

AMENDMENT TO RULES COMM. PRINT 119-33
OFFERED BY MR. BAUMGARTNER OF
WASHINGTON

Add at the end of subtitle A of title XVII the following:

1 **SEC. 17___ . AUTHORIZATION OF FOREIGN MILITARY FI-**
2 **NANCING FOR DIRECT COMMERCIAL CON-**
3 **TRACTS.**

4 The Arms Export Control Act (22 U.S.C. 2751 et
5 seq.) is amended by inserting after section 23 the following
6 new section:

7 **“SEC. 23A. USE OF FOREIGN MILITARY FINANCING FOR DI-**
8 **RECT COMMERCIAL CONTRACTS.**

9 “(a) **AUTHORITY.**—Notwithstanding section 23(h),
10 funds made available to carry out the foreign military fi-
11 nancing program under this Act may be used to finance
12 the procurement by any foreign country or international
13 organization eligible to receive such financing under this
14 Act of defense articles, defense services, and design and
15 construction services that are not sold by the United
16 States Government.

1 “(b) APPROVAL AND OVERSIGHT.—The use of for-
2 eign military financing authorized in subsection (a)
3 shall—

4 “(1) be approved by the Secretary of State, in
5 consultation with the Secretary of Defense, prior to
6 the extension of such authority to any foreign coun-
7 try or international organization; and

8 “(2) be subject to such terms, conditions, and
9 limitations as the Secretary of State determines ap-
10 propriate to advance the foreign policy and national
11 security interests of the United States.

12 “(c) IMPLEMENTING REGULATIONS.—Not later than
13 180 days after the date of the enactment of this section,
14 the Secretary of State, in coordination with the Secretary
15 of Defense, shall prescribe regulations to implement this
16 section, including regulations relating to, with respect to
17 foreign military financing for direct commercial contracts
18 authorized in subsection (a)—

19 “(1) procedures for review and approval;

20 “(2) audit, reporting, and financial account-
21 ability standards;

22 “(3) compliance with end-use monitoring and
23 export control requirements; and

24 “(4) efforts to encourage participation by non-
25 traditional defense companies.

1 “(d) RULE OF CONSTRUCTION.—The authority pro-
2 vided by this section is in addition to, and shall not be
3 construed to limit or replace, the foreign military sales
4 program otherwise authorized by this Act.”.

