

107<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2121

---

IN THE SENATE OF THE UNITED STATES

DECEMBER 12, 2001

Received; read twice and referred to the Committee on Foreign Relations

---

## AN ACT

To make available funds under the Foreign Assistance Act of 1961 to expand democracy, good governance, and anti-corruption programs in the Russian Federation in order to promote and strengthen democratic government and civil society in that country and to support independent media.

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 “Russian Democracy  
5 Act of 2001”.

6 **SEC. 2. FINDINGS AND PURPOSES.**

7       (a) FINDINGS.—Congress makes the following find-  
8 ings:

9           (1) Since the dissolution of the Soviet Union,  
10       the leadership of the Russian Federation has pub-  
11       licly committed itself to building—

12           (A) a society with democratic political in-  
13       stitutions and practices, the observance of uni-  
14       versally recognized standards of human rights,  
15       and religious and press freedom; and

16           (B) a market economy based on inter-  
17       nationally accepted principles of transparency,  
18       accountability, and the rule of law.

19       (2) In order to facilitate this transition, the  
20       international community has provided multilateral  
21       and bilateral technical assistance, and the United  
22       States’ contribution to these efforts has played an  
23       important role in developing new institutions built  
24       on democratic and liberal economic foundations and  
25       the rule of law.

1           (3)(A) Since 1992, United States Government  
2 democratic reform programs and public diplomacy  
3 programs, including training, small grants, and tech-  
4 nical assistance to independent television, radio, and  
5 print media across the Russian Federation, have  
6 strengthened nongovernment-owned media, provided  
7 access to and training in the use of the Internet,  
8 brought nearly 40,000 Russian citizens to the  
9 United States, and have led to the establishment of  
10 over 65,000 nongovernmental organizations, thou-  
11 sands of vibrant independent media outlets, and nu-  
12 merous political parties.

13           (B) These efforts contributed to the substan-  
14 tially free and fair Russian parliamentary elections  
15 in 1995 and 1999 and Presidential elections in 1996  
16 and 2000.

17           (4) The United States has assisted Russian ef-  
18 forts to replace its centrally planned, state-controlled  
19 economy with a market economy and helped create  
20 institutions and infrastructure for a market economy  
21 by encouraging the transparent privatization of  
22 state-owned enterprises. Approximately two-thirds of  
23 the Russian Federation's gross domestic product is  
24 now generated by the private sector.

1           (5)(A) The United States fostered grassroots  
2           entrepreneurship in the Russian Federation by fo-  
3           cusing United States economic assistance on small-  
4           and medium-sized businesses and by providing train-  
5           ing, consulting services, and small loans to more  
6           than 250,000 Russian entrepreneurs.

7           (B) There are now more than 900,000 small  
8           businesses in the Russian Federation, producing 12  
9           to 15 percent of the gross domestic product of the  
10          Russian Federation.

11          (C) United States-funded programs help to  
12          fight corruption and financial crime, such as money  
13          laundering, by helping to—

14                 (i) establish a commercial legal infrastruc-  
15                 ture;

16                 (ii) develop an independent judiciary;

17                 (iii) support the drafting of a new criminal  
18                 code, civil code, and bankruptcy law;

19                 (iv) develop a legal and regulatory frame-  
20                 work for the Russian Federation's equivalent of  
21                 the United States Securities and Exchange  
22                 Commission;

23                 (v) support Russian law schools;

24                 (vi) create legal aid clinics; and

1                   (vii) bolster law-related activities of non-  
2                   governmental organizations.

3                   (6) Because the capability of Russian demo-  
4                   cratic forces and the civil society to organize and de-  
5                   fend democratic gains without international support  
6                   is uncertain, and because the gradual integration of  
7                   the Russian Federation into the global order of free-  
8                   market, democratic nations will further enhance  
9                   Russian cooperation with the United States on a  
10                  wide-range of political, economic, and security  
11                  issues, the success of democracy in Russia is in the  
12                  national security interest of the United States, and  
13                  the United States Government should develop a far-  
14                  reaching and flexible strategy aimed at strength-  
15                  ening Russian society's support for democracy and a  
16                  market economy, particularly by enhancing Russian  
17                  democratic institutions and education, promoting the  
18                  rule of law, and supporting Russia's independent  
19                  media.

20                  (7) Since the tragic events of September 11,  
21                  2001, the Russian Federation has stood with the  
22                  United States and the civilized world in the struggle  
23                  against terrorism and has cooperated in the war in  
24                  Afghanistan by sharing intelligence and through  
25                  other means.

1 (b) PURPOSES.—The purposes of this Act are—

2 (1) to strengthen and advance institutions of  
3 democratic government and of a free and inde-  
4 pendent media and to sustain the development of an  
5 independent civil society in the Russian Federation  
6 based on religious and ethnic tolerance, internation-  
7 ally recognized human rights, and an internationally  
8 recognized rule of law; and

9 (2) to focus United States foreign assistance  
10 programs on using local expertise and giving local  
11 organizations a greater role in designing and imple-  
12 menting such programs, while maintaining appro-  
13 priate oversight and monitoring.

14 **SEC. 3. UNITED STATES POLICY TOWARD THE RUSSIAN**  
15 **FEDERATION.**

16 (a) SENSE OF CONGRESS.—It is the sense of Con-  
17 gress that the United States Government should—

18 (1) recognize that a democratic and economi-  
19 cally stable Russian Federation is inherently less  
20 confrontational and destabilizing in its foreign policy  
21 and therefore that the promotion of democracy in  
22 Russia is in the national security interests of the  
23 United States; and

24 (2) continue and increase assistance to the  
25 democratic forces in the Russian Federation, includ-

1       ing the independent media, regional administrations,  
2       democratic political parties, and nongovernmental  
3       organizations.

4       (b) STATEMENT OF POLICY.—It shall be the policy  
5 of the United States—

6           (1) to facilitate Russia’s integration into the  
7       Western community of nations, including supporting  
8       the establishment of a stable democracy and a mar-  
9       ket economy, and also including Russia’s member-  
10      ship in the appropriate international institutions;

11          (2) to engage the Government of Russian Fed-  
12      eration and Russian society in order to strengthen  
13      democratic reform and institutions, and to promote  
14      good governance principles based on the internation-  
15      ally recognized norms of transparency in business  
16      practices, the rule of law, religious freedom, and  
17      human rights;

18          (3) to advance a dialog between United States  
19      Government officials and private sector individuals  
20      and representatives of the Government of the Rus-  
21      sian Federation regarding Russian integration into  
22      the Western community of nations;

23          (4) to encourage United States Government of-  
24      ficials and private sector individuals to meet regu-  
25      larly with democratic activists, human rights activ-

1       ists, representatives of the independent media, rep-  
2       resentatives of nongovernmental organizations, civic  
3       organizers, and reform-minded politicians from Mos-  
4       cow and the various regions of the Russian Federa-  
5       tion;

6               (5) to incorporate democratic reforms, the pro-  
7       motion of an independent media, and economic re-  
8       forms in the broad United States agenda with the  
9       Government of the Russian Federation;

10              (6) to encourage the Government of the Rus-  
11       sian Federation to address cross-border issues, in-  
12       cluding the environment, crime, trafficking, and cor-  
13       ruption in a cooperative and transparent manner  
14       consistent with internationally recognized and ac-  
15       cepted principles of the rule of law;

16              (7) to consult with the Government of the Rus-  
17       sian Federation and the Russian Parliament on the  
18       adoption of economic and social reforms necessary to  
19       sustain Russian economic growth and to ensure Rus-  
20       sia's transition to a fully functioning market econ-  
21       omy;

22              (8) to persuade the Government of the Russian  
23       Federation to honor its commitments made to the  
24       Organization for Security and Cooperation in Eu-  
25       rope (OSCE) at the November 1999 Istanbul Con-

1       ference and to conduct a genuine good neighbor pol-  
2       icy toward the other independent states of the  
3       former Soviet Union in the spirit of internationally  
4       accepted principles of regional cooperation; and

5               (9) to encourage the G–7 partners and inter-  
6       national financial institutions, including the World  
7       Bank, the International Monetary Fund, and the  
8       European Bank for Reconstruction and Develop-  
9       ment, to develop financial safeguards and trans-  
10      parency practices in lending to the Russian Federa-  
11      tion.

12 **SEC. 4. AMENDMENTS TO THE FOREIGN ASSISTANCE ACT**  
13                               **OF 1961.**

14       (a) AMENDMENTS.—

15               (1) DEMOCRACY AND RULE OF LAW.—Section  
16       498(2) of the Foreign Assistance Act of 1961 (22  
17       U.S.C. 2295(2)) is amended—

18                       (A) in the heading, by striking “DEMOC-  
19       RACY” and inserting “DEMOCRACY AND RULE  
20       OF LAW”;

21                       (B) by striking subparagraphs (E) and  
22       (G);

23                       (C) by redesignating subparagraph (F) as  
24       subparagraph (I);

1 (D) by inserting after subparagraph (D)  
2 the following:

3 “(E) development and support of grass-  
4 roots and nongovernmental organizations pro-  
5 moting democracy, the rule of law, trans-  
6 parency, and accountability in the political  
7 process, including grants in small amounts to  
8 such organizations;

9 “(F) international exchanges to promote  
10 greater understanding by Russian Federation  
11 citizens on how democracy, public policy pro-  
12 cess, market institutions, and an independent ju-  
13 diciary function in Western societies;

14 “(G) political parties committed to pro-  
15 moting democracy, human rights, and economic  
16 reforms;

17 “(H) support for civic organizations com-  
18 mitted to promoting human rights; and”;

19 (E) by adding at the end the following:

20 “(J) strengthened administration of justice  
21 through programs and activities carried out in  
22 accordance with section 498B(e), including—

23 “(i) support for nongovernmental or-  
24 ganizations, civic organizations, and polit-

1 ical parties that favor a strong and inde-  
2 pendent judiciary based on merit;

3 “(ii) support for local organizations  
4 that work with judges and law enforcement  
5 officials in efforts to achieve a reduction in  
6 the number of pretrial detainees; and

7 “(iii) support for the creation of Rus-  
8 sian legal associations or groups that pro-  
9 vide training in human rights and advo-  
10 cacy, public education with respect to  
11 human rights-related laws and proposed  
12 legislation, and legal assistance to persons  
13 subject to improper government inter-  
14 ference.”.

15 (2) INDEPENDENT MEDIA.—Section 498 of the  
16 Foreign Assistance Act of 1961 (22 U.S.C. 2295) is  
17 amended—

18 (A) by redesignating paragraphs (3)  
19 through (13) as paragraphs (4) through (14),  
20 respectively; and

21 (B) by inserting after paragraph (2) the  
22 following:

23 “(3) INDEPENDENT MEDIA.—Developing a free  
24 and independent media, including—

1           “(A) supporting all forms of non-state-  
2 owned media reporting, including print, radio,  
3 and television;

4           “(B) providing special support for, and un-  
5 restricted public access to, nongovernmental  
6 Internet-based sources of information, dissemi-  
7 nation and reporting, including providing tech-  
8 nical and other support for web radio services,  
9 providing computers and other necessary re-  
10 sources for Internet connectivity and training  
11 new Internet users in nongovernmental and  
12 other civic organizations on methods and uses  
13 of Internet-based media; and

14           “(C) training in journalism, including in-  
15 vestigative journalism techniques which educate  
16 the public on the costs of corruption and act as  
17 a deterrent against corrupt officials.”.

18           (b) CONFORMING AMENDMENT.—Section 498B(e) of  
19 such Act is amended by striking “paragraph (2)(G)” and  
20 inserting “paragraph (2)(J)”.

21 **SEC. 5. ACTIVITIES TO SUPPORT THE RUSSIAN FEDERA-**  
22 **TION.**

23           (a) ASSISTANCE PROGRAMS.—In providing assistance  
24 to the Russian Federation under chapter 11 of part I of  
25 the Foreign Assistance Act of 1961 (22 U.S.C. 2295 et

1 seq.), the President is authorized to carry out the fol-  
2 lowing specific activities:

3           (1) Work with the Government of the Russian  
4           Federation, the Duma, and representatives of the  
5           Russian Federation judiciary to help implement a  
6           revised and improved code of criminal procedure and  
7           other laws.

8           (2) Establish civic education programs relating  
9           to democracy, public policy, the rule of law, and the  
10          importance of an independent media, including the  
11          establishment of “American Centers” and public pol-  
12          icy schools at Russian universities and programs by  
13          universities in the United States to offer courses  
14          through Internet-based off-site learning centers at  
15          Russian universities.

16          (3) Support the Regional Initiatives (RI) pro-  
17          gram, which provides targeted assistance in those re-  
18          gions of the Russian Federation that have dem-  
19          onstrated commitment to reform, democracy, and  
20          the rule of law, and which promote the concept of  
21          such programs as a model for all regions of the Rus-  
22          sian Federation.

23          (b) RADIO FREE EUROPE/RADIO LIBERTY AND  
24          VOICE OF AMERICA.—Radio Free Europe/Radio Liberty  
25          and the Voice of America should use new and innovative

1 techniques, in cooperation with local independent media  
2 sources, to disseminate information throughout the Rus-  
3 sian Federation relating to democracy, free-market eco-  
4 nomics, the rule of law, and human rights.

5 **SEC. 6. AUTHORIZATION OF ASSISTANCE FOR DEMOCRACY,**  
6 **INDEPENDENT MEDIA, AND THE RULE OF**  
7 **LAW.**

8 Of the amounts made available to carry out the provi-  
9 sion of chapter 11 of part I of the Foreign Assistance Act  
10 of 1961 (22 U.S.C. 2295 et seq.) and the Freedom for  
11 Russia and Emerging Eurasian Democracies and Open  
12 Markets Support Act of 1992 for fiscal year 2002, not  
13 less than \$50,000,000 is authorized to be available for the  
14 activities authorized by paragraphs (2) and (3) of section  
15 498 of the Foreign Assistance Act of 1961, as amended  
16 by section 4(a) of this Act.

Passed the House of Representatives December 11,  
2001.

Attest:

JEFF TRANDAHL,

*Clerk.*