

BILL SUMMARY

December 26, 2007

2008 Foreign Operations Appropriations Bill

President Bush on Dec. 26 signed into law a bill that allocates \$2.42 billion in U.S. aid to Israel, including \$2.38 billion in military aid and \$39.6 million in assistance for the resettlement of refugees from the former Soviet Union, Eastern Europe and Ethiopia. Congress gave final approval to the funding on Dec. 19 as part of the Fiscal Year 2008 (FY08) Foreign Operations Appropriations bill, included as part of a comprehensive federal funding package encompassing nearly all of the federal appropriations bills.

In addition to providing vital assistance to Israel, the bill includes a number of key provisions placing new restrictions on aid to the Palestinians and, for the first time, linking Egypt's economic and military aid to a specific policy issue, namely Egypt's efforts in stemming weapons smuggling from Egypt into Gaza.

KEY POLICY PROVISIONS IN HOUSE BILL:

Aid for Israel:

- Includes \$2.38 billion in earmarked security assistance, including mandated early disbursement of those funds to allow Israel to maximize its aid, and \$39.6 million in earmarked assistance to help Israel resettle refugees in the Jewish state.
- Provides Israel's aid in a lump sum payment to help Israel maximize the assistance.
- Mandates that Israel be allowed to spend "no less than" 25% of its assistance in Israel.

Palestinian Aid:

- Mandates tough new restrictions on aid to the Palestinians, particularly on the \$150 million in direct assistance to the Palestinian Authority (PA) requested by the president as part of the supplemental budget request.
- Prohibits the PA from using those funds toward salaries in Gaza and requires it to maintain its current policy of no contact or negotiations with Hamas until the terrorist group agrees to recognize Israel and meet international standards of conduct.
- Mandates audits of PA finances and withholds part of the direct funds until the PA enacts a series of specific civil service and budgetary reforms. In order to provide the funds, the president must report on specific steps that the PA has taken to arrest terrorists, confiscate weapons and dismantle the terrorist infrastructure.

- Mandates that no funds may be used to honor or support terrorist groups, members or entities in any way connected with terrorist activities, otherwise all such assistance shall be terminated.
- Requires a strict audit of PA accounts and the organizations involved to ensure strict compliance and prohibits funds from being provided to the Palestinian Broadcasting Authority.
- Mandates that U.S. security assistance to the Palestinians cannot be provided until the secretary of state reports on benchmarks for the assistance and on the extent of Palestinian compliance with those benchmarks.

Aid to Egypt:

- Requires the secretary of state to certify that sufficient action has been taken by Egypt to stop weapons smuggling between the Sinai and Gaza, or enact a national security waiver, before \$100 million of Egypt's aid can be released.

Iran:

- Provides \$60 million to promote democracy, the rule of law and governance in Iran.
- Restricts a portion of aid to Russia until it ends its nuclear cooperation with Iran.

Aid to Lebanon:

- Provides \$45 million in economic assistance to Lebanon

Alhurra Television:

- Funds appropriated for the U.S.-backed Alhurra television network only can be provided if the secretary of state certifies that the station is not advocating for any terrorist organization.