

AMENDMENT TO RULES COMM. PRINT

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OFFERED BY MR. MAST OF FLORIDA

At the end of subtitle B of title XVII, add the following new section:

1 **SEC. 17___ . FOREIGN MILITARY FINANCING LOAN AUTHORIZATION.**
2

3 (a) STATEMENT OF POLICY.—It is the policy of the
4 United States—

5 (1) to continue providing Foreign Military Financing grants under the Arms Export Control Act
6 (22 U.S.C. 2751 et seq.) to foreign allies and partners to purchase United States defense equipment,
7 services, and training in support of United States
8 national security by strengthening such allies and
9 partners, promoting regional stability, and enhancing interoperability with United States forces; and
10

11 (2) to ensure such grants are supplemented by
12 direct loans and loan guarantees as authorized by
13 subsection (b).
14

15 (b) AUTHORIZATION FOR DIRECT LOANS AND LOAN
16 GUARANTEES.—
17

1 (1) AUTHORIZATION.—The Secretary of State
2 is authorized to provide, to any country or inter-
3 national organization the Secretary determines ap-
4 propriate and consistent with United States national
5 security interests—

6 (A) direct loans for the purpose of financ-
7 ing the procurement of defense articles, defense
8 services, and design and construction services
9 pursuant to section 23 of the Arms Export
10 Control Act (22 U.S.C. 2763); and

11 (B) loan guarantees for the purpose of fi-
12 nancing the procurement of defense articles, de-
13 fense services, and design and construction
14 services pursuant to section 24 of such Act (22
15 U.S.C. 2764).

16 (2) LOAN RATE AND REPAYMENT AUTHOR-
17 ITY.—

18 (A) IN GENERAL.—The Secretary is au-
19 thorized to establish the rate of interest com-
20 mensurate with current prevailing market rate,
21 subject to subparagraph (B), repayment sched-
22 ule, and repayment terms applicable to direct
23 loans authorized under paragraph (1)(A).

24 (B) WAIVER.—The Secretary of State may
25 waive requirement under subparagraph (A) that

1 a rate of interest be commensurate with the
2 current prevailing market rate with respect to
3 any direct loan upon a written determination
4 submitted to the Committee on Foreign Affairs
5 of the House of Representatives and the Com-
6 mittee on Foreign Relations of the Senate not
7 later than 15 days before such a waiver is to
8 take effect that includes—

9 (i) an attestation that the borrowing
10 country is a key partner in a theater of ac-
11 tive United States strategic interest;

12 (ii) an attestation that such
13 concessional terms are necessary to remain
14 competitive with financing offered by other
15 countries; and

16 (iii) a detailed description of the bor-
17 rowing country's economic need for such
18 concessional terms.

19 (3) CONDITIONS AND LIMITATIONS.—Except as
20 authorized in paragraph (2), any direct loan or loan
21 guarantee authorized under paragraph (1) shall be
22 subject to—

23 (A) the terms, conditions, eligibility re-
24 quirements, and limitations set forth in section

1 23 of the Arms Export Control Act (22 U.S.C.
2 2763);

3 (B) such additional terms and conditions
4 as the Secretary may prescribe; and

5 (C) the availability of funds appropriated
6 by Congress for purposes of this subsection.

7 (4) SUNSET.—The authority provided by this
8 subsection shall terminate on the date that is 7
9 years after the date of the enactment of this Act.

10 (c) REPORTING REQUIREMENT.—Not later than 90
11 days after the date of the enactment of this Act, and quar-
12 terly thereafter for 7 years, the Secretary of State shall
13 submit to the Committee on Foreign Affairs of the House
14 of Representatives and the Committee on Foreign Rela-
15 tions of the Senate a report describing—

16 (1) any direct loan or loan guarantee provided
17 pursuant to subsection (b)(1);

18 (2) the recipient, amount, terms, and purpose
19 of each such loan or guarantee;

20 (3) an assessment of the impact of such loans
21 or guarantees on United States national security ob-
22 jectives; and

23 (4) an assessment of additional resources need-
24 ed by the Department of State to carry out the pro-
25 visions of this section.

1 (d) DEFINITIONS.—In this section, the terms “de-
2 fense articles”, “defense services”, and “design and con-
3 struction services” have the meanings given such terms
4 in section 47 of the Arms Export Control Act (22 U.S.C.
5 2794).

