

tion, (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 No. 11958, which was formerly set out as a note under section 2751 of this title and was revoked, subject to a savings provision, by section 4 of Ex.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.

(Pub. L. 90-629, ch. 3, § 31, Oct. 22, 1968, 82 Stat. 1324; Pub. L. 91-672, § 2, Jan. 12, 1971, 84 Stat. 2053; Pub. L. 92-226, pt. IV, § 401(a), (b), Feb. 7, 1972, 86 Stat. 32; Pub. L. 93-189, § 25(5), (6), Dec. 17, 1973, 87 Stat. 730; Pub. L. 93-559, § 45(a)(6), (7), Dec. 30, 1974, 88 Stat. 1815; Pub. L. 94-329, title II, § 210(a)-(c)(1), June 30, 1976, 90 Stat. 740; Pub. L. 95-92, § 19, Aug. 4, 1977, 91 Stat. 623; Pub. L. 95-384, § 20, Sept. 26, 1978, 92 Stat. 741; Pub. L. 96-92, § 17(a), Oct. 29, 1979, 93 Stat. 708; Pub. L. 96-533, title I, §§ 104(d), 105(b)(3), 106(a)-(c), Dec. 16, 1980, 94 Stat. 3133-3136; Pub. L. 97-113, title I, § 105, Dec. 29, 1981, 95 Stat. 1521; Pub. L. 98-151, § 101(b)(2), Nov. 14, 1983, 97 Stat. 969, 970; Pub. L. 99-83, title I, § 101(a), (b), Aug. 8, 1985, 99 Stat. 193; Pub. L. 101-513, title V, § 596(c), Nov. 5, 1990, 104 Stat. 2062; Pub. L. 104-164, title I, §§ 101, 104(b)(2)(C), July 21, 1996, 110 Stat. 1422, 1427.)

REFERENCES IN TEXT

This chapter, referred to in subsec. (a), was in the original "this Act", meaning Pub. L. 90-629, Oct. 22, 1968, 82 Stat. 1321, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 2751 of this title and Tables.

AMENDMENTS

1996—Subsec. (c). Pub. L. 104-164, § 101, amended subsec. (c) generally. Prior to amendment, subsec. (c) read as follows: "For fiscal year 1986 and fiscal year 1987, the principal amount of credits provided under section 2763 of this title at market rates of interest with respect to Greece, the Republic of Korea, the Philippines, Portugal, Spain, Thailand, and Turkey shall (if and to the extent each country so desires) be repaid in not more than twenty years, following a grace period of ten years on repayment of principal."

Subsec. (d). Pub. L. 104-164, § 104(b)(2)(C), struck out subsec. (d) which read as follows: "The aggregate acquisition cost to the United States of excess defense articles ordered by the President in any fiscal year after fiscal year 1976 for delivery to foreign countries or international organizations under the authority of chapter 2 of part II of the Foreign Assistance Act of 1961 or pursuant to sales under this chapter may not exceed \$250,000,000 (exclusive of ships and their onboard stores and supplies transferred in accordance with law, and of any defense articles with respect to which the President submits a certification under section 2776(b) of this title)."

1990—Subsec. (d). Pub. L. 101-513 inserted "and of any defense articles with respect to which the President submits a certification under section 2776(b) of this title." after "law".

1985—Subsec. (a). Pub. L. 99-83, § 101(a), substituted provisions authorizing appropriations of \$5,371,000,000

for fiscal years 1986 and 1987, for provisions authorizing appropriations of \$800,000,000 for fiscal years 1982 and 1983.

Subsec. (b). Pub. L. 99-83, § 101(b), amended subsec. (b) generally, substituting provisions relating to maximum amount of credits authorized for fiscal years 1986 and 1987 and maximum amounts of such credits available at concessional rates of interest for such years, for provisions relating to maximum amounts of credits (or participations in credits) and loans guaranteed for fiscal years 1982 and 1983, and credit, etc., programs with respect to specific countries.

Subsec. (c). Pub. L. 99-83, § 101(b), amended subsec. (c) generally, substituting provisions relating to extended repayment terms for credits provided for fiscal years 1986 and 1987, for provisions relating to funds made available for fiscal year 1984 to finance procurement of defense articles, etc., by Israel.

1983—Subsec. (b)(3). Pub. L. 98-151 amended par. (3) generally, substituting provisions authorizing not less than \$1,700,000,000 for fiscal year 1984 as available to Israel, of which not less than \$850,000,000 shall be available as credits under section 2763 of this title, and provisions relating to availability of funds part of the total aggregate credit ceiling made available to Israel, for provisions authorizing not less than \$1,400,000,000 for the fiscal years 1982 and 1983 as available to Israel, of which not less than \$550,000,000 for each year shall be available as credits.

Subsec. (b)(5). Pub. L. 98-151 substituted "1984" for "1982 and for the fiscal year 1983".

Subsec. (b)(6). Pub. L. 98-151 amended par. (6) generally, inserting provisions relating to availability to Egypt for fiscal year 1984 of not less than \$900,000,000 of the total principal amount of loans guaranteed, and substituting provisions authorizing not less than \$465,000,000 for fiscal year 1984, for provisions authorizing not less than \$200,000,000 for fiscal years 1982 and 1983.

Subsec. (c). Pub. L. 98-151 substituted provisions relating to applicability to fiscal year 1984, for provisions relating to applicability to fiscal years 1982 and 1983, and substituted "\$850,000,000" for "\$550,000,000".

1981—Subsec. (a). Pub. L. 97-113, § 105(a), substituted "\$800,000,000 for the fiscal year 1982 and \$800,000,000 for the fiscal year 1983" for "\$500,000,000 for the fiscal year 1981".

Subsec. (b). Pub. L. 97-113, § 105(b), prescribed in par. (1) \$800,000,000 limit on credits for fiscal years 1982 and 1983, striking out \$500,000,000 limit for fiscal year 1981, in par. (2) \$3,269,525,000 limit on total principal amount of guaranteed loans for fiscal years 1982 and 1983, striking out \$2,616,000,000 limit for fiscal year 1981, and in par. (3) \$1,400,000,000 minimum for Israel in fiscal years 1982 and 1983, the same sum made available for fiscal year 1981, including requirement of \$550,000,000 minimum of such funds for such fiscal years as credits under section 2763 of this title, striking out requirement for Israeli use of \$200,000,000 of available funds only for relocation costs from the Sinai, and added pars. (4) to (7).

Subsec. (c). Pub. L. 97-113, § 105(c)(1)-(3), substituted "fiscal year 1982 and for the fiscal year 1983" for "fiscal year 1981", "\$550,000,000" for "\$500,000,000", and "each such year" for "such year".

1980—Subsec. (a). Pub. L. 96-533, §§ 104(d), 106(a), placed a limit on extension of credits and loan guarantees not to exceed amount established in appropriation of funds to carry out this chapter and substituted "\$500,000,000 for the fiscal year 1981" for "\$673,500,000 for the fiscal year 1980".

Subsec. (b). Pub. L. 96-533, § 106(b), in revising subsec. (b), substituted par. (1) and (2) limits on amount of credits or participations in credits and loan guarantees for fiscal year 1981 in amounts of \$500,000,000 and \$2,616,000,000 for prior combined sum limited to \$2,235,000,000 for fiscal year 1980 and substituted par. (3) earmarking minimum of \$1,400,000,000 only for Israel for fiscal year 1981, including availability of \$200,000,000 for costs associated with relocation of Israeli forces from

the Sinai for prior prescription of minimum sum of \$1,000,000,000 as available only for Israel.

Subsec. (c). Pub. L. 96-533, §§105(b)(3), 106(c), substituted “defense articles, defense services, and design and construction services” for “defense articles and defense services” in two places, “1981” for “1980” in two places, and “\$500,000,000” for “one-half”.

1979—Subsec. (a). Pub. L. 96-92, §17(a)(1), substituted “\$673,500,000 for the fiscal year 1980” for “\$682,000,000 for the fiscal year 1978 and \$674,300,000 for the fiscal year 1979”.

Subsec. (b). Pub. L. 96-92, §17(a)(2), substituted “\$2,235,000,000 for the fiscal year 1980, of which” for “\$2,152,350,000 for the fiscal year 1978 and \$2,085,500,000 for the fiscal year 1979, of which amount for each such year”.

Subsec. (c). Pub. L. 96-92, §17(a)(3), substituted “fiscal year 1980” for “fiscal year 1979”.

Subsec. (d). Pub. L. 96-92, §17(a)(4), substituted “\$250,000,000” for “\$150,000,000”.

1978—Subsec. (a). Pub. L. 95-384, §20(a), substituted “\$682,000,000 for the fiscal year 1978 and \$674,300,000 for the fiscal year 1979” for “\$677,000,000 for the fiscal year 1978”.

Subsec. (b). Pub. L. 95-384, §20(b), substituted “\$2,152,350,000 for the fiscal year 1978 and \$2,085,500,000 for the fiscal year 1979, of which amount for each such year” for “\$2,102,350,000 for the fiscal year 1978, of which”.

Subsec. (c). Pub. L. 95-384, §20(c), substituted “fiscal year 1979” for “fiscal year 1978”.

Subsec. (d). Pub. L. 95-384, §20(d), substituted “\$150,000,000” for “\$100,000,000”.

1977—Subsec. (a). Pub. L. 95-92, §19(1), substituted “\$677,000,000 for the fiscal year 1978” for “\$1,039,000,000 for the fiscal year 1976 and not to exceed \$740,000,000 for the fiscal year 1977”.

Subsec. (b). Pub. L. 95-92, §19(2), substituted “\$2,102,350,000 for the fiscal year 1978” for “\$2,374,700,000 for the fiscal year 1976, of which not less than \$1,500,000,000 shall be available only for Israel, and shall not exceed \$2,022,100,000 for the fiscal year 1977”.

Subsec. (c). Pub. L. 95-92, §19(3), substituted “year 1978” for “years 1976 and 1977” and struck out “each” before “such year”.

1976—Subsec. (a). Pub. L. 94-329, §210(a), substituted provisions authorizing appropriations not to exceed \$1,039,000,000 for the fiscal year 1976 and not to exceed \$740,000,000 for the fiscal year 1977, for provisions authorizing appropriations not to exceed \$405,000,000 for the fiscal year 1975.

Subsec. (b). Pub. L. 94-329, §210(b), substituted provisions setting out the foreign military sales credit ceiling of \$2,374,700,000 for the fiscal year 1976, of which not less than \$1,500,000,000 shall be available only for Israel, and \$2,022,100,000 for the fiscal year 1977, of which not less than \$1,000,000,000 shall be available only for Israel, for provisions setting out such ceiling of \$872,500,000 for the fiscal year 1975, of which amount not less than \$300,000,000 shall be available to Israel only, and struck out provisions relating to obligation of \$100,000,000 for financing procurement of defense articles and services by Israel and for release of Israel from contractual liability to repay United States Government for the defense article and services so financed.

Subsecs. (c), (d). Pub. L. 94-329, §210(c)(1), added subsecs. (c) and (d).

1974—Subsec. (a). Pub. L. 93-559, §45(a)(6), substituted “\$405,000,000 for the fiscal year 1975” for “\$325,000,000 for the fiscal year 1974”.

Subsec. (b). Pub. L. 93-559, §45(a)(7), substituted “\$872,500,000 for the fiscal year 1975” for “\$730,000,000 for the fiscal year 1974” and provided for obligation of \$100,000,000 for financing procurement of defense articles and defense services by Israel and for release of Israel from contractual liability to repay the United States Government for the defense articles and defense services so financed.

1973—Subsec. (a). Pub. L. 93-189, §25(5), substituted provision authorizing appropriation of not more than

\$325,000,000 for the fiscal year 1974, for provision authorizing appropriation of not more than \$400,000,000 for the fiscal year 1972.

Subsec. (b). Pub. L. 93-189, §25(6), substituted provisions setting out the foreign military sales credit ceiling of \$730,000,000 for the fiscal year 1974, of which amount not less than \$300,000,000 shall be made available to Israel, for provisions setting out such ceiling of \$550,000,000 for the fiscal year 1972, of which amount not less than \$300,000,000 shall be made available to Israel, and such amount to exclude credits covered by guarantees issued under section 2764(b) of this title.

1972—Subsec. (a). Pub. L. 92-226, §401(a), substituted provision authorizing appropriation of not more than \$400,000,000 for the fiscal year 1972, for provisions authorizing appropriation of not more than \$250,000,000 for each of the fiscal years 1970 and 1971.

Subsec. (b). Pub. L. 92-226, §401(b), substituted provisions setting out the foreign military sales credit ceiling of \$550,000,000 for the fiscal year 1972, of which amount not less than \$300,000,000 shall be made available to Israel, for provisions setting out such ceiling of \$340,000,000 for the fiscal years 1970 and 1971.

1971—Subsec. (a). Pub. L. 91-672, §2(1), substituted provisions authorizing appropriation of not more than \$250,000,000 for each of the fiscal years 1970 and 1971 for provisions authorizing appropriation of not more than \$296,000,000 for the fiscal year 1969.

Subsec. (b). Pub. L. 91-672, §2(2), substituted provisions setting out the foreign military sales credit ceiling of \$340,000,000 for the fiscal years 1970 and 1971 for provisions setting out such ceiling of \$296,000,000 for the fiscal year 1969.

EFFECTIVE DATE OF 1985 AMENDMENT

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

EFFECTIVE DATE

Section effective July 1, 1968, see section 41 of Pub. L. 90-629, set out as a note under section 2751 of this title.

CEILINGS ON LOANS FOR GREECE, SUDAN, AND TURKEY, FISCAL YEAR 1980; REPAYMENT PERIOD; GRACE PERIOD FOR REPAYMENT OF PRINCIPAL

Pub. L. 96-92, §17(b), Oct. 29, 1979, 93 Stat. 709, provided that: “Of the principal amount of loans guaranteed for the fiscal year 1980 under section 24 of the Arms Export Control Act [section 2764 of this title]—

“(1) with respect to Turkey, not to exceed \$50,000,000,

“(2) with respect to Greece, not to exceed \$42,000,000, and

“(3) with respect to Sudan, not to exceed \$25,000,000, shall be repaid in not less than 20 years, following a grace period of 10 years on repayment of principal.”

§ 2772. Repealed. Pub. L. 102-429, title I, § 112(e), Oct. 21, 1992, 106 Stat. 2195

Section, Pub. L. 90-629, ch. 3, §32, Oct. 22, 1968, 82 Stat. 1325, prohibited certain military export financing by Export-Import Bank.

§ 2773. Restraint in arms sales to Sub-Saharan Africa

It is the sense of the Congress that the problems of Sub-Saharan Africa are primarily those of economic development and that United States policy should assist in limiting the development of costly military conflict in that region. Therefore, the President shall exercise restraint in selling defense articles and defense services, and in providing financing for sales of defense articles and defense services, to countries in Sub-Saharan Africa.