

Calendar No. 247

106<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

**H. R. 1152**

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**AN ACT**

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 and Central Asia.

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August 3, 1999

Received; read twice and placed on the calendar

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IN THE SENATE OF THE UNITED STATES

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**AN ACT**

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 and Central Asia.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Silk Road Strategy  
3 Act of 1999”.

4 **SEC. 2. FINDINGS.**

5 Congress makes the following findings:

6 (1) The ancient Silk Road, once the economic  
7 lifeline of Central Asia and the South Caucasus, tra-  
8 versed much of the territory now within the coun-  
9 tries of Armenia, Azerbaijan, Georgia, Kazakstan,  
10 Kyrgyzstan, Tajikistan, Turkmenistan, and  
11 Uzbekistan.

12 (2) Economic interdependence spurred mutual  
13 cooperation among the peoples along the Silk Road  
14 and restoration of the historic relationships and eco-  
15 nomic ties between those peoples is an important ele-  
16 ment of ensuring their sovereignty as well as the  
17 success of democratic and market reforms.

18 (3) The development of strong political, eco-  
19 nomic, and security ties among countries of the  
20 South Caucasus and Central Asia and the West will  
21 foster stability in this region, which is vulnerable to  
22 political and economic pressures from the south,  
23 north, and east.

24 (4) The development of open market economies  
25 and open democratic systems in the countries of the  
26 South Caucasus and Central Asia will provide posi-

1       tive incentives for international private investment,  
2       increased trade, and other forms of commercial  
3       interactions with the rest of the world.

4           (5) Many of the countries of the South  
5       Caucasus have secular Muslim governments that are  
6       seeking closer alliance with the United States and  
7       that have active and cordial diplomatic relations with  
8       Israel.

9           (6) The region of the South Caucasus and Cen-  
10      tral Asia could produce oil and gas in sufficient  
11      quantities to reduce the dependence of the United  
12      States on energy from the volatile Persian Gulf re-  
13      gion.

14          (7) United States foreign policy and inter-  
15      national assistance should be narrowly targeted to  
16      support the economic and political independence as  
17      well as democracy building, free market policies,  
18      human rights, and regional economic integration of  
19      the countries of the South Caucasus and Central  
20      Asia.

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

22       It shall be the policy of the United States in the coun-  
23      tries of the South Caucasus and Central Asia—

1           (1) to promote and strengthen independence,  
2           sovereignty, democratic government, and respect for  
3           human rights;

4           (2) to promote tolerance, pluralism, and under-  
5           standing and counter racism and anti-Semitism;

6           (3) to assist actively in the resolution of re-  
7           gional conflicts and to facilitate the removal of im-  
8           pediments to cross-border commerce;

9           (4) to promote friendly relations and economic  
10          cooperation;

11          (5) to help promote market-oriented principles  
12          and practices;

13          (6) to assist in the development of the infra-  
14          structure necessary for communications, transpor-  
15          tation, education, health, and energy and trade on  
16          an East-West axis in order to build strong inter-  
17          national relations and commerce between those  
18          countries and the stable, democratic, and market-  
19          oriented countries of the Euro-Atlantic Community;  
20          and

21          (7) to support United States business interests  
22          and investments in the region.

1 **SEC. 4. UNITED STATES EFFORTS TO RESOLVE CONFLICTS**  
2 **IN THE SOUTH CAUCASUS AND CENTRAL**  
3 **ASIA.**

4 It is the sense of the Congress that the President  
5 should use all diplomatic means practicable, including the  
6 engagement of senior United States Government officials,  
7 to press for an equitable, fair, and permanent resolution  
8 to the conflicts in the South Caucasus and Central Asia.

9 **SEC. 5. AMENDMENT TO THE FOREIGN ASSISTANCE ACT OF**  
10 **1961.**

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

14 **“CHAPTER 12—SUPPORT FOR THE ECO-**  
15 **NOMIC AND POLITICAL INDEPEND-**  
16 **ENCE OF THE COUNTRIES OF THE**  
17 **SOUTH CAUCASUS AND CENTRAL ASIA**

18 **“SEC. 499. UNITED STATES ASSISTANCE TO PROMOTE REC-**  
19 **ONCILIATION AND RECOVERY FROM RE-**  
20 **GIONAL CONFLICTS.**

21 “(a) PURPOSE OF ASSISTANCE.—The purposes of as-  
22 sistance under this section include—

23 “(1) the creation of the basis for reconciliation  
24 between belligerents in the countries of the South  
25 Caucasus and Central Asia;

1           “(2) the promotion of economic development in  
2 areas of the countries of the South Caucasus and  
3 Central Asia impacted by civil conflict and war; and

4           “(3) the encouragement of broad regional co-  
5 operation among countries of the South Caucasus  
6 and Central Asia that have been destabilized by in-  
7 ternal conflicts.

8           “(b) AUTHORIZATION FOR ASSISTANCE.—

9           “(1) IN GENERAL.—To carry out the purposes  
10 of subsection (a), the President is authorized to pro-  
11 vide humanitarian assistance and economic recon-  
12 struction assistance for the countries of the South  
13 Caucasus and Central Asia to support the activities  
14 described in subsection (c).

15           “(2) DEFINITION OF HUMANITARIAN ASSIST-  
16 ANCE.—In this subsection, the term ‘humanitarian  
17 assistance’ means assistance to meet humanitarian  
18 needs, including needs for food, medicine, medical  
19 supplies and equipment, education, and clothing.

20           “(c) ACTIVITIES SUPPORTED.—Activities that may  
21 be supported by assistance under subsection (b) include—

22           “(1) providing for the humanitarian needs of  
23 victims of the conflicts;

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

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

3           “(d) POLICY.—It is the sense of the Congress that  
4 the United States should, where appropriate, support the  
5 establishment of neutral, multinational peacekeeping  
6 forces to implement peace agreements reached between  
7 belligerents in the countries of the South Caucasus and  
8 Central Asia.

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

10          “(a) PURPOSE OF ASSISTANCE.—The purpose of as-  
11 sistance under this section is to foster economic growth  
12 and development, including the conditions necessary for  
13 regional economic cooperation, among the countries of the  
14 South Caucasus and Central Asia.

15          “(b) AUTHORIZATION FOR ASSISTANCE.—To carry  
16 out the purpose of subsection (a), the President is author-  
17 ized to provide assistance for the countries of the South  
18 Caucasus and Central Asia to support the activities de-  
19 scribed in subsection (c).

20          “(c) ACTIVITIES SUPPORTED.—In addition to the ac-  
21 tivities described in section 498, activities supported by  
22 assistance under subsection (b) should support the devel-  
23 opment of the structures and means necessary for the  
24 growth of private sector economies based upon market  
25 principles.



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

3               “(1) assist the countries of the South Caucasus  
4 and Central Asia to develop policies, laws, and regu-  
5 lations that would facilitate the ability of those coun-  
6 tries to develop free market economies and to join  
7 the World Trade Organization to enjoy all the bene-  
8 fits of membership; and

9               “(2) consider the establishment of zero-to-zero  
10 tariffs between the United States and the countries  
11 of the South Caucasus and Central Asia.

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

13       “(a) PURPOSE OF PROGRAMS.—The purposes of pro-  
14 grams under this section include—

15               “(1) to develop the physical infrastructure nec-  
16 essary for regional cooperation among the countries  
17 of the South Caucasus and Central Asia; and

18               “(2) to encourage closer economic relations and  
19 to facilitate the removal of impediments to cross-bor-  
20 der commerce among those countries and the United  
21 States and other developed nations.

22       “(b) AUTHORIZATION FOR PROGRAMS.—To carry out  
23 the purposes of subsection (a), the following types of pro-  
24 grams for the countries of the South Caucasus and Cen-

1 tral Asia may be used to support the activities described  
2 in subsection (c):

3           “(1) Activities by the Export-Import Bank of  
4           the United States to complete the review process for  
5           eligibility for financing under the Export-Import  
6           Bank Act of 1945.

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

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

12           “(c) ACTIVITIES SUPPORTED.—Activities that may  
13           be supported by programs under subsection (b) include  
14           promoting actively the participation of United States com-  
15           panies and investors in the planning, financing, and con-  
16           struction of infrastructure for communications, transpor-  
17           tation, including air transportation, and energy and trade,  
18           including highways, railroads, port facilities, shipping,  
19           banking, insurance, telecommunications networks, and gas  
20           and oil pipelines.

21           “(d) POLICY.—It is the sense of the Congress that  
22           the United States representatives at the International  
23           Bank for Reconstruction and Development, the Inter-  
24           national Finance Corporation, and the European Bank for  
25           Reconstruction and Development should encourage lend-

1 ing to the countries of the South Caucasus and Central  
2 Asia to assist the development of the physical infrastruc-  
3 ture necessary for regional economic cooperation.

4 **“SEC. 499C. BORDER CONTROL ASSISTANCE.**

5       “(a) PURPOSE OF ASSISTANCE.—The purpose of as-  
6 sistance under this section includes aiding the countries  
7 of the South Caucasus and Central Asia to secure their  
8 borders and implement effective controls necessary to pre-  
9 vent the trafficking of illegal narcotics and the prolifera-  
10 tion of technology and materials related to weapons of  
11 mass destruction (as defined in section 2332a(e)(2) of title  
12 18, United States Code), and to contain and inhibit  
13 transnational organized criminal activities.

14       “(b) AUTHORIZATION FOR ASSISTANCE.—To carry  
15 out the purpose of subsection (a), the President is author-  
16 ized to provide assistance to the countries of the South  
17 Caucasus and Central Asia to support the activities de-  
18 scribed in subsection (c).

19       “(c) ACTIVITIES SUPPORTED.—Activities that may  
20 be supported by assistance under subsection (b) include  
21 assisting those countries of the South Caucasus and Cen-  
22 tral Asia in developing capabilities to maintain national  
23 border guards, coast guard, and customs controls.

24       “(d) POLICY.—It is the sense of the Congress that  
25 the United States should encourage and assist the develop-

1 ment of regional military cooperation among the countries  
2 of the South Caucasus and Central Asia through pro-  
3 grams such as the Central Asian Battalion and the Part-  
4 nership for Peace of the North Atlantic Treaty Organiza-  
5 tion.

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

8 “(a) PURPOSE OF ASSISTANCE.—The purpose of as-  
9 sistance under this section is to promote institutions of  
10 democratic government and to create the conditions for  
11 the growth of pluralistic societies, including religious toler-  
12 ance and respect for internationally recognized human  
13 rights, in the countries of the South Caucasus and Central  
14 Asia.

15 “(b) AUTHORIZATION FOR ASSISTANCE.—To carry  
16 out the purpose of subsection (a), the President is author-  
17 ized to provide the following types of assistance to the  
18 countries of the South Caucasus and Central Asia:

19 “(1) Assistance for democracy building, includ-  
20 ing programs to strengthen parliamentary institu-  
21 tions and practices.

22 “(2) Assistance for the development of non-  
23 governmental organizations.

24 “(3) Assistance for development of independent  
25 media.

1           “(4) Assistance for the development of the rule  
2           of law, a strong independent judiciary, and trans-  
3           parency in political practice and commercial trans-  
4           actions.

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

8           “(6) Assistance to promote increased adherence  
9           to civil and political rights under section 116(e) of  
10          this Act.

11          “(c) **ACTIVITIES SUPPORTED.**—Activities that may  
12          be supported by assistance under subsection (b) include  
13          activities that are designed to advance progress toward the  
14          development of democracy.

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

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

21          “(a) **IN GENERAL.**—

22                  “(1) **BASES FOR EXCLUSION.**—Subject to para-  
23                  graph (2), and except as provided in subsection (b),  
24                  assistance may not be provided under this chapter  
25                  for the government of a country of the South

1       Caucasus or Central Asia if the President deter-  
2       mines and certifies to the appropriate congressional  
3       committees that the government of such country—

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

7               “(B) has, on or after the date of enact-  
8       ment of this chapter, knowingly transferred to,  
9       or knowingly allowed to be transferred through  
10      the territory of such country to, another  
11      country—

12              “(i) missiles or missile technology in-  
13      consistent with the guidelines and param-  
14      eters of the Missile Technology Control Re-  
15      gime (as defined in section 11B(c) of the  
16      Export Administration Act of 1979 (50  
17      U.S.C. App. 2410b(c)); or

18              “(ii) any material, equipment, or tech-  
19      nology that would contribute significantly  
20      to the ability of such country to manufac-  
21      ture any weapon of mass destruction (in-  
22      cluding any nuclear, chemical, or biological  
23      weapon) if the President determines that  
24      the material, equipment, or technology was

1 to be used by such country in the manufac-  
2 ture of such weapons;

3 “(C) has repeatedly provided support for  
4 acts of international terrorism;

5 “(D) is prohibited from receiving such as-  
6 sistance by chapter 10 of the Arms Export Con-  
7 trol Act or section 306(a)(1) and 307 of the  
8 Chemical and Biological Weapons Control and  
9 Warfare Elimination Act of 1991 (22 U.S.C.  
10 5604(a)(1), 5605); or

11 “(E) has not made significant progress to-  
12 ward resolving trade disputes registered with  
13 and raised by the United States embassy in  
14 such country.

15 “(2) CERTIFICATIONS PRIOR TO ELIGIBILITY.—  
16 Assistance may not be provided under this chapter  
17 to a country unless the President certifies to the ap-  
18 propriate congressional committees that elections  
19 held in that country are free and fair and are free  
20 of substantial criticism by the Organization for Se-  
21 curity and Cooperation in Europe and other appro-  
22 priate international organizations.”.

23 “(b) EXCEPTIONS TO INELIGIBILITY.—

24 “(1) EXCEPTIONS.—Assistance prohibited by  
25 subsection (a) or any similar provision of law, other

1 than assistance prohibited by the provisions referred  
2 to in subparagraphs (B) and (D) of subsection  
3 (a)(1), may be furnished under any of the following  
4 circumstances:

5 “(A) The President determines that fur-  
6 nishing such assistance is important to the na-  
7 tional interest of the United States.

8 “(B) The President determines that fur-  
9 nishing such assistance will foster respect for  
10 internationally recognized human rights and the  
11 rule of law or the development of institutions of  
12 democratic governance.

13 “(C) The assistance is furnished for the al-  
14 leviation of suffering resulting from a natural  
15 or man-made disaster.

16 “(D) The assistance is provided under the  
17 secondary school exchange program adminis-  
18 tered by the United States Information Agency.

19 “(2) REPORT TO CONGRESS.—The President  
20 shall immediately report to Congress any determina-  
21 tion under paragraph (1) (A) or (B) or any decision  
22 to provide assistance under paragraph (1)(C).

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

24 “(a) ASSISTANCE THROUGH GOVERNMENTS AND  
25 NONGOVERNMENTAL ORGANIZATIONS.—Assistance under



1 this chapter may be provided to governments or through  
2 nongovernmental organizations.

3 “(b) USE OF ECONOMIC SUPPORT FUNDS.—Except  
4 as otherwise provided, any funds that have been allocated  
5 under chapter 4 of part II for assistance for the inde-  
6 pendent states of the former Soviet Union may be used  
7 in accordance with the provisions of this chapter.

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

11 “(d) AVAILABLE AUTHORITIES.—The authority in  
12 this chapter to provide assistance for the countries of the  
13 South Caucasus and Central Asia is in addition to the au-  
14 thority to provide such assistance under the FREEDOM  
15 Support Act (22 U.S.C. 5801 et seq.) or any other Act,  
16 and the authorities applicable to the provision of assist-  
17 ance under chapter 11 may be used to provide assistance  
18 under this chapter.

19 **“SEC. 499G. DEFINITIONS.**

20 “In this chapter:

21 “(1) APPROPRIATE CONGRESSIONAL COMMIT-  
22 TEES.—The term ‘appropriate congressional com-  
23 mittees’ means the Committee on Foreign Relations  
24 of the Senate and the Committee on International  
25 Relations of the House of Representatives.

1           “(2) COUNTRIES OF THE SOUTH CAUCASUS  
2           AND CENTRAL ASIA.—The term ‘countries of the  
3           South Caucasus and Central Asia’ means Armenia,  
4           Azerbaijan, Georgia, Kazakstan, Kyrgyzstan,  
5           Tajikistan, Turkmenistan, and Uzbekistan.”.

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

7           Section 104 of the FREEDOM Support Act (22  
8           U.S.C. 5814) is amended—

9           (1) by striking “and” at the end of paragraph  
10          (3);

11          (2) by striking the period at the end of para-  
12          graph (4) and inserting “; and”; and

13          (3) by adding the following new paragraph:

14          “(5) with respect to the countries of the South  
15          Caucasus and Central Asia—

16                 “(A) identifying the progress of United  
17                 States foreign policy to accomplish the policy  
18                 identified in section 3 of the Silk Road Strategy  
19                 Act of 1999;

20                 “(B) evaluating the degree to which the as-  
21                 sistance authorized by chapter 12 of part I of  
22                 the Foreign Assistance Act of 1961 has been  
23                 able to accomplish the purposes identified in  
24                 that chapter; and

1           “(C) recommending any additional initia-  
2           tives that should be undertaken by the United  
3           States to implement the policy and purposes  
4           contained in the Silk Road Strategy Act of  
5           1999.”.

6 **SEC. 7. UNITED STATES-ISRAEL ECONOMIC DEVELOPMENT**  
7           **COOPERATION IN THE SOUTH CAUCASUS**  
8           **AND CENTRAL ASIA.**

9           It is the sense of the Congress that the United States  
10          should continue to provide assistance to the Centre for  
11          International Cooperation (MASHAV) of the Ministry of  
12          Foreign Affairs of Israel under the Cooperative Develop-  
13          ment Program/Central Asian Republics (CDP/CAR) pro-  
14          gram of the United States Agency for International Devel-  
15          opment, for economic development activities in agri-  
16          culture, health, and other relevant sectors, that are con-  
17          sistent with the priorities of the Agency for International  
18          Development in the countries of the South Caucasus and  
19          Central Asia.

20 **SEC. 8. CONFORMING AMENDMENTS.**

21          Section 102(a) of the FREEDOM Support Act (Pub-  
22          lic Law 102–511) is amended in paragraphs (2) and (4)  
23          by striking each place it appears “this Act)” and inserting  
24          “this Act and the Silk Road Strategy Act of 1999)”.

1 **SEC. 9. DEFINITIONS.**

2 In this Act:

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

8 (2) COUNTRIES OF THE SOUTH CAUCASUS AND  
9 CENTRAL ASIA.—The term “countries of the South  
10 Caucasus and Central Asia” means Armenia, Azer-  
11 baijan, Georgia, Kazakstan, Kyrgyzstan, Tajikistan,  
12 Turkmenistan, and Uzbekistan.

Passed the House of Representatives August 2,  
1999.

Attest:

JEFF TRANDAHL,  
*Clerk.*

By MARTHA C. MORRISON,  
*Deputy Clerk.*