

107TH CONGRESS
1ST SESSION

H. R. 2121

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.

IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 2001

Mr. LANTOS introduced the following bill; which was referred to the
Committee on International Relations

A BILL

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”.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—Congress makes the following find-
3 ings:

4 (1) Since the dissolution of the Soviet Union,
5 the leadership of the Russian Federation has pub-
6 licly committed itself to building—

7 (A) a society with democratic political in-
8 stitutions and practices, observance of univer-
9 sally recognized standards of human rights and
10 religious and press freedom; and

11 (B) a market economy, based on inter-
12 nationally accepted principles of transparency,
13 accountability, and the rule of law.

14 (2) In order to facilitate this transition, the
15 international community provided multilateral and
16 bilateral technical assistance, and the United States
17 contributions to these efforts played an important
18 role in influencing the Government of the Russian
19 Federation to abandon expansionist and
20 confrontational policies of the former Soviet Union
21 and start developing new institutions built on demo-
22 cratic and liberal economic foundations and the rule
23 of law.

24 (3)(A) Since 1992, United States Government
25 democratic reform programs and public diplomacy
26 programs, including training, small grants, and tech-

1 nical assistance to independent television, radio, and
2 print media across the Russian Federation, has
3 strengthened nongovernment-owned media, provided
4 access to and training in the use of the Internet,
5 brought nearly 40,000 Russian citizens to the
6 United States and has led to the establishment of
7 over 65,000 nongovernmental organizations, thou-
8 sands of vibrant independent media outlets and nu-
9 merous political parties.

10 (B) These efforts also contributed to the con-
11 duct of substantially free and fair Russian par-
12 liamentary elections in 1995 and 1999 and Presi-
13 dential elections in 1996 and 2000.

14 (4) The United States has also assisted Russian
15 efforts to dismantle its centrally planned state-con-
16 trolled economy and helped create institutions and
17 infrastructure for a market economy by encouraging
18 transparent privatization of state-owned enterprises,
19 and two-thirds of the Russian Federation's domestic
20 product is now generated by the private sector.

21 (5)(A) The United States fostered grassroots
22 entrepreneurship in the Russian Federation by fo-
23 cusing United States economic assistance on small-
24 and medium-sized businesses and by providing train-

1 ing, consulting services, and small loans to more
2 than 250,000 Russian entrepreneurs.

3 (B) There are now more than 900,000 small
4 businesses in the Russian Federation, producing 12–
5 15 percent of the gross domestic product of the Rus-
6 sian Federation.

7 (C) United States-funded programs help to
8 fight corruption and financial crimes, such as money
9 laundering, by helping to establish a commercial
10 legal infrastructure, develop an independent judici-
11 ary, support the drafting of a new criminal code,
12 civil code, and bankruptcy law, develop legal and
13 regulatory framework for the Russian Federation’s
14 equivalent of the United States Securities and Ex-
15 change Commission, support Russian law schools,
16 create legal aid clinics, and bolster law-related activi-
17 ties of nongovernmental organizations.

18 (6)(A) Despite these successes, political and
19 economic freedoms in the Russian Federation re-
20 main tenuous. Since the election of President Putin
21 in May 2000, the Government of the Russian Fed-
22 eration has launched administrative and political re-
23 forms that run counter to the democratic achieve-
24 ments of the past 8 years, restrict political plurality,
25 threaten the nongovernmental sector, and call into

1 question the Government's commitment to freedom
2 of the press, including the concerted campaign by
3 Russian authorities against independent television
4 station NTV and its founder, Vladimir Guzinsky.

5 (B) The Department of State's Country Re-
6 ports on Human Rights Practices for 2000 con-
7 cluded that during 2000 "the [Russian Federation]
8 Government's record on media freedom worsened
9 and significant problems persist" and that "[t]here
10 was persistent evidence of government pressure on
11 the media."

12 (7)(A) Furthermore, despite the Russian eco-
13 nomic recovery of 1999 and 2000 due to higher oil
14 prices and due in part because of the failure of
15 President Putin to carry through with his promise to
16 implement genuine economic reform, except for the
17 approval of important tax code reform legislation,
18 the Russian economy also remains highly resistant
19 to reform and continues to be plagued with corrup-
20 tion and organized crime.

21 (B) This corruption and crime is estimated to
22 cost the Russian economy \$15,000,000,000 annu-
23 ally, and the Government of the Russian Federation
24 has not yet genuinely addressed the problems of
25 crime, corruption, violation of property and investor

1 rights, weak rule of law, absence of an independent
2 judiciary, and the lack of transparency in corporate
3 governance.

4 (8) In addition, while the Government of the
5 Russian Federation allowed for elections in
6 Chechnya to establish the Chechen civilian adminis-
7 tration, the perilous economic, social, and political
8 situation in Chechnya and the transfer of the re-
9 sponsibility for the conduct of the Chechen operation
10 from the Russian military to the Russian security
11 services threatens to undermine indigenous Chechen
12 authorities and increase human rights abuses.

13 (9) These developments and actions by the Gov-
14 ernment of the Russian Federation led more than
15 1,000 civic and human rights activists representing
16 430 groups from throughout the Russian Federation
17 to meet in Moscow in January 2001 to take the un-
18 precedented step of declaring a human rights emer-
19 gency in response to what they see as the growing
20 threat to civil liberties.

21 (10) Because the capability of Russian demo-
22 cratic forces and the civil society to organize and de-
23 fend democratic gains without international support
24 is uncertain, and because the gradual integration of
25 the Russian Federation into the global order of free-

1 market democratic nations will further Russian co-
2 operation with the United States on a wide-range of
3 political, economic, and security issues, the success
4 of democracy in Russia is in the national security in-
5 terest of the United States and the United States
6 Government needs to develop a far-reaching and
7 flexible strategy aimed at rejuvenating Russian soci-
8 ety's support for democracy and market economy,
9 particularly by enhancing Russian democratic insti-
10 tutions and education, promoting the rule of law,
11 and supporting Russian independent media.

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

13 (1) to strengthen and advance institutions of
14 democratic government and free and independent
15 media and to sustain the development of the inde-
16 pendent civil society in the Russian Federation
17 based on religious and ethnic tolerance, internation-
18 ally recognized human rights, and internationally
19 recognized rule of law; and

20 (2) to target United States foreign assistance to
21 the political and economic reality in the Russian
22 Federation, and, to the extent possible, to focus
23 United States foreign assistance programs on using
24 local expertise and giving local organizations a great-
25 er role in designing and implementing such pro-

1 grams, while maintaining appropriate oversight and
2 monitoring.

3 **SEC. 3. UNITED STATES POLICY TOWARD THE RUSSIAN**
4 **FEDERATION.**

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

7 (1) consider the transition undertaken by the
8 Russian Federation to be a work in progress, where
9 the influence and the prominence of the United
10 States can be a persuasive factor in gradual Russian
11 integration in Western institutions;

12 (2) recognize that a democratic and economi-
13 cally stable Russian Federation is inherently less
14 confrontational and destabilizing in its foreign policy
15 and therefore promotion of democracy in Russia is
16 in the national security interests of the United
17 States;

18 (3) continue and increase assistance to the
19 democratic forces in the Russian Federation, includ-
20 ing to independent media, progressive regional ad-
21 ministrations, democratic political parties, and non-
22 governmental organizations; and

23 (4) express its opposition to antidemocratic and
24 authoritarian tendencies in countries with important
25 relationships with the United States.

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

3 (1) to engage the Government of Russian Fed-
4 eration and Russian society to strengthen demo-
5 cratic reform and institutions, and to promote good
6 governance principles based on the internationally
7 recognized norms of transparency in business prac-
8 tices, the rule of law, religious freedom, and human
9 rights;

10 (2) to advance a dialogue between United
11 States Government officials and private sector indi-
12 viduals and representatives of the Government of the
13 Russian Federation on Russian integration into the
14 western community of nations;

15 (3) to encourage United States Government of-
16 ficials and private sector individuals to meet regu-
17 larly with democratic activists, human rights activ-
18 ists, representatives of the independent media, rep-
19 resentatives of nongovernmental organizations, civic
20 organizers, and reform-minded politicians from Mos-
21 cow and the various regions of the Russian Federa-
22 tion;

23 (4) to incorporate democratic reforms, inde-
24 pendent media, and economic reforms in the broad

1 United States agenda with the Government of the
2 Russian Federation;

3 (5) to encourage the Government of the Rus-
4 sian Federation to address cross-border issues, in-
5 cluding environment, crime, trafficking, and corrup-
6 tion in a cooperative and transparent manner con-
7 sistent with internationally recognized and accepted
8 principles of the rule of law;

9 (6) to consult with the Government of the Rus-
10 sian Federation and the Russian Parliament on
11 adoption of economic and social reforms necessary to
12 sustain Russian economic growth since 1999;

13 (7) to persuade the Government of the Russian
14 Federation to honor its commitments made to the
15 Organization for Security and Cooperation in Eu-
16 rope (OSCE) at the November 1999 Istanbul Con-
17 ference and to conduct a genuine good neighbor pol-
18 icy toward the other independent states of the
19 former Soviet Union in the spirit of internationally
20 accepted principles of regional cooperation; and

21 (8) to encourage the G-7 partners and inter-
22 national financial institutions, including the World
23 Bank, the International Monetary Fund, and the
24 European Bank for Reconstruction and Develop-
25 ment, to develop financial safeguards and trans-

1 parenthood practices in lending to the Russian Federa-
2 tion.

3 **SEC. 4. SENSE OF CONGRESS REGARDING POLICY OF THE**
4 **RUSSIAN FEDERATION.**

5 It is the sense of Congress that—

6 (1) the Government of the Russian Federation
7 and Russian President Putin should resolve out-
8 standing taxation issues that hinder deliverance of
9 United States assistance programs and to completely
10 fulfill its obligations under existing bilateral agree-
11 ments; and

12 (2) the Parliament of the Russian Federation
13 should adopt necessary legislation and procedures
14 for the exemption of United States assistance from
15 all forms of taxation and customs duties.

16 **SEC. 5. AMENDMENTS TO THE FOREIGN ASSISTANCE ACT**
17 **OF 1961.**

18 (a) AMENDMENTS.—

19 (1) DEMOCRACY AND RULE OF LAW.—Section
20 498(2) of the Foreign Assistance Act of 1961 (22
21 U.S.C. 2295(2)) is amended—

22 (A) in the heading, by striking “DEMOC-
23 RACY” and inserting “DEMOCRACY AND RULE
24 OF LAW”;

1 (B) by striking subparagraphs (E) and
2 (G);

3 (C) by redesignating subparagraph (F) as
4 subparagraph (I);

5 (D) by inserting after subparagraph (D)
6 the following:

7 “(E) development and support of grass-
8 roots and nongovernmental organizations pro-
9 moting democracy, rule of law, transparency,
10 and accountability in the political process, in-
11 cluding grants in small amounts to such organi-
12 zations;

13 “(F) international exchanges to promote
14 greater understanding by Russian Federation
15 citizens on how democracy, public policy proc-
16 ess, market institutions, and independent judici-
17 ary function in Western societies;

18 “(G) political parties committed to pro-
19 moting democracy, human rights, and economic
20 reforms;

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

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

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

4 “(i) support for nongovernmental or-
5 ganizations, civic organizations, and polit-
6 ical parties that favor a strong and inde-
7 pendent judiciary based on merit;

8 “(ii) support for local organizations
9 that work with judges and law enforcement
10 officials in efforts to achieve a reduction in
11 the number of pretrial detainees; and

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

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

23 (A) by redesignating paragraphs (3)
24 through (13) as paragraphs (4) through (14),
25 respectively; and

1 (B) by inserting after paragraph (2) the
2 following:

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

5 “(A) supporting all forms of nonstate-
6 owned media reporting, including print, radio,
7 and television;

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

18 “(C) training in journalism, including in-
19 vestigative journalism techniques which educate
20 the public on the costs of corruption and act as
21 a deterrent against corrupt officials.”.

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

1 **SEC. 6. ACTIVITIES TO SUPPORT THE RUSSIAN FEDERA-**
2 **TION.**

3 (a) ASSISTANCE PROGRAMS.—In providing assistance
4 to the Russian Federation under chapter 11 of part I of
5 the Foreign Assistance Act of 1961 (22 U.S.C. 2295 et
6 seq.), the President is authorized to carry out the fol-
7 lowing specific activities:

8 (1) Work with the Government of the Russian
9 Federation, the Duma, and representatives of the
10 Russian Federation judiciary to help implement a
11 revised and improved code of criminal procedure and
12 other laws.

13 (2) Establish civic education programs relating
14 to democracy, public policy, rule of law, and the im-
15 portance of the independent media, including the es-
16 tablishment of “American Centers” and public policy
17 schools at Russian universities and programs by uni-
18 versities in the United States to offer courses
19 through Internet-based off-site learning centers at
20 Russian universities.

21 (3) Support the Regional Investment Initiatives
22 (RII) program, which provides targeted assistance in
23 those regions of the Russian Federation that have
24 demonstrated commitment to reform, democracy,
25 and rule of law, and promote the concept of such

1 program as a model for all regions of the Russian
2 Federation.

3 (b) RADIO FREE EUROPE/RADIO LIBERTY AND
4 VOICE OF AMERICA.—Radio Free Europe/Radio Liberty
5 and the Voice of America should use new and innovative
6 techniques, in cooperation with local independent media
7 sources and to the extent possible, to disseminate informa-
8 tion throughout the Russian Federation relating to democ-
9 racy, free-market economics, rule of law, and human
10 rights.

11 **SEC. 7. AUTHORIZATION OF ASSISTANCE FOR DEMOCRACY,**
12 **INDEPENDENT MEDIA, AND THE RULE OF**
13 **LAW.**

14 Of the amounts made available to carry out the provi-
15 sion of chapter 11 of part I of the Foreign Assistance Act
16 of 1961 (22 U.S.C. 2295 et seq.) and the Freedom for
17 Russia and Emerging Eurasian Democracies and Open
18 Markets Support Act of 1992 for fiscal year 2002, not
19 less than \$50,000,000 is authorized to be available for the
20 activities authorized by paragraphs (2) and (3) of section
21 498 of the Foreign Assistance Act of 1961, as amended
22 by section 5(a) of this Act.

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