

Calendar No. 106

106TH CONGRESS
1ST Session

S. 579

[Report No. 106-45]

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 and Central Asia.

May 11, 1999

Reported without amendment

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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.

IN THE SENATE OF THE UNITED STATES

MARCH 10, 1999

Mr. BROWNBACK (for himself, Mr. SMITH of Oregon, Mr. BYRD, Mr. HAGEL, Mr. DODD, Mr. LUGAR, Mr. KYL, Mr. HATCH, Mr. GRAMS, Mr. CHAFEE, Mr. HELMS, Mr. THOMAS, Mr. MCCAIN, Mr. BURNS, Mrs. HUTCHISON, Mr. COCHRAN, and Mr. CONRAD) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

MAY 11, 1999

Reported by Mr. HELMS, without amendment

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

9 **SEC. 5. AMENDMENT OF 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;**

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 Congress that the
4 United States should, where appropriate, support the es-
5 tablishment of neutral, multinational peacekeeping forces
6 to implement peace agreements reached between belliger-
7 ents in the countries of the South Caucasus and Central
8 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, in the South Caucasus and
14 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 Congress that the
2 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 to
4 complete the review process for eligibility for financ-
5 ing under the Export-Import Bank Act of 1945.

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

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

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

20 “(d) POLICY.—It is the sense of Congress that the
21 United States representatives at the International Bank
22 for Reconstruction and Development, the International Fi-
23 nance Corporation, and the European Bank for Recon-
24 struction and Development should encourage lending to
25 the countries of the South Caucasus and Central Asia to

1 assist the development of the physical infrastructure nec-
2 essary for regional economic cooperation.

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

4 “(a) PURPOSE OF ASSISTANCE.—The purpose of as-
5 sistance under this section includes the assistance of the
6 countries of the South Caucasus and Central Asia to se-
7 cure their borders and implement effective controls nec-
8 essary to prevent the trafficking of illegal narcotics and
9 the proliferation of technology and materials related to
10 weapons of mass destruction (as defined in section
11 2332a(c)(2) of title 18, United States Code), and to con-
12 tain and inhibit transnational organized criminal activi-
13 ties.

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 Congress that the
25 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.

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

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

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

23 “(3) Assistance for development of independent
 24 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 Congress that the
16 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.—Except as provided in subsection
22 (b), assistance may not be provided under this chapter for
23 the government of a country of the South Caucasus or
24 Central Asia if the President determines and certifies to

1 the appropriate congressional committees that the govern-
2 ment of such country—

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

6 “(2) has, on or after the date of enactment of
7 this chapter, knowingly transferred to another
8 country—

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

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

23 “(3) has repeatedly provided support for acts of
24 international terrorism; or

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

6 “(b) EXCEPTIONS TO INELIGIBILITY.—

7 “(1) EXCEPTIONS.—Assistance prohibited by
8 subsection (a) or any similar provision of law, other
9 than assistance prohibited by the provisions referred
10 to in paragraphs (2) and (4) of subsection (a), may
11 be furnished under any of the following cir-
12 cumstances:

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

16 “(B) The President determines that fur-
17 nishing such assistance will foster respect for
18 internationally recognized human rights and the
19 rule of law or the development of institutions of
20 democratic governance.

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

1 “(D) The assistance is provided under the
2 secondary school exchange program adminis-
3 tered by the United States Information Agency.

4 “(2) REPORT TO CONGRESS.—The President
5 shall immediately report to Congress any determina-
6 tion under paragraph (1) (A) or (B) or any decision
7 to provide assistance under paragraph (1)(C).

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

9 “(a) ASSISTANCE THROUGH GOVERNMENTS AND
10 NONGOVERNMENTAL ORGANIZATIONS.—Assistance under
11 this chapter may be provided to governments or through
12 nongovernmental organizations.

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

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

21 “(d) AVAILABLE AUTHORITIES.—The authority in
22 this chapter to provide assistance for the countries of the
23 South Caucasus and Central Asia is in addition to the au-
24 thority to provide such assistance under the FREEDOM
25 Support Act (22 U.S.C. 5801 et seq.) or any other Act,

1 and the authorities applicable to the provision of assist-
 2 ance under chapter 11 may be used to provide assistance
 3 under this chapter.

4 **“SEC. 499G. DEFINITIONS.**

5 “In this chapter:

6 “(1) APPROPRIATE CONGRESSIONAL COMMIT-
 7 TEES.—The term ‘appropriate congressional com-
 8 mittees’ means the Committee on Foreign Relations
 9 of the Senate and the Committee on International
 10 Relations of the House of Representatives.

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

16 **SEC. 6. RESTRICTION ON ASSISTANCE FOR GOVERNMENT**
 17 **OF AZERBAIJAN.**

18 Section 907 of the Freedom Support Act (22 U.S.C.
 19 5812 note) is amended—

20 (1) by inserting “(a) RESTRICTION.—”; and

21 (2) by adding at the end the following:

22 “(b) WAIVER.—The restriction on assistance in sub-
 23 section (a) shall not apply if the President determines, and
 24 so certifies to Congress, that the application of the restric-

1 tion would not be in the national interests of the United
2 States.”.

3 **SEC. 7. ANNUAL REPORT.**

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

6 (1) by striking “and” at the end of paragraph
7 (3);

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

10 (3) by adding the following new paragraph:

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

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

17 “(B) evaluating the degree to which the as-
18 sistance authorized by chapter 12 of part I of
19 the Foreign Assistance Act of 1961 has been
20 able to accomplish the purposes identified in
21 those sections; and

22 “(C) recommending any additional initia-
23 tives that should be undertaken by the United
24 States to implement the policy and purposes

1 contained in the Silk Road Strategy Act of
2 1999.”.

3 **SEC. 8. CONFORMING AMENDMENTS.**

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

8 **SEC. 9. DEFINITIONS.**

9 In this Act:

10 (1) APPROPRIATE CONGRESSIONAL COMMIT-
11 TEES.—The term “appropriate congressional com-
12 mittees” means the Committee on Foreign Relations
13 of the Senate and the Committee on International
14 Relations of the House of Representatives.

15 (2) COUNTRIES OF THE SOUTH CAUCASUS AND
16 CENTRAL ASIA.—The term “countries of the South
17 Caucasus and Central Asia” means Armenia, Azer-
18 baijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan,
19 Turkmenistan, and Uzbekistan.