109TH CONGRESS
2D SESSION

H. R. 4681

IN THE SENATE OF THE UNITED STATES

MAY 24, 2006

Received

MAY 25, 2006

Read twice and referred to the Committee on Foreign Relations

AN ACT

To promote the development of democratic institutions in areas under the administrative control of the Palestinian Authority, and for other purposes.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE.

This Act may be cited as the “Palestinian Anti-Terrorism Act of 2006”.

SEC. 2. LIMITATION ON ASSISTANCE TO THE PALESTINIAN AUTHORITY.

(a) DECLARATION OF POLICY.—It shall be the policy of the United States—

(1) to support a peaceful, two-state solution to end the conflict between Israel and the Palestinians in accordance with the Performance-Based Roadmap to a Permanent Two-State Solution to the Israeli-Palestinian Conflict (commonly referred to as the “Roadmap”);

(2) to oppose those organizations, individuals, and countries that support terrorism and violence;

(3) to urge members of the international community to avoid contact with and refrain from financially supporting the terrorist organization Hamas or a Hamas-controlled Palestinian Authority until Hamas agrees to recognize Israel, renounce violence, disarm, and accept prior agreements, including the Roadmap;

(4) to promote the emergence of a democratic Palestinian governing authority that—

(A) denounces and combats terrorism;
(B) has agreed to and is taking action to disarm and dismantle any terrorist agency, network, or facility;

(C) has agreed to work to eliminate anti-Israel and anti-Semitic incitement and the commemoration of terrorists in Palestinian society;

(D) has agreed to respect the sovereignty of its neighbors;

(E) acknowledges, respects, and upholds the human rights of all people;

(F) implements the rule of law, good governance, and democratic practices, including conducting free, fair, and transparent elections in compliance with international standards;

(G) ensures institutional and financial transparency and accountability; and

(H) has agreed to recognize the State of Israel as an independent, sovereign, Jewish, democratic state; and

(5) to continue to support assistance to the Palestinian people.

(b) AMENDMENTS.—Chapter 1 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2351 et seq.) is amended—
(1) by redesignating the second section 620G
(as added by section 149 of Public Law 104–164
(110 Stat. 1436)) as section 620J; and
(2) by adding at the end the following new sec-
tion:

"SEC. 620K. LIMITATION ON ASSISTANCE TO THE PALES-
TINIAN AUTHORITY.

"(a) LIMITATION.—Except as provided in subsection
(e), assistance may be provided under this Act to the Pal-
estinian Authority only during a period for which a certifi-
cation described in subsection (b) is in effect.

"(b) CERTIFICATION.—A certification described in
this subsection is a certification transmitted by the Presi-
dent to Congress that contains a determination of the
President that—

"(1) no ministry, agency, or instrumentality of
the Palestinian Authority is controlled by a foreign
terrorist organization and no member of a foreign
terrorist organization serves in a senior policy mak-
ing position in a ministry, agency, or instrumentality
of the Palestinian Authority;

"(2) the Palestinian Authority has—

"(A) publicly acknowledged Israel’s right
to exist as a Jewish state; and
“(B) recommitted itself and is adhering to all previous agreements and understandings by the Palestine Liberation Organization and the Palestinian Authority with the Government of the United States, the Government of Israel, and the international community, including agreements and understandings pursuant to the Performance-Based Roadmap to a Permanent Two-State Solution to the Israeli-Palestinian Conflict (commonly referred to as the ‘Roadmap’); and

“(3) the Palestinian Authority has taken effective steps and made demonstrable progress toward—

“(A) completing the process of purging from its security services individuals with ties to terrorism;

“(B) dismantling all terrorist infrastructure, confiscating unauthorized weapons, arresting and bringing terrorists to justice, destroying unauthorized arms factories, thwarting and pre-empting terrorist attacks, and fully cooperating with Israel’s security services;

“(C) halting all anti-Israel incitement in Palestinian Authority-controlled electronic and print media and in schools, mosques, and other
institutions it controls, and replacing these ma-
terials, including textbooks, with materials that
promote tolerance, peace, and coexistence with
Israel;

“(D) ensuring democracy, the rule of law,
and an independent judiciary, and adopting
other reforms such as ensuring transparent and
accountable governance; and

“(E) ensuring the financial transparency
and accountability of all government ministries
and operations.

“(c) Recertifications.—Not later than 90 days
after the date on which the President transmits to Con-
gress an initial certification under subsection (b), and
every six months thereafter—

“(1) the President shall transmit to Congress a
recertification that the requirements contained in
subsection (b) are continuing to be met; or

“(2) if the President is unable to make such a
recertification, the President shall transmit to Con-
gress a report that contains the reasons therefor.

“(d) Congressional Notification.—Assistance
made available under this Act to the Palestinian Authority
may not be provided until 15 days after the date on which
the President has provided notice thereof to the Com-
mittee on International Relations and the Committee on Appropriations of the House of Representatives and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate in accordance with the procedures applicable to reprogramming notifications under section 634A(a) of this Act.

“(e) EXCEPTIONS.—

“(1) IN GENERAL.—Subsection (a) shall not apply with respect to the following:

“(A) ASSISTANCE TO INDEPENDENT ELECTIONS COMMISSIONS.—Assistance to any Palestinian independent election commission if the President transmits to Congress a certification that contains a determination of the President that—

“(i) no member of such commission is a member of, affiliated with, or appointed by a foreign terrorist organization; and

“(ii) each member of such commission is independent of the influence of any political party or movement.

“(B) ASSISTANCE TO SUPPORT THE MIDDLE EAST PEACE PROCESS.—Assistance to the Office of the President of the Palestinian Authority for non-security expenses directly re-
lated to facilitating a peaceful resolution of the Israeli-Palestinian conflict or for the personal security detail of the President of the Palestinian Authority if the President transmits to Congress a certification that contains a determination of the President that—

“(i) such assistance is critical to facilitating a peaceful resolution of the Israeli-Palestinian conflict;

“(ii) the President of the Palestinian Authority is not a member of or affiliated with a foreign terrorist organization and has rejected the use of terrorism to resolve the Israeli-Palestinian conflict;

“(iii) such assistance will not be used to provide funds to any individual who is a member of or affiliated with a foreign terrorist organization or who has not rejected the use of terrorism to resolve the Israeli-Palestinian conflict; and

“(iv) such assistance will not be re-transferred to any other entity within or outside of the Palestinian Authority except as payment for legal goods or services rendered.
“(2) ADDITIONAL REQUIREMENTS.—Assistance described in paragraph (1) may be provided only if the President—

“(A) determines that the provision of such assistance is important to the national security interests of the United States; and

“(B) not less than 30 days prior to the obligation of amounts for the provision of such assistance—

“(i) consults with the appropriate congressional committees regarding the specific programs, projects, and activities to be carried out using such assistance; and

“(ii) submits to the appropriate congressional committees a written memorandum that contains the determination of the President under subparagraph (A).

“(3) DEFINITION.—In this subsection, the term ‘appropriate congressional committees’ means—

“(A) the Committee on International Relations and the Committee on Appropriations of the House of Representatives; and

“(B) the Committee on Foreign Relations and the Committee on Appropriations of the Senate.
“(f) DEFINITIONS.—In this section:

“(1) FOREIGN TERRORIST ORGANIZATION.—
The term ‘foreign terrorist organization’ means an organization designated as a foreign terrorist organization by the Secretary of State in accordance with section 219(a) of the Immigration and Nationality Act (8 U.S.C. 1189(a)).

“(2) PALESTINIAN AUTHORITY.—The term ‘Palestinian Authority’ means the interim Palestinian administrative organization that governs part of the West Bank and all of the Gaza Strip (or any successor Palestinian governing entity), including the Palestinian Legislative Council.”.

(e) APPLICABILITY TO UNEXPENDED FUNDS.—Section 620K of the Foreign Assistance Act of 1961, as added by subsection (b), applies with respect to unexpended funds obligated for assistance under the Foreign Assistance Act of 1961 to the Palestinian Authority before the date of the enactment of this Act.

(d) REPORT BY COMPTROLLER GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the appropriate congressional committees a report that contains a review of the proposed procedures by which United States assistance to the Palestinian Authority
under the Foreign Assistance Act of 1961 will be audited
by the Department of State, the United States Agency for
International Development, and all other relevant depart-
ments and agencies of the Government of the United
States and any recommendations for improvement of such
procedures.

(e) Sense of Congress.—It is the sense of Con-
gress that the President should be guided by the principles
and procedures described in section 620K of the Foreign
Assistance Act of 1961, as added by subsection (b), in pro-
viding direct assistance to the Palestinian Authority under
any provision of law other than the Foreign Assistance

SEC. 3. LIMITATION ON ASSISTANCE FOR THE WEST BANK
AND GAZA.

(a) Amendment.—Chapter 1 of part III of the For-
eign Assistance Act of 1961 (22 U.S.C. 2351 et seq.), as
amended by section 2(b)(2) of this Act, is further amended
by adding at the end the following new section:

“SEC. 620L. LIMITATION ON ASSISTANCE FOR THE WEST
BANK AND GAZA.

“(a) Limitation.—Except as provided in subsection
(d), assistance may be provided under this Act to non-
governmental organizations for the West Bank and Gaza
only during a period for which a certification described
in section 620K(b) of this Act is in effect with respect to the Palestinian Authority.

"(b) MARKING REQUIREMENT.—Assistance provided under this Act to nongovernmental organizations for the West Bank and Gaza shall be marked as assistance from the Government of the United States unless the Secretary of State or the Administrator of the United States Agency for International Development determines that such marking will endanger the lives or safety of persons delivering or receiving such assistance or would have a material adverse effect on the implementation of such assistance.

"(c) CONGRESSIONAL NOTIFICATION.—Assistance made available under this Act to nongovernmental organizations for the West Bank and Gaza may not be provided until 15 days after the date on which the President has provided notice thereof to the Committee on International Relations and the Committee on Appropriations of the House of Representatives and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate in accordance with the procedures applicable to reprogramming notifications under section 634A(a) of this Act.

"(d) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following:
“(1) ASSISTANCE TO MEET BASIC HUMAN
health needs.—The provision of food, water,
medicine, sanitation services, or other assistance to
directly meet basic human health needs.

“(2) OTHER TYPES OF ASSISTANCE.—The pro-
vision of any other type of assistance if the Presi-
dent—

“(A) determines that the provision of such
assistance will further the national security in-
terests of the United States; and

“(B) not less than 25 days prior to the ob-
ligation of amounts for the provision of such as-
sistance—

“(i) consults with the appropriate con-
gressional committees regarding the spe-
cific programs, projects, and activities to
be carried out using such assistance; and

“(ii) submits to the appropriate con-
gressional committees a written memo-
randum that contains the determination of
the President under subparagraph (A) and
an explanation of how failure to provide
the proposed assistance would be incon-
sistent with furthering the national secu-
ry interests of the United States.
“(3) DEFINITION.—In this subsection, the term ‘appropriate congressional committees’ means—

“(A) the Committee on International Relations and the Committee on Appropriations of the House of Representatives; and

“(B) the Committee on Foreign Relations and the Committee on Appropriations of the Senate.”.

(b) OVERSIGHT AND RELATED REQUIREMENTS.—

(1) OVERSIGHT.—For each of the fiscal years 2007 and 2008, the Secretary of State shall certify to the appropriate congressional committees not later than 30 days prior to the initial obligation of amounts for assistance to nongovernmental organizations for the West Bank or Gaza under the Foreign Assistance Act of 1961 that procedures have been established to ensure that the Comptroller General of the United States will have access to appropriate United States financial information in order to review the use of such assistance.

(2) VETTING.—Prior to any obligation of amounts for assistance to nongovernmental organizations for the West Bank or Gaza under the Foreign Assistance Act of 1961, the Secretary of State shall take all appropriate steps to ensure that such
assistance is not provided to or through any individual or entity that the Secretary knows, or has reason to believe, advocates, plans, sponsors, engages in, or has engaged in, terrorist activity. The Secretary shall, as appropriate, establish procedures specifying the steps to be taken in carrying out this paragraph and shall terminate assistance to any individual or entity that the Secretary has determined advocates, plans, sponsors, or engages in terrorist activity.

(3) Prohibition.—No amounts made available for any fiscal year for assistance to nongovernmental organizations for the West Bank or Gaza under the Foreign Assistance Act of 1961 may be made available for the purpose of recognizing or otherwise honoring individuals or the families of individuals who commit, or have committed, acts of terrorism.

(4) Audits.—

(A) In General.—The Administrator of the United States Agency for International Development shall ensure that independent audits of all contractors and grantees, and significant subcontractors and subgrantees, that receive amounts for assistance to nongovernmental organizations for the West Bank or Gaza under
the Foreign Assistance Act of 1961 are conducted to ensure, among other things, compliance with this subsection.

(B) Audits by Inspector General of USAID.—Of the amounts available for any fiscal year for assistance to nongovernmental organizations for the West Bank or Gaza under the Foreign Assistance Act of 1961, up to $1,000,000 for each such fiscal year may be used by the Office of the Inspector General of the United States Agency for International Development for audits, inspections, and other activities in furtherance of the requirements of subparagraph (A). Such amounts are in addition to amounts otherwise available for such purposes.

(c) Sense of Congress.—It is the sense of Congress that the President should be guided by the principles and procedures described in section 620L of the Foreign Assistance Act of 1961, as added by subsection (a), in providing assistance to nongovernmental organizations for the West Bank and Gaza under any provision of law other than the Foreign Assistance Act of 1961.

SEC. 4. UNITED NATIONS AGENCIES AND PROGRAMS.

(a) Review and Report.—
(1) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the President shall—

(A) conduct an audit of the functions of the entities specified in paragraph (2); and

(B) transmit to the appropriate congressional committees a report containing recommendations for the elimination of such entities and efforts that are duplicative or fail to ensure balance in the approach of the United Nations to Israeli-Palestinian issues.

(2) ENTITIES SPECIFIED.—The entities referred to in paragraph (1) are the following:

(A) The United Nations Division for Palestinian Rights.

(B) The Committee on the Exercise of the Inalienable Rights of the Palestinian People.

(C) The United Nations Special Coordinator for the Middle East Peace Process and Personal Representative to the Palestine Liberation Organization and the Palestinian Authority.

(D) The NGO Network on the Question of Palestine.
(E) The Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Palestinian People and Other Arabs of the Occupied Territories.

(F) Any other entity the Secretary determines results in duplicative efforts or funding or fails to ensure balance in the approach to Israeli-Palestinian issues.

(b) Implementation of Recommendations by Permanent Representative.—

(1) In general.—The United States Permanent Representative to the United Nations shall use the voice, vote, and influence of the United States at the United Nations to seek the implementation of the recommendations contained in the report required under subsection (a)(1)(B).

(2) Withholding of Funds.—Until the President certifies to the Congress that such recommendations have been implemented, the Secretary of State should withhold from United States contributions to the regular assessed budget of the United Nations for a biennial period amounts that are proportional to the percentage of such budget that are expended for such entities.
(c) GAO Audit.—The Comptroller General shall conduct an audit of the status of the implementation of the recommendations contained in the report required under subsection (a)(1)(B).

(d) Withholding of Funds With Respect to the Palestinian Authority.—

(1) Assessed Contributions.—The Secretary of State should withhold from United States contributions to the regular assessed budget of the United Nations for a biennial period amounts that are equal to the amounts of such budget that are expended by any United Nations affiliated or specialized agency for assistance directly to the Palestinian Authority.

(2) Voluntary Contributions.—The Secretary of State shall withhold from United States contributions to the voluntary budget of the United Nations for a biennial period amounts that are equal to the amounts of such budget that are expended by any United Nations affiliated or specialized agency for assistance directly to the Palestinian Authority.

(3) Definition.—For the purposes of this section, the term “amounts of such budget that are expended by any United Nations affiliated or special-
ized agency for assistance directly to the Palestinian Authority’’ does not include—

(A) amounts expended during any period for which a certification described in section 620K(b) of the Foreign Assistance Act of 1961 (as added by section 2(b)(2) of this Act) is in effect with respect to the Palestinian Authority; or

(B) amounts expended for assistance of the type of assistance described in section 104(c), 104A, 104B, or 104C of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b, 2151b–2, 2151b–3, or 2151b–4) and which would, if provided by the Government of the United States, be permitted under such sections, or under chapter 4 of part II of such Act (22 U.S.C. 2346 et seq.) to carry out the purposes of such sections, by reason of the application of section 104(c)(4) of such Act.

SEC. 5. DESIGNATION OF TERRITORY CONTROLLED BY THE PALESTINIAN AUTHORITY AS TERRORIST SANCTUARY.

It is the sense of Congress that, during any period for which a certification described in section 620K(b) of the Foreign Assistance Act of 1961 (as added by section
2(b)(2) of this Act) is not in effect with respect to the
Palestinian Authority, the territory controlled by the Pal-
estinian Authority should be deemed to be in use as a
sanctuary for terrorists or terrorist organizations for pur-
poses of section 6(j)(5) of the Export Administration Act
of 1979 (50 U.S.C. App. 2405(j)(5)) and section 140 of
the Foreign Relations Authorization Act, Fiscal Years

SEC. 6. DENIAL OF VISAS FOR OFFICIALS OF THE PALES-
TINIAN AUTHORITY.

(a) IN GENERAL.—A visa shall not be issued to any
alien who is an official of, affiliated with, or serving as
a representative of the Palestinian Authority during any
period for which a certification described in section
620K(b) of the Foreign Assistance Act of 1961 (as added
by section 2(b)(2) of this Act) is not in effect with respect
to the Palestinian Authority.

(b) WAIVER.—Subsection (a) shall not apply—

(1) if the President determines and certifies to
the appropriate congressional committees, on a case-
by-case basis, that the issuance of a visa to an alien
described in such subsection is important to the na-
tional security interests of the United States; or

(2) with respect to visas issued in connection
with United States obligations under the Act of Au-
gust 4, 1947 (61 Stat. 756) (commonly known as
the “United Nations Headquarters Agreement
Act”).

SEC. 7. TRAVEL RESTRICTIONS ON OFFICIALS AND REP-
RESENTATIVES OF THE PALESTINIAN AU-
THORITY AND THE PALESTINE LIBERATION
ORGANIZATION STATIONED AT THE UNITED
NATIONS IN NEW YORK CITY.

The President shall restrict the travel of officials and representatives of the Palestinian Authority and of the Palestine Liberation Organization who are stationed at the United Nations in New York City to a 25-mile radius of the United Nations headquarters building during any period for which a certification described in section 620K(b) of the Foreign Assistance Act of 1961 (as added by section 2(b)(2) of this Act) is not in effect with respect to the Palestinian Authority.

SEC. 8. PROHIBITION ON PALESTINIAN AUTHORITY REP-
RESENTATION IN THE UNITED STATES.

(a) Prohibition.—Notwithstanding any other provi-
sion of law, it shall be unlawful to establish or maintain an office, headquarters, premises, or other facilities or es-
tablishments within the jurisdiction of the United States at the behest or direction of, or with funds provided by, the Palestinian Authority or the Palestine Liberation Or-
organization during any period for which a certification de-
scribed in section 620K(b) of the Foreign Assistance Act
of 1961 (as added by section 2(b)(2) of this Act) is not
in effect with respect to the Palestinian Authority.

(b) Enforcement.—

(1) Attorney General.—The Attorney Gen-
eral shall take the necessary steps and institute the
necessary legal action to effectuate the policies and
provisions of subsection (a), including steps nec-
essary to apply the policies and provisions of sub-
section (a) to the Permanent Observer Mission of
Palestine to the United Nations.

(2) Relief.—Any district court of the United
States for a district in which a violation of sub-
section (a) occurs shall have authority, upon petition
of relief by the Attorney General, to grant injunctive
and such other equitable relief as it shall deem nec-
essary to enforce the provisions of subsection (a).

(c) Waiver.—

(1) Authority.—The President may waive the
application of subsection (a) for a period of 180
days if the President determines and certifies to the
appropriate congressional committees that such
waiver—
(A) is vital to the national security interests of the United States and provides an explanation of how the failure to waive the application of subsection (a) would be inconsistent with the vital national security interests of the United States; and

(B) would further the achievement of the requirements outlined in the certification described in section 620K(b) of the Foreign Assistance Act of 1961 (as added by section 2(b)(2) of this Act).

(2) RENEWAL.—The President may renew the waiver described in paragraph (1) for successive 180-day periods if the President makes the determination and certification described in such paragraph for each such period.

SEC. 9. INTERNATIONAL FINANCIAL INSTITUTIONS.

(a) UNITED STATES POLICY.—It shall be the policy of the United States that the United States Executive Director at each international financial institution shall use the voice, vote, and influence of the United States to prohibit assistance to the Palestinian Authority unless a certification described in subsection (b) is in effect with respect to the Palestinian Authority.
(b) CERTIFICATION.—A certification described in this subsection is a certification transmitted by the President to Congress that contains a determination of the President that the requirements of paragraphs (1), (2), and (3)(A), (B), (C), and (E) of section 620K(b) of the Foreign Assistance Act of 1961 (as added by section 2(b)(2) of this Act) are being met by the Palestinian Authority.

(c) DEFINITION.—In this section, the term “international financial institution” has the meaning given the term in section 1701(c)(2) of the International Financial Institutions Act.

SEC. 10. DIPLOMATIC CONTACTS WITH PALESTINIAN TERROR ORGANIZATIONS.

It shall be the policy of the United States that no officer or employee of the United States Government shall negotiate or have substantive contacts with members or official representatives of Hamas, Palestinian Islamic Jihad, the Popular Front for the Liberation of Palestine, al-Aqsa Martyrs Brigade, or any other Palestinian terrorist organization, unless and until such organization—

(1) recognizes Israel’s right to exist;

(2) renounces the use of terrorism;

(3) dismantles the infrastructure necessary to carry out terrorist acts, including the disarming of
militias and the elimination of all instruments of terror; and

(4) recognizes and accepts all previous agreements and understandings between the State of Israel and the Palestine Liberation Organization and the Palestinian Authority.

**SEC. 11. DEFINITIONS.**

In this Act:

(1) **APPROPRIATE CONGRESSIONAL COMMITTEES.**—The term “appropriate congressional committees” means—

(A) the Committee on International Relations and the Committee on Appropriations of the House of Representatives; and

(B) the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

(2) **PALESTINIAN AUTHORITY.**—The term “Palestinian Authority” has the meaning given the term
in section 620K(e)(2) of the Foreign Assistance Act of 1961 (as added by section 2(b)(2) of this Act).

Passed the House of Representatives May 23, 2006.

Attest: KAREN L. HAAS,

Clerk.