

“(3) An assessment of the advisability of incurring any unfunded termination liability identified under paragraph (2) given the risks identified in the assessment under paragraph (1).

“(4) A listing of which, if any, requirements associated with the oversight and management of a major defense acquisition program (as prescribed under Department of Defense Instruction 5000.02 or related authorities) will be waived, or in any way modified, in carrying out the development contract to be entered into under [subsection] (a)(1), and a full explanation why such requirements need to be waived or modified.

“(c) DEFINITIONS.—In this section:

“(1) The term ‘engineering and manufacturing development’ has the meaning given that term in Department of Defense Instruction 5000.02.

“(2) The term ‘major weapon system’ has the meaning given that term in section 2379(f) of title 10, United States Code.”

**§ 2767a. Repealed. Pub. L. 101-189, div. A, title IX, § 931(d)(2), Nov. 29, 1989, 103 Stat. 1535**

Section, Pub. L. 99-661, div. A, title XI, §1105, Nov. 14, 1986, 100 Stat. 3965; Pub. L. 100-456, div. A, title X, §1007, Sept. 29, 1988, 102 Stat. 2040, related to cooperative research and development with major non-NATO allies. See section 2350a of Title 10, Armed Forces.

**§ 2768. Repealed. Pub. L. 104-106, div. A, title X, § 1064(a), Feb. 10, 1996, 110 Stat. 445**

Section, Pub. L. 90-629, ch. 2, §28, as added Pub. L. 96-92, §16(a), Oct. 29, 1979, 93 Stat. 708; amended Pub. L. 97-113, title I, §101(b), Dec. 29, 1981, 95 Stat. 1520; Pub. L. 100-461, title V, §588(a), Oct. 1, 1988, 102 Stat. 2268-51, related to reports on price and availability estimates.

SUBCHAPTER II-A—FOREIGN MILITARY CONSTRUCTION SALES

**§ 2769. Foreign military construction sales**

The President may sell design and construction services to any eligible foreign country or international organization if such country or international organization agrees to pay in United States dollars not less than the full cost to the United States Government of furnishing such services. Payment shall be made to the United States Government in advance of the performance of such services by officers or employees of the United States Government. The President may, without requirement for charge to any appropriation or contract authorization otherwise provided, enter into contracts for the procurement of design and construction services for sale under this section if such country or international organization provides the United States Government with a dependable undertaking (1) to pay the full amount of such contract which will assure the United States Government against any loss on the contract, and (2) to make funds available in such amounts and at such time as may be required to meet the payments required by the contract and any damages and costs that may accrue from the cancellation of such contract, in advance of the time such payments, damages, or costs are due.

(Pub. L. 90-629, ch. 2A, §29, as added Pub. L. 96-533, title I, §105(a), Dec. 16, 1980, 94 Stat. 3133.)

DELEGATION OF FUNCTIONS

For delegation of functions of the President under this section, see section 1(d) of Ex. Ord. No. 13637, Mar.

8, 2013, 78 F.R. 16129, set out as a note under section 2751 of this title. Functions were previously delegated by Ex. Ord. No. 11958, which was formerly set out as a note under section 2751 of this title and was revoked, subject to a savings provision, by section 4 of Ex. Ord. No. 13637.

SUBCHAPTER II-B—SALES TO UNITED STATES COMPANIES FOR INCORPORATION INTO END ITEMS

**§ 2770. General authority**

**(a) Sale of defense articles and services by President to United States companies; restriction on performance of services; reimbursement credited to selling agency**

Subject to the conditions specified in subsection (b) of this section, the President may, on a negotiated contract basis, under cash terms (1) sell defense articles at not less than their estimated replacement cost (or actual cost in the case of services), or (2) procure or manufacture and sell defense articles at not less than their contract or manufacturing cost to the United States Government, to any United States company for incorporation into end items (and for concurrent or follow-on support) to be sold by such a company either (i) on a direct commercial basis to a friendly foreign country or international organization pursuant to an export license or approval under section 2778 of this title or (ii) in the case of ammunition parts subject to subsection (b) of this section, using commercial practices which restrict actual delivery directly to a friendly foreign country or international organization pursuant to approval under section 2778 of this title. The President may also sell defense services in support of such sales of defense articles, subject to the requirements of this subchapter: *Provided, however*, That such services may be performed only in the United States. The amount of reimbursement received from such sales shall be credited to the current applicable appropriation, fund, or account of the selling agency of the United States Government.

**(b) Conditions of sale**

Defense articles and defense services may be sold, procured and sold, or manufactured and sold, pursuant to subsection (a) of this section only if (1) the end item to which the articles apply is to be procured for the armed forces of a friendly country or international organization, (2) the articles would be supplied to the prime contractor as government-furnished equipment or materials if the end item were being procured for the use of the United States Armed Forces, and (3) the articles and services are available only from United States Government sources or are not available to the prime contractor directly from United States commercial sources at such times as may be required to meet the prime contractor's delivery schedule.

**(c) “Defense articles” and “defense services” defined**

For the purpose of this section, the terms “defense articles” and “defense services” mean defense articles and defense services as defined in section 2794(3) and (4) of this title.

(Pub. L. 90-629, ch. 2B, §30, as added Pub. L. 97-392, §1, Dec. 29, 1982, 96 Stat. 1962; amended

Pub. L. 101-165, title IX, § 9097, Nov. 21, 1989, 103 Stat. 1150.)

#### AMENDMENTS

1989—Subsec. (a). Pub. L. 101-165 inserted “either (i)” after “such a company” in first sentence and inserted before period at end of first sentence “or (ii) in the case of ammunition parts subject to subsection (b) of this section, using commercial practices which restrict actual delivery directly to a friendly foreign country or international organization pursuant to approval under section 2778 of this title”.

#### DELEGATION OF FUNCTIONS

For delegation of functions of the President under this section, see section 1(d) of Ex. Ord. No. 13637, Mar. 8, 2013, 78 F.R. 16129, set out as a note under section 2751 of this title. Functions were previously delegated by Ex. Ord. No. 11958, which was formerly set out as a note under section 2751 of this title and was revoked, subject to a savings provision, by section 4 of Ex. Ord. No. 13637.

#### SUBCHAPTER II-C—EXCHANGE OF TRAINING AND RELATED SUPPORT

### § 2770a. Exchange of training and related support

#### (a) Authorization; eligibility; scope

Subject to subsection (b), the President may provide training and related support to military and civilian defense personnel of a friendly foreign country or an international organization. Such training and related support shall be provided by a Secretary of a military department and may include the provision of transportation, food services, health services, and logistics and the use of facilities and equipment.

#### (b) Reciprocal arrangements; reimbursement

Training and related support may be provided under this section only pursuant to an agreement or other arrangement providing for the provision by the recipient foreign country or international organization, on a reciprocal basis, of comparable training and related support to military and civilian personnel under the jurisdiction of the Secretary of the military department providing the training and related support under this section. Such reciprocal training and related support must be provided within a reasonable period of time (which may not be more than one year) of the provision of training and related support by the United States. To the extent that a foreign country or international organization to which training and related support is provided under this section does not provide such comparable training and related support to the United States within a reasonable period of time, that country or international organization shall be required to reimburse the United States for the full costs of the training and related support provided by the United States.

#### (c) Regulations

Training and related support under this section shall be provided under regulations prescribed by the President.

#### (d) Report to Congress

Not later than February 1 of each year, the President shall submit to the Congress a report

on the activities conducted pursuant to this section during the preceding fiscal year, including the estimated full costs of the training and related support provided by the United States to each country and international organization and the estimated value of the training and related support provided to the United States by that country or international organization.

(Pub. L. 90-629, ch. 2C, § 30A, as added Pub. L. 99-83, title I, § 116, Aug. 8, 1985, 99 Stat. 201.)

#### EFFECTIVE DATE

Section effective Oct. 1, 1985, see section 1301 of Pub. L. 99-83, set out as an Effective Date of 1985 Amendment note under section 2151-1 of this title.

#### DELEGATION OF FUNCTIONS

For delegation of functions of the President under this section, see section 1(d) of Ex. Ord. No. 13637, Mar. 8, 2013, 78 F.R. 16129, set out as a note under section 2751 of this title. Functions were previously delegated by Ex. Ord. No. 11958, which was formerly set out as a note under section 2751 of this title and was revoked, subject to a savings provision, by section 4 of Ex. Ord. No. 13637.

#### SUBCHAPTER III—MILITARY EXPORT CONTROLS

### § 2771. Military sales authorizations and ceilings

#### (a) Authorization for foreign military sales credit and guarantee program

There are authorized to be appropriated to the President to carry out this chapter \$5,371,000,000 for fiscal year 1986 and \$5,371,000,000 for fiscal year 1987. Credits may not be extended under section 2763 of this title in an amount, and loans may not be guaranteed under section 2764(a) of this title in a principal amount, which exceeds any maximum amount which may be established with respect to such credits or such loan guarantees in legislation appropriating funds to carry out this chapter. Unobligated balances of funds made available pursuant to this section are hereby authorized to be continued available by appropriations legislation to carry out this chapter.

#### (b) Aggregate ceilings on credit sales; availability at concessional rates of interest

(1) The total amount of credits extended under section 2763 of this title shall not exceed \$5,371,000,000 for fiscal year 1986 and \$5,371,000,000 for fiscal year 1987.

(2) Of the aggregate amount of financing provided under this section, not more than \$553,900,000 for fiscal year 1986 and not more than \$553,900,000 for fiscal year 1987 may be made available at concessional rates of interest. If a country is released from its contractual liability to repay the United States Government with respect to financing provided under this section, such financing shall not be considered to be financing provided at concessional rates of interest for purposes of the limitation established by this paragraph.

#### (c) Interest rates

Loans available under section 2763 of this title shall be provided at rates of interest that are not less than the current average market yield on outstanding marketable obligations of the United States of comparable maturities.