

**§ 2774. Foreign military sales credit standards**

The President shall establish standards and criteria for credit and guaranty transactions under sections 2763 and 2764 of this title in accordance with the foreign, national security, and financial policies of the United States.

(Pub. L. 90-629, ch. 3, §34, Oct. 22, 1968, 82 Stat. 1325.)

## DELEGATION OF FUNCTIONS

Functions of President under this section delegated to Secretary of State, with prior concurrence of Secretary of Defense and Secretary of the Treasury required to extent standards and criteria for credit and guaranty transactions are based upon national security or financial policies, by section 1(h) of Ex. Ord. No. 11958, Jan. 18, 1977, 42 F.R. 4311, as amended, set out as a note under section 2751 of this title.

**§ 2775. Foreign military sales to less developed countries**

(a) When the President finds that any economically less developed country is diverting development assistance furnished pursuant to the Foreign Assistance Act of 1961, as amended [22 U.S.C. 2151 et seq.], or sales under the Food for Peace Act, as amended [7 U.S.C. 1691 et seq.], to military expenditures, or is diverting its own resources to unnecessary military expenditures, to a degree which materially interferes with its development, such country shall be immediately ineligible for further sales and guarantees under sections 2761, 2762, 2763, and 2764 of this title, until the President is assured that such diversion will no longer take place.

(b) Repealed. Pub. L. 93-559, §45(a)(5), Dec. 30, 1974, 88 Stat. 1814.

(Pub. L. 90-629, ch. 3, §35, Oct. 22, 1968, 82 Stat. 1325; Pub. L. 93-559, §45(a)(5), Dec. 30, 1974, 88 Stat. 1814; Pub. L. 110-246, title III, §3001(b)(1)(A), (2)(T), June 18, 2008, 122 Stat. 1820, 1821.)

## REFERENCES IN TEXT

The Foreign Assistance Act of 1961, as amended, referred to in subsec. (a), is Pub. L. 87-195, Sept. 4, 1961, 75 Stat. 424, as amended, which is classified principally to chapter 32 (§2151 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 2151 of this title and Tables.

The Food for Peace Act, as amended, referred to in subsec. (a), is act July 10, 1954, ch. 469, 68 Stat. 454, which is classified principally to chapter 41 (§1691 et seq.) of Title 7, Agriculture. For complete classification of this Act to the Code, see Short Title note set out under section 1691 of Title 7 and Tables.

## AMENDMENTS

2008—Subsec. (a). Pub. L. 110-246 substituted “Food for Peace Act” for “Agricultural Trade Development and Assistance Act of 1954”.

1974—Subsec. (b). Pub. L. 93-559 repealed subsec. (b) which provided for Presidential reports to Congress respecting sales and guaranties to less developed countries.

## EFFECTIVE DATE OF 2008 AMENDMENT

Amendment by Pub. L. 110-246 effective May 22, 2008, see section 4(b) of Pub. L. 110-246, set out as an Effective Date note under section 8701 of Title 7, Agriculture.

## DELEGATION OF FUNCTIONS

Functions of President under subsec. (a) of this section delegated to Secretary of State by section 1(i) of

Ex. Ord. No. 11958, Jan. 18, 1977, 42 F.R. 4311, as amended, set out as a note under section 2751 of this title.

**§ 2776. Reports and certifications to Congress on military exports****(a) Report by President; contents**

The President shall transmit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate not more than sixty days after the end of each quarter an unclassified report (except that any material which was transmitted in classified form under subsection (b)(1) or (c)(1) of this section may be contained in a classified addendum to such report, and any letter of offer referred to in paragraph (1) of this subsection may be listed in such addendum unless such letter of offer has been the subject of an unclassified certification pursuant to subsection (b)(1) of this section, and any information provided under paragraph (11) of this subsection may also be provided in a classified addendum) containing—

(1) a listing of all letters of offer to sell any major defense equipment for \$1,000,000 or more under this chapter to each foreign country and international organization, by category, if such letters of offer have not been accepted or canceled;

(2) a listing of all such letters of offer that have been accepted during the fiscal year in which such report is submitted, together with the total value of all defense articles and defense services sold to each foreign country and international organization during such fiscal year;

(3) the cumulative dollar amounts, by foreign country and international organization, of sales credit agreements under section 2763 of this title and guaranty agreements under section 2764 of this title made during the fiscal year in which such report is submitted;

(4) a numbered listing of all licenses and approvals for the export to each foreign country and international organization during such fiscal year of commercially sold major defense equipment, by category, sold for \$1,000,000 or more, together with the total value of all defense articles and defense services so licensed for each foreign country and international organization, setting forth with respect to the listed major defense equipment—

(A) the items to be exported under the license,

(B) the quantity and contract price of each such item to be furnished, and

(C) the name and address of the ultimate user of each such item;

(5) projections of the dollar amounts, by foreign country and international organization, of sales expected to be made under sections 2761 and 2762 of this title in the quarter of the fiscal year immediately following the quarter for which such report is submitted;

(6) a projection with respect to all sales expected to be made to each country and organization for the remainder of the fiscal year in which such report is transmitted;

(7) a description of each payment, contribution, gift, commission, or fee reported to the