



PRESS RELEASE

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AIPAC APPLAUDS CONGRESSIONAL PASSAGE OF \$2.42 BILLION IN U.S. FOREIGN AID TO ISRAEL

The American Israel Public Affairs Committee (AIPAC) applauds today's final congressional approval of \$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.

The funding was approved 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. The spending bill was approved earlier today by the House and last night by the Senate. The measure now awaits the president's signature.

With both the U.S and Israel buffeted by ever increasing pressures and mutual threats, America's relationship with the Middle East's most stable nation and lone democracy is an increasingly vital strategic asset. This year's package holds heightened significance for U.S. security interests, as Israel faces new challenges from Iran's drive to acquire nuclear weapons as well as the growing influence of radical forces to Israel's south in Gaza and to the north in Lebanon.

Israel stands solidly with the United States in our common fight against terror and Islamic extremism, providing invaluable intelligence, sharing proven military tactics and contributing sophisticated military technologies that save American lives.

The U.S.-Israel relationship is the keystone of America's policy in the Middle East, and our enduring partnership with our democratic ally Israel is one of our nation's key strategic assets. To that end, the Bush Administration earlier this year announced a landmark Memorandum of Understanding between the two allies that will, with congressional approval, provide Israel with \$30 billion in security aid over the next decade.

The bill also mandates tough new restrictions on aid to the Palestinians, particularly on the \$150 million in direct assistance to the Palestinian Authority requested by the President as part of the supplemental budget request. The Palestinian Authority is prohibited from using the funds toward salaries in Gaza and is required 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.

To ensure maximum accountability and full transparency, Congress has required mandatory audits of PA finances and withholds part of the 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.

Specifically, assurances must be made that no funds are used to honor or support terrorist groups, members or entities in any way connected with terrorist activities, otherwise all assistance shall be

terminated. The bill 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.

Congress also sent a strong message to Egypt, linking \$100 million of its aid to action on curtailing the smuggling in Gaza. The provision requires the U.S. Secretary of State certify that sufficient action has been taken by Egypt to stop the smuggling between the Sinai and Gaza, or enact a national security waiver, before the \$100 million can be released. It represents the first time that Congress has linked Egypt's economic and military aid to a specific policy issue and reflects a strong desire by Congress to ensure that Egypt is taking the necessary steps to crack down on the arms smuggling that has strengthened Hamas and undermines American policy in the region.

As in previous years, the specific funding levels reflect the inclusion of an across the board .81 percent funding reduction in order to bring the bill into compliance with overall budget numbers, based on a compromise reached by House and Senate lawmakers.

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