

105TH CONGRESS
1ST SESSION

H. R. 3010

To amend the Foreign Assistance Act of 1961 to target assistance to support the economic and political independence of the countries of the South Caucasus.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 9, 1997

Mr. PALLONE (for himself, Mr. SHERMAN, Mr. FOX of Pennsylvania, Mr. VIS-CLOSKY, Mr. BONIOR, Ms. ESHOO, Mr. KENNEDY of Rhode Island, Mr. ROTHMAN, Mr. ROGAN, Mr. WEYGAND, Mr. RADANOVICH, Mr. MARKEY, Mr. MORAN of Virginia, and Mr. KENNEDY of Massachusetts) introduced the following bill; which was referred to the Committee on International Relations, and in addition to the Committees on Ways and Means, and Banking and Financial Services, 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

A BILL

To amend the Foreign Assistance Act of 1961 to target assistance to support the economic and political independence of the countries of the South Caucasus.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “United States-
5 Caucasus Policy Act of 1997”.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) The newly independent countries of the
4 South Caucasus region, Armenia, Georgia, and Azer-
5 baijan, after decades of domination as part of the
6 Soviet Union, have charted a new course as inde-
7 pendent, sovereign nations.

8 (2) Economic interdependence spurred mutual
9 cooperation among the peoples of the Caucasus and
10 restoration of the historic relationships and economic
11 ties between those peoples is an important element
12 of ensuring their sovereignty as well as the success
13 of democratic and market reforms.

14 (3) The development of strong political and eco-
15 nomic ties between countries of the South Caucasus
16 and the West will foster stability in the region.

17 (4) The development of open market economies,
18 open democratic systems, and the removal of all
19 blockades and border closures in the countries of the
20 South Caucasus will provide positive incentives for
21 international private investment, increased trade,
22 and other forms of commercial interactions with the
23 rest of the world.

24 (5) The Caspian Sea Basin, overlapping the
25 territory of the countries of the South Caucasus and

1 Central Asia, contains significant oil and gas re-
2 serves.

3 (6) The region of the South Caucasus and the
4 neighboring region of Central Asia may produce oil
5 and gas in sufficient quantities to reduce the de-
6 pendence of the United States on energy from the
7 volatile Persian Gulf region.

8 (7) United States foreign policy and inter-
9 national assistance should support democracy-build-
10 ing, free-market policies, human rights, and regional
11 economic integration among the countries of the
12 South Caucasus.

13 **SEC. 3. POLICY OF THE UNITED STATES.**

14 It shall be the policy of the United States in the coun-
15 tries of the South Caucasus—

16 (1) to promote and strengthen independence,
17 sovereignty, democratic government, and respect for
18 human rights;

19 (2) to assist actively in the resolution of re-
20 gional conflicts and the lifting of all blockades and
21 re-opening of closed borders;

22 (3) to promote friendly relations and economic
23 cooperation;

24 (4) to help promote market-oriented principles
25 and practices;

1 (5) to assist in the development of the infra-
2 structure necessary for communications, transpor-
3 tation, and energy and trade on an East-West axis
4 in order to build strong international relations and
5 commerce between those countries and the stable,
6 democratic, and market-oriented countries of the
7 Euro-Atlantic Community; and

8 (6) to support United States business interests
9 and investments in the region.

10 **SEC. 4. UNITED STATES EFFORTS TO RESOLVE CONFLICTS**

11 **IN GEORGIA AND AZERBAIJAN.**

12 It is the sense of Congress that the President should
13 use all diplomatic means practicable, including the engage-
14 ment of senior United States Government officials, to
15 press for an equitable, fair, and permanent resolution ac-
16 ceptable to all parties to the conflict in Nagorno-Karabakh
17 and other regional conflicts.

18 **SEC. 5. AMENDMENT OF THE FOREIGN ASSISTANCE ACT OF**

19 **1961.**

20 Part I of the Foreign Assistance Act of 1961 (22
21 U.S.C. 2151 et seq.) is amended by adding at the end
22 the following new chapter:

1 **“Chapter 12—Support for the Economic and**
2 **Political Independence of the Countries**
3 **of the South Caucasus**

4 **“SEC. 499. UNITED STATES ASSISTANCE TO PROMOTE REC-**
5 **ONCILIATION AND RECOVERY FROM RE-**
6 **GIONAL CONFLICTS.**

7 “(a) PURPOSE OF ASSISTANCE.—The purposes of as-
8 sistance under this section are—

9 “(1) to create the basis for reconciliation be-
10 tween conflicting parties;

11 “(2) to promote economic development in areas
12 of the countries of the South Caucasus impacted by
13 civil conflict and war; and

14 “(3) to encourage broad regional cooperation
15 among countries of the South Caucasus that have
16 been destabilized by internal conflicts.

17 “(b) AUTHORIZATION FOR ASSISTANCE.—

18 “(1) IN GENERAL.—To carry out the purposes
19 of subsection (a), the President is authorized to pro-
20 vide humanitarian assistance and economic recon-
21 struction assistance under this Act, and assistance
22 under the Migration and Refugee Assistance Act of
23 1962 (22 U.S.C. 2601 et seq.), to the countries of
24 the South Caucasus to support the activities de-
25 scribed in subsection (c).

1 “(2) DEFINITION OF HUMANITARIAN ASSIST-
2 ANCE.—In this subsection, the term ‘humanitarian
3 assistance’ means assistance to meet urgent humani-
4 tarian needs, in particular meeting needs for food,
5 medicine, medical supplies and equipment, and
6 clothing.

7 “(c) ACTIVITIES SUPPORTED.—Activities that may
8 be supported by assistance under subsection (b) are lim-
9 ited to—

10 “(1) providing for the essential needs of victims
11 of the conflicts and other individuals in need
12 throughout the South Caucasus region, including all
13 individuals residing in any area of such conflicts;

14 “(2) facilitating the return of refugees and in-
15 ternally displaced persons to their homes; and

16 “(3) assisting in the reconstruction of residen-
17 tial and economic infrastructure destroyed by war.

18 “(d) POLICY.—It is the sense of Congress that the
19 United States should, where appropriate, support the es-
20 tablishment of neutral, multinational peacekeeping forces
21 to implement peace agreements reached between
22 belligerents in the countries of the South Caucasus.

23 **“SEC. 499A. ECONOMIC ASSISTANCE.**

24 “(a) PURPOSE OF ASSISTANCE.—The purpose of as-
25 sistance under this section is to foster the conditions nec-

1 essary for regional economic cooperation in the South
2 Caucasus.

3 “(b) AUTHORIZATION FOR ASSISTANCE.—To carry
4 out the purpose of subsection (a), the President is author-
5 ized to provide technical assistance to the countries of the
6 South Caucasus to support the activities described in sub-
7 section (c).

8 “(c) ACTIVITIES SUPPORTED.—Activities that may
9 be supported by assistance under subsection (b)—

10 “(1) shall be limited to the development of the
11 structures and means necessary for the growth of
12 private sector economies based upon market prin-
13 ciples; and

14 “(2) shall not include assistance that jeopard-
15 izes or otherwise interferes with the ongoing efforts
16 to resolve the conflicts in the South Caucasus re-
17 gion.

18 “(d) POLICY.—It is the sense of Congress that the
19 United States should—

20 “(1) assist the countries of the South Caucasus
21 to develop laws and regulations that would facilitate
22 the ability of those countries to join the World
23 Trade Organization;

1 “(2) provide permanent nondiscriminatory trade
2 treatment (MFN status) to the countries of the
3 South Caucasus; and

4 “(3) consider the establishment of zero-to-zero
5 tariffs between the United States and the countries
6 of the South Caucasus.

7 **“SEC. 499B. DEVELOPMENT OF INFRASTRUCTURE.**

8 “(a) PURPOSE OF ASSISTANCE.—The purposes of as-
9 sistance under this section are—

10 “(1) to develop the physical infrastructure nec-
11 essary for regional cooperation among the countries
12 of the South Caucasus; and

13 “(2) to encourage closer economic relations be-
14 tween those countries and the United States and
15 other developed nations.

16 “(b) AUTHORIZATION FOR ASSISTANCE.—To carry
17 out the purposes of subsection (a), the following types of
18 assistance to the countries of the South Caucasus are au-
19 thorized to support the activities described in subsection
20 (c):

21 “(1) Activities by the Export-Import Bank to
22 complete the review process for eligibility for financ-
23 ing under the Export-Import Bank Act of 1945.

1 “(2) The provision of insurance, reinsurance, fi-
2 nancing, or other assistance by the Overseas Private
3 Investment Corporation.

4 “(3) Assistance under section 661 of this Act
5 (relating to the Trade and Development Agency).

6 “(c) ACTIVITIES SUPPORTED.—Activities that may
7 be supported by assistance under subsection (b)—

8 “(1) shall be limited to promoting actively the
9 participation of United States companies and inves-
10 tors in the planning, financing, and construction of
11 infrastructure for communications, transportation,
12 and energy and trade including highways, railroads,
13 port facilities, shipping, banking, insurance, tele-
14 communications networks, and gas and oil pipelines;
15 and

16 “(2) shall not include assistance that jeopard-
17 izes or otherwise interferes with the ongoing efforts
18 to resolve the conflicts in the South Caucasus re-
19 gion.

20 “(d) POLICY.—It is the sense of Congress that the
21 United States representatives at the World Bank, the
22 International Monetary Fund, and the European Bank for
23 Reconstruction and Development should encourage lend-
24 ing to the countries of the South Caucasus to assist the

1 development of the physical infrastructure necessary for
2 regional economic cooperation.

3 **“SEC. 499C. SECURITY ASSISTANCE.**

4 “(a) PURPOSE OF ASSISTANCE.—The purpose of as-
5 sistance under this section is to assist countries of the
6 South Caucasus to secure their borders and implement ef-
7 fective controls necessary to prevent the trafficking of ille-
8 gal narcotics and the proliferation of technology and mate-
9 rials related to weapons of mass destruction (as defined
10 in section 2332a(e)(2) of title 18, United States Code),
11 and to contain and inhibit transnational organized crimi-
12 nal activities.

13 “(b) AUTHORIZATION FOR ASSISTANCE.—To carry
14 out the purpose of subsection (a), the President is author-
15 ized to provide the following types of assistance to the
16 countries of the South Caucasus to support the activities
17 described in subsection (c):

18 “(1) Assistance under chapter 5 of part II of
19 this Act (relating to international military education
20 and training).

21 “(2) Assistance under chapter 8 of this part of
22 this Act (relating to international narcotics control
23 assistance).

24 “(3) The transfer of excess defense articles
25 under section 516 of this Act (22 U.S.C. 2321j).

1 “(c) ACTIVITIES SUPPORTED.—Activities that may
2 be supported by assistance under subsection (b)—

3 “(1) shall be limited to assisting those countries
4 of the South Caucasus in developing capabilities to
5 maintain national border guards, coast guard, and
6 customs controls; and

7 “(2) shall not include assistance that jeopard-
8 izes or otherwise interferes with the ongoing efforts
9 to resolve the conflicts in the South Caucasus re-
10 gion.

11 “(d) POLICY.—It is the sense of Congress that the
12 United States should encourage and assist the develop-
13 ment of regional military cooperation among the countries
14 of the South Caucasus through programs such as the
15 Central Asian Battalion and the Partnership for Peace of
16 the North Atlantic Treaty Organization.

17 **“SEC. 499D. STRENGTHENING DEMOCRACY, TOLERANCE,**
18 **AND THE DEVELOPMENT OF CIVIL SOCIETY.**

19 “(a) PURPOSE OF ASSISTANCE.—The purpose of as-
20 sistance under this section is to promote institutions of
21 democratic government and to create the conditions for
22 the growth of pluralistic societies, including religious toler-
23 ance.

24 “(b) AUTHORIZATION FOR ASSISTANCE.—To carry
25 out the purpose of subsection (a), the President is author-

1 ized to provide the following types of assistance to the
2 countries of the South Caucasus.

3 “(1) Technical assistance for democracy build-
4 ing.

5 “(2) Technical assistance for the development
6 of nongovernmental organizations.

7 “(3) Technical assistance for development of
8 independent media.

9 “(4) Technical assistance for the development
10 of the rule of law.

11 “(5) International exchanges and advanced pro-
12 fessional training programs in skill areas central to
13 the development of civil society.

14 “(c) **ACTIVITIES SUPPORTED.**—Activities that may
15 be supported by assistance under subsection (b) are lim-
16 ited to activities that directly and specifically are designed
17 to advance progress toward the development of democracy.

18 “(d) **POLICY.**—It is the sense of Congress that the
19 Voice of America and RFE/RL, Incorporated, should
20 maintain high quality broadcasting for the maximum du-
21 ration possible in the native languages of the countries of
22 the South Caucasus.

23 **“SEC. 499E. INELIGIBILITY FOR ASSISTANCE.**

24 “(a) **IN GENERAL.**—Except as provided in subsection
25 (b), assistance may not be provided under this chapter for

1 a country of the South Caucasus if the President deter-
2 mines and certifies to the appropriate congressional com-
3 mittees that the country—

4 “(1) is engaged in a consistent pattern of gross
5 violations of internationally recognized human
6 rights;

7 “(2) has established any border closure or use
8 of an economic or commercial blockade;

9 “(3) has, on or after the date of enactment of
10 this chapter, knowingly transferred to another coun-
11 try—

12 “(A) missiles or missile technology incon-
13 sistent with the guidelines and parameters of
14 the Missile Technology Control Regime (as de-
15 fined in section 11B(c) of the Export Adminis-
16 tration Act of 1979 950 U.S.C. App. 2410b(c);
17 or

18 “(B) any material, equipment, or tech-
19 nology that would contribute significantly to the
20 ability of such country to manufacture any
21 weapon of mass destruction (including nuclear,
22 chemical, and biological weapons) if the Presi-
23 dent determines that the material, equipment,
24 or technology was to be used by such country
25 in the manufacture of such weapons;

1 “(4) has supported acts of international terror-
2 ism;

3 “(5) is prohibited from receiving such assist-
4 ance by chapter 10 of the Arms Export Control Act
5 or section 306(a)(1) and 307 of the Chemical and
6 Biological Weapons Control and Warfare Elimini-
7 nation Act of 1991 (22 U.S.C. 5604(a)(1), 5605); or

8 “(6) has initiated an act of aggression against
9 another state or ethnic population in the region.

10 “(b) EXCEPTION TO INELIGIBILITY.—Notwithstand-
11 ing subsection (a), assistance may be provided under this
12 chapter if the President determines and certifies in ad-
13 vance to the appropriate congressional committees that
14 the provision of such assistance is important to the na-
15 tional interest of the United States.

16 **“SEC. 499F. ADMINISTRATIVE AUTHORITIES.**

17 “(a) ASSISTANCE THROUGH GOVERNMENTS AND
18 NONGOVERNMENTAL ORGANIZATIONS.—Assistance under
19 this chapter may be provided to governments or through
20 nongovernmental organizations.

21 “(b) USE OF ECONOMIC SUPPORT FUNDS.—Except
22 as otherwise provided, any funds that have been allocated
23 under chapter 4 of part II for assistance for the independ-
24 ent states of the former Soviet Union may be used in ac-
25 cordance with the provisions of this chapter.

1 “(c) TERMS AND CONDITIONS.—Assistance under
2 this chapter shall be provided on such terms and condi-
3 tions as the President may determine.

4 “(d) SUPERSEDING EXISTING LAW.—The authority
5 to provide assistance under this chapter supersedes any
6 other provision of law, except for—

7 “(1) this chapter;

8 “(2) section 634A of this Act and comparable
9 notification requirements contained in sections of the
10 annual foreign operations, export financing, and re-
11 lated programs Act;

12 “(3) section 907 of the Freedom for Russia and
13 Emerging Eurasian Democracies and Open Markets
14 Support Act of 1992 (22 U.S.C. 5812 note; relating
15 to restriction on assistance to Azerbaijan); and

16 “(4) section 1341 of title 31, United States
17 Code (commonly referred to as the “Anti-Deficiency
18 Act”), the Congressional Budget and Impoundment
19 Control Act of 1974, the Balanced Budget and
20 Emergency Deficit Control Act of 1985, and the
21 Budget Enforcement Act of 1990.

22 **“SEC. 499G. DEFINITIONS.**

23 “In this chapter:

24 “(1) APPROPRIATE CONGRESSIONAL COMMIT-
25 TEES.—The term ‘appropriate congressional com-

1 mittees’ means the Committee on Foreign Relations
2 of the Senate and the Committee on International
3 Relations of the House of Representatives.

4 “(2) COUNTRIES OF THE SOUTH CAUCASUS.—
5 The term ‘countries of the South Caucasus’ means
6 Armenia, Azerbaijan, and Georgia.”.

7 **SEC. 6. ANNUAL REPORT.**

8 Beginning one year after the date of enactment of
9 this Act, and annually thereafter, the President shall sub-
10 mit a report to the appropriate congressional commit-
11 tees—

12 (1) identifying the progress of United States
13 foreign policy to accomplish the policy identified in
14 section 3;

15 (2) evaluating the degree to which the assist-
16 ance authorized by chapter 12 of part I of the For-
17 eign Assistance Act of 1961, as added by section 5
18 of this Act, was able to accomplish the purposes
19 identified in those sections; and

20 (3) recommending any additional initiatives
21 that should be undertaken by the United States to
22 implement the policy and purposes contained in this
23 Act.

24 **SEC. 7. DEFINITIONS.**

25 In this Act:

1 (1) APPROPRIATE CONGRESSIONAL COMMIT-
2 TEES.—The term “appropriate congressional com-
3 mittees” means the Committee on Foreign Relations
4 of the Senate and the Committee on International
5 Relations of the House of Representatives.

6 (2) CENTRAL ASIA.—The term “Central Asia”
7 means Kazakstan, Kyrgystan, Tajikistan,
8 Turkmenistan, and Uzbekistan.

9 (3) COUNTRIES OF THE SOUTH CAUCASUS.—
10 The term “countries of the South Caucasus” means
11 Armenia, Azerbaijan, and Georgia.

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