

115TH CONGRESS
1ST SESSION

H. RES. 113

Expressing the sense of the House of Representatives that the United States should continue to authorize cash flow financing to Egypt and expand other areas of cooperation.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 9, 2017

Mr. ROHRABACHER submitted the following resolution; which was referred to the Committee on Foreign Affairs, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

RESOLUTION

Expressing the sense of the House of Representatives that the United States should continue to authorize cash flow financing to Egypt and expand other areas of cooperation.

Whereas the United States and the Arab Republic of Egypt have enjoyed decades of cordial and productive relations;

Whereas Egypt is a vital United States ally in a region where many threats emerge and opportunities arise;

Whereas the United States deplores terrorist attacks in Egypt by the Islamic State of Iraq and the Levant (ISIL) and other terrorist organizations;

Whereas the United States applauds the Egyptian Government for having constructive ties and mutually beneficial relations with Israel and historic relations with its neighbors;

Whereas United States-Egypt relations are stronger when such relations are based on both mutual strategic interests and shared values;

Whereas, after a major popular uprising of 33,000,000 Egyptian citizens on July 3, 2013, removed from power former Egyptian President Mohammad Morsi of the Muslim Brotherhood, on June 8, 2014, Abdel Fattah el-Sisi was democratically sworn into office as President of Egypt;

Whereas Egypt maintains the longest standing parliamentary system in the region;

Whereas President el-Sisi has reached out to the minority Christian community in Egypt, calling for unity among all Egyptian citizens regardless of religion;

Whereas President el-Sisi has made courageous, but difficult, economic reforms to put the Egyptian economy back on keel;

Whereas under the first eight months of President el-Sisi's leadership, Egypt's debt fell 13.5 percent;

Whereas Moody's, Fitch, and Standard & Poor's have all upgraded Egypt's credit rating, as a result of its recent economic reforms;

Whereas Egypt has sought to partner with and emulate free societies around the world through its membership and participation in the United Nations, the World Trade Organization, the International Monetary Fund, and the World Bank;

Whereas President el-Sisi continues to defend the rights of all Egyptians without prejudice to religion, ethnicity or origin;

Whereas, on March 31, 2015, President Obama announced that the United States would stop offering cash flow financing (CFF) to Egypt starting in fiscal year 2018;

Whereas CFF is an important financial tool that allows foreign governments to fund United States defense equipment acquisition in installments over time, rather than full payment at once;

Whereas every Presidential administration since 1979, the first year CFF was authorized to Egypt, has provided CFF to Egypt, making President Obama's announcement a departure from long-standing United States policy;

Whereas the extension of CFF further strengthens ties between the United States and Egypt;

Whereas assistance from the Economic Support Fund (ESF) to Egypt has decreased from \$815,000,000 in fiscal year 1998 to \$241,000,000 in fiscal year 2013;

Whereas Congress cut the funding to Egypt from the ESF to \$200,000,000 in fiscal year 2014 and to \$150,000,000 in fiscal year 2015;

Whereas the Obama Administration's request for assistance to Egypt from the ESF for fiscal year 2016 and fiscal year 2017 was \$150,000,000;

Whereas coupled with the diminishing economic assistance from the United States, the refusal to authorize CFF to Egypt limits Egypt's ability to provide regional stability, adequately combat terrorism, and further develop its internal economy;

Whereas these developments also weaken the United States-Egyptian bilateral relationship;

Whereas the Qualified Industrial Zones (QIZ) are designated geographical areas in Egypt, the products of which are granted duty free access to United States markets provided such products meet specific targets of inputs from Israel;

Whereas there are over 15 Qualified Industrial Zones in Egypt which host over 700 qualifying companies;

Whereas companies operating within such zones have enjoyed more than \$1,000,000,000 in annual sales;

Whereas other benefits of the QIZ program include enhancing economic cooperation between Egypt and Israel, lower unemployment, and ever expanding business;

Whereas education remains another important area of cooperation between the United States and Egypt; and

Whereas the Egyptian economy has suffered tremendously in the past five years with an extreme slowdown in economic growth, a major reduction in foreign reserves, a diminishing inflow of income from tourism, a significant expense fighting terrorism, and management of a difficult economic transition with some, but not sufficient, assistance from the IMF: Now, therefore, be it

- 1 *Resolved*, That the House of Representatives—
- 2 (1) reaffirms its commitment to the fruitful alli-
- 3 ance between Egypt and the United States;
- 4 (2) sends its thoughts and prayers to the vic-
- 5 tims of terrorism in Egypt;

1 (3) stands with the people and the Government
2 of Egypt in the face of terrorism;

3 (4) stresses the importance of continuing to
4 provide Egypt with the current levels of military as-
5 sistance;

6 (5) calls for an increase to pre-fiscal year 2009
7 levels of United States economic aid to Egypt;

8 (6) calls for the President to reinstate cash flow
9 financing (CFF) to Egypt in 2018, and afterwards;

10 (7) reaffirms the importance of the United
11 States providing a \$10,000,000,000 loan guarantee
12 for five years;

13 (8) calls for the expansion of the QIZ program;
14 and

15 (9) supports greater academic cooperation be-
16 tween the United States and Egypt, to include the
17 extension of more scholarships to Egyptian students
18 studying in the United States.

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