improved trade status, such as NAFTA parity has been introduced in the past and is opposed by those members who oppose expanding NAFTA for labor and environmental reasons. Forgiveness of loans from the multilateral development banks has been opposed, both in this country and in other developed countries, and would imply precedents for forgiving the debt of other developing countries. Beyond all these issues, some development experts and environmental groups are concerned that the long standing problem of land ownership and the misuse of farm land in Central America must be addressed in order to protect fragile areas, allow sustainable development, and mitigate future disasters. These concerns have not yet been addressed.

CRS Reports

Central American Reconstruction after Hurricane Mitch, coordinated by (name redacted),
CRS Report 98-1030 F

Immigration: Temporary Protected Status Background and Issues, by (name redacted),
CRS Report 98-759

Trade and the Americas, by Ray J. Ahearn, CRS Issue Brief 95017

Brazil. During 1999, the U.S. Congress will be monitoring Brazil to see how recently reelected President Cardoso fares in efforts to sustain economic reforms. The reforms are assisted by a \$41.5 billion international support package provided in late 1998 by the International Monetary Fund (IMF), the Inter-American Development Bank, the World Bank, and major developed countries, including the United States. President Cardoso's Real Plan, which essentially pegs the Brazilian currency (the real) to the dollar, was remarkably successful in his first term at controlling the runaway inflation that plagued the country before 1994. The country has experienced trade and budget deficits and speculative attacks on its currency,

however, which were compounded with the Asian and Russian crises. Reelected in the first round in October 1998, President Cardoso has proposed a three-year austerity plan with tax increases and budget cuts of over \$80 billion. While some observers argue that the magnitude of the crisis will galvanize Brazil's Congress to approve major reforms, others argue that the tax increases and high interest rates will send the country into prolonged recession and postpone needed social programs. So far, the Brazilian Congress has acted on some of the reforms, but failed to act on others. The international package was provided as a preventive measure to restore the confidence of investors, with the reasoning that a collapse of the important Brazilian economy would have serious consequences for Latin America and the world.

CRS Report

Brazil's Economic Reform and the Global Financial Crisis, by (name redacted), CRS Report 98-987 E

Colombia. The 106th Congress may wish to reconsider increasing aid to Colombia to support the peace negotiations with two leftist guerrilla organizations initiated by President Andres Pastrana in mid-1998. In response to this initiative, some U.S. policymakers called for changes in U.S. policy, long focused on counternarcotics efforts, in hopes of promoting a settlement acceptable to the United States. Some advocated a broader policy that would include development and other assistance as an incentive for the guerrillas to settle; others urged counterinsurgency assistance to strengthen the Colombian military. Many Members were reluctant to provide additional support to an army with a poor human rights record and reported ties to rightist paramilitary groups. Others were loathe to offer development aid and related support for the peace process in advance of a settlement because of widespread doubts that the guerrillas would be willing to forego income from the drug trade, and fears that the Pastrana government might accept a settlement leaving the guerrillas in control of areas where illicit narcotics cultivation and production take place. In 1998, Congress rejected new approaches. Instead, it greatly increased FY1999 counternarcotics funding for the Colombian National Police over FY1998 levels on the grounds that cutting drug trafficking would deprive the guerrillas of drug income and provide an incentive to settle. It also tightened the human rights conditions that restrict aid to the Colombian army. In 1999, if the peace process falters, or if the Colombian government appears ready to settle for terms that would impede counternarcotics efforts, Members may wish to reconsider the other options.

CRS Report

Colombia: The Problem of Illegal Narcotics and U.S.-Colombian Relations, by (name redacted), CRS Report 98-152 F

Cuba. As in past years, the main issue for U.S. policy toward Cuba in the 106th Congress will be how best to support economic and political change. In the debate over U.S. policy, there have been different schools of thought about how to achieve that objective. Some advocate a policy of keeping maximum pressure on the Communist government until reforms are enacted, while continuing efforts to support the Cuban people. Others argue for an approach that is sometimes referred to as

constructive engagement, a policy aimed at easing sanctions (which some argue are hurting the Cuban people) and engaging Cuba in dialogue.

In 1999, Congress will likely continue its high level of interest in Cuba, with a variety of legislative initiatives regarding sanctions (some to tighten and some to loosen), human rights, and U.S. Government-sponsored radio and television broadcasting to Cuba. In the 105th Congress, initiatives were introduced that would have eased restrictions on the commercial export of food and medicines while another was introduced that focused on U.S.-government funding for humanitarian aid to the Cuban people; it is likely that these initiatives will be reintroduced in the 106th Congress. In early January 1999, the Administration decided against establishing a National Bipartisan Commission on Cuba, as called for by a bipartisan group of 15 Senators led by Senator John Warner in mid-October 1998. The Senators had called for the commission to conduct an analysis of current U.S. policy that would help shape and strengthen future U.S.-Cuban relations. Some Members opposed the formation of such a commission, maintaining that it was intended to soften current U.S. policy toward Cuba. Instead of forming the commission, the Administration announced a series of measures to support the Cuban people, ranging from expanding people-to-people contact to authorizing the sale of food and certain agriculture-related goods to independent entities in Cuba.

CRS Report

Cuba: Issues for Congress, by (name redacted), CRS Issue Brief 94005

Haiti. Congressional concern over political stability and the development of democracy in Haiti has increased as a political stalemate has dragged on there for more than a year and a half. An election dispute over April 1997 elections, which many opposition parties and international observers believed to be fraudulent, remains unresolved. The country has been without a prime minister since June 1997, leaving the government unable to function effectively. Haiti's failure to resolve its stalemate has led many Members of Congress to question the Administration's request to double U.S. assistance to Haiti. Congress has been concerned that U.S. assistance to Haiti be effective, and has placed conditions on the release of aid to Haiti since FY1996. In the FY1999 foreign operations bill (passed as part of the omnibus appropriations bill which became P.L. 105-277 on October 21, 1998), Congress imposed restrictions on most aid to Haiti, including requiring the completion of privatization of three public enterprises, the investigation of political killings, and, for electoral assistance, resolution of the 1997 dispute. The 106th Congress is likely to exercise its oversight responsibilities through activities such as hearings on U.S. policy toward Haiti, and monitoring U.S. assistance to Haiti.

CRS Report

Haiti Under President Preval: Issues for Congress, by (name redacted), CRS Issue Brief 96019

Mexico. During the 106th Congress, interest in Mexico is likely to focus on drug trafficking, trade, and democracy issues in the context of the annual drug certification debates in March, continuing partnership under the North American Free Trade Agreement (NAFTA), and Mexico's approaching presidential and

congressional elections in July 2000. Mexico has avoided aid and trade sanctions by being certified as fully cooperative in counter-narcotics efforts over the years, despite congressional criticisms and calls for greater action against major drug traffickers. The United States and Mexico have been cooperating extensively through the High Level Contact Group (HLCG) on Narcotics Control since 1996. Congressional efforts to overturn the President's certifications of Mexico advanced the furthest in 1997, when both houses passed modified resolutions of disapproval, while a Senate resolution of disapproval was defeated in 1998. Mexico objected to certain aspects of the U.S. undercover Operation Casablanca, announced in May 1998, that implicated officials from 12 of Mexico's 19 largest banking institutions in money laundering activities, but cooperation has continued. In October 1998, the U.S. Congress substantially increased anti-drug funding on the Southwest border through the Western Hemisphere Drug Elimination Act (division C, title VIII, of P.L. 105-277). While opposition parties have controlled the Chamber of Deputies, the mayorship of the Mexico City Federal District, and a number of governorships following mid-1997 elections, the July 2000 elections are viewed as a major test of Mexico's evolving democratic practices. President Zedillo is seeking to deal with continuing economic difficulties, assassination/corruption probes, and still unresolved guerrilla complaints.

CRS Reports

Mexico-U.S. Relations: Issues for Congress, by (name redacted), CRS Issue Brief 97028

Mexican Drug Certification Issues: U.S. Congressional Action, 1986-1998, by (name redacted), CRS Report 98-174F

Panama. Panama will be a focus of congressional interest, and potential legislative initiatives, as the Canal is transferred to Panamanian control on December 31, 1999, and as U.S. military bases are turned over to Panama by year's end. Under the terms of the 1977 Panama Canal Treaty, U.S. forces are to withdraw by the end of 1999, unless an agreement is reached to continue their presence. In 1996, U.S.-Panamanian talks began regarding a U.S. military contribution to a Multinational Counternarcotics Center in Panama, but those talks ultimately ended in September 1998 with no agreement. Another issue that has arisen is the extent to which the United States will clean up U.S. military ranges that have been used for testing explosives.

CRS Report

Panama-U.S. Relations, by (name redacted), CRS Issue Brief 92088

The Middle East

Implementation of the Wye River Memorandum. The Israeli-Palestinian peace process was stalemated from March 1997 until Israeli Prime Minister Benjamin Netanyahu and Palestinian Authority Chairman Yasir Arafat signed the Wye River Memorandum on October 23, 1998. The Memorandum delineated concrete, parallel steps that each side would take over a 12-week period to complete implementation of earlier Israeli-Palestinian agreements. It called for Israel to redeploy in three stages from territory on the West Bank after the Palestinians met specific security and

political commitments. Israel completed the first stage of redeployment on November 20 following a brief delay. After Palestinians violently expressed their dissatisfaction with Israel's release of Palestinian criminals as well as political prisoners, Netanyahu conditioned further redeployments on Palestinian compliance with requirements not included in the Memorandum, placing its implementation in doubt. President Clinton's December 12-15 trip to the region was intended, in part, to get the process back on track. Netanyahu, however, held his ground. The prospect of early national elections in Israel has further complicated or diminished the outlook for Wye.

In an effort to overcome the parties' deep distrust for one another at Wye, the Memorandum created an active, unprecedented role for the Central Intelligence Agency in ensuring implementation. Congress is expected to scrutinize this development as well as the Administration's pledge of \$400 million in aid over an unspecified period for the Palestinians, over and above the FY1999 appropriation. Israel reportedly has requested \$1.2 billion from the United States over its current aid levels to help cover the cost of redeployment. In addition, Congress will continue to monitor the Palestinians' compliance with commitments to Israel and what some Members sometimes consider undue Administration pressure on Israel to make concessions. Oversight may intensify if final status talks are seriously undertaken on even more contentious issues such as Jerusalem, refugees, settlements, water, borders, and the nature of a future Palestinian political entity.

CRS Reports

Israeli-Palestinian Peace Process: The Wye River Memorandum, by (name redacted), CRS Report 98-911F

The Middle East Peace Talks, by (name redacted), CRS Issue Brief 91137

Palestinians and Middle East Peace: Issues for the United States, by (name redacted), CRS Issue Brief 92052

A Palestinian State and U.S. Recognition: Pro and Con Arguments, by (name redacted), CRS Report 98-791F

Iraq. Iraq continues to challenge containment and sanctions measures imposed by the U.N. Security Council and by the United States and its allies after Iraq invaded Kuwait in 1990. Since the mid-1990s, the United States has maintained an average of 20,000 military personnel, 20 ships, and 200 aircraft in the Persian Gulf region to enforce no-fly zones over northern and southern Iraq, protect U.S. allies in the Gulf, and help maintain trade sanctions against Iraq. On two occasions during 1998, Iraqi obstruction of U.N. inspections designed to identify and dismantle its mass destruction weapons programs led the United States to augment its forces in the Gulf. In both cases, U.S. military retaliation against Iraq was averted at the last moment when Iraq agreed to resume cooperation with U.N. weapons inspectors. Many in the U.S. Administration and Congress doubt that Iraq will ever provide a full accounting of its weapons programs or comply with other U.N. demands as long as the regime of President Saddam Hussein remains in power. Iraqi opposition groups are internally divided and have few assets within Iraq, although they have made some recent efforts to improve cooperation.

Congress provided \$1.31 billion in FY1998 supplemental appropriations (P.L. 105-174) to cover unanticipated costs of U.S. force build-ups, and also appropriated

\$10 million in FY1998 and \$8 million in FY1999 to support activities of the Iraqi opposition. A separate bill, the Iraq Liberation Act (P.L. 105-338), signed on October 31, 1998, gives the President authority to provide up to \$97 million in defense articles and services to support an insurgency against Saddam Hussein, and directs the President to designate one or more Iraqi opposition groups as eligible to receive such assistance. Likely issues facing the 106th Congress include overseeing the implementation of the Iraq Liberation Act, appropriations to defray costs of any further U.S. force build-ups in the Gulf, and legislation to support or restrict U.S. military operations against Iraq if it continues to violate terms of pertinent U.N. resolutions.

CRS Reports

Iraqi Compliance with Cease-Fire Agreements, by Kenneth B. Katzman, CRS Issue Brief 92117

Iraq-U.S. Confrontation: 1997-1998, by Kenneth B. Katzman, CRS Issue Brief 94049

Iraq's Opposition Movements, by Kenneth B. Katzman and (name redacted), CRS Report 98-179 F

Iran. Iran continues to oppose key U.S. policies in the Middle East, although signs of a thaw in U.S.-Iranian relations have recently appeared. Principal areas of contention between the two countries include Iran's support for terrorist groups, Iranian efforts to undermine the U.S.-sponsored Arab-Israeli peace process, and Iran's programs to develop weapons of mass destruction. During the Clinton Administration, as part of a dual containment policy directed toward Iran and Iraq, both the President and Congress have tried to tighten containment of Iran in an effort to change its behavior. In 1995, President Clinton imposed a ban on U.S. trade with Iran, and the following year Congress passed the Iran and Libya Sanctions Act (P.L. 104-172), which among other things prescribes sanctions against foreign firms that invest more than \$20 million per year in Iran's oil or gas sectors. European nations and Japan oppose this measure as an extra-territorial application of U.S. law. Iran's President Muhammad Khatami, elected in May 1997, has called for increased cultural contacts between Iran and the United States, but has ruled out a dialogue with the U.S. Government at this time. Moreover, Khatami's more moderate policies remain circumscribed to a considerable extent by Iran's conservative supreme religious leader, Ayatollah Ali Khamenei, and other conservatives in the political and clerical establishments.

The foreign operations appropriations act for FY1999 (division A, sec. 101(d), of P.L. 105-277) states the sense of Congress that the United States should make no concessions toward Iran until Iran modifies its policies on key issues of U.S. concern. Congress provided \$4 million in FY1998 and again in FY1999 for a Radio Free Iran, to be run by Radio Free Europe/Radio Liberty and based in the Czech Republic. On June 23, 1998, the President vetoed the Iran Missile Proliferation Sanctions Act (H.R. 2709), which would have penalized entities that contribute to Iran's missile programs, on grounds that this measure would harm Russia's post-Soviet transition. Issues involving economic sanctions, weapons proliferation, and relations with Iranian opposition groups are likely to be topics of oversight and possibly of further legislation in the 106th Congress.

CRS Reports

Iran: Current Developments and U.S. Policy, by Kenneth B. Katzman, CRS Issue Brief 93033

Iran: U.S. Policy and Options, by Kenneth B. Katzman, CRS Report 97-231F

Appendix 1. Major Legislation and the Committees of Jurisdiction

Foreign Assistance Authorization Act. This Act is considered annually; Congress, however, has not passed such legislation since 1985 for a variety of reasons (although smaller, issue-specific authorizations have been enacted in the last 13 years). Instead, the requirement for authorization has been waived each year by the Foreign Operations, Export Financing, and Related Programs Appropriations Act, which has increasingly become a vehicle for authorization language. A Foreign Assistance Authorization Act authorizes and states congressional guidance for foreign assistance programs. Such a measure would be reported out of the House Committee on International Relations or the Senate Committee on Foreign Relations.

Foreign Relations Authorization Act. This Act is usually considered on a biennial basis. The second session of the 105th Congress enacted the Foreign Affairs Reform and Restructuring Act of 1998 (division G of P.L. 105-277), which reauthorized State Department programs, so the 106th Congress will likely take up a new authorization bill in its second session. The Foreign Relations Authorization Act authorizes the State Department, its agencies, offices, and programs, and states congressional guidance on diplomatic matters. Such a measure would be reported out of the House Committee on International Relations or the Senate Committee on Foreign Relations.

Foreign Operations, Export Financing, and Related Programs Appropriations Act for Fiscal Year 2000. Appropriations are generally required annually, although several programs are provided multi-year funding. This measure provides for programs in foreign assistance, including: Agency for International Development, Economic Support Fund, Military Assistance, Peace Corps, Migration and Refugee Assistance, U.S. Export-Import Bank, Overseas Private Investment Corporation, to name a few. Such a measure would be reported out of the Committees on Appropriations.

Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act for Fiscal Year 2000. This annual bill funds the State Department and its related agencies, such as broadcasting, arms control, and diplomatic security; Commerce Department, including its administration of export controls; Justice Department, including the Federal Bureau of Investigation oversight of domestic terrorism efforts. Such a measure would be reported out of the Committees on Appropriations.

Intelligence Authorization Act. Reported out annually by the Select Committees on Intelligence.

National Defense Authorization Act, Fiscal Year 2000. Usually an annual bill (although in past years some Acts have covered two-year authorizations); reported out of the House Committee on National Security and Senate Committee on Armed Services.

Department of Defense Appropriations Act, Fiscal Year 2000. Also an annual measure; reported out of the Committees on Appropriations.

Appendix 2. Checklist of CRS Products*

Arms Control Issues: A Checklist of CRS Products, by Sherry B. Shapiro, December 23, 1998, CRS Report 98-1013 L

Defense Policy and Budgets: A Checklist of CRS Products, by Emily Newman, December 31, 1998, CRS Report CL 40003

Proliferation of Weapons of Mass Destruction: A Checklist of CRS Products, by Sherry B. Shapiro, December 29, 1998, CRS Report 98-1022 L

Regional Hot Spots: A Checklist of CRS Products, by Sherry B. Shapiro, December 31, 1998, CRS Report CL 40001

Resources, Institutions, and Global Issues: A Checklist of CRS Products, by Emily Newman, December 29, 1998, CRS Report CL 40002

* To order copies of these checklists, or other CRS products cited in this report, call the CRS Product Line at 707-7132.

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