

Federal management and debt collection practices, Federal payment systems, Federal benefit programs, and for other purposes.”

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. HORN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1442, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

#### SILK ROAD STRATEGY ACT OF 1999

Mr. BEREUTER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1152) to amend the Foreign Assistance Act of 1961 to target assistance to support the economic and political independence of the countries of South Caucasus and Central Asia, as amended.

The Clerk read as follows:

H.R. 1152

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

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

#### SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The ancient Silk Road, once the economic lifeline of Central Asia and the South Caucasus, traversed much of the territory now within the countries of Armenia, Azerbaijan, Georgia, Kazakstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.

(2) Economic interdependence spurred mutual cooperation among the peoples along the Silk Road and restoration of the historic relationships and economic ties between those peoples is an important element of ensuring their sovereignty as well as the success of democratic and market reforms.

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

(4) The development of open market economies and open democratic systems in the countries of the South Caucasus and Central Asia will provide positive incentives for international private investment, increased trade, and other forms of commercial interactions with the rest of the world.

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

(6) The region of the South Caucasus and Central Asia could produce oil and gas in sufficient quantities to reduce the dependence of the United States on energy from the volatile Persian Gulf region.

(7) United States foreign policy and international assistance should be narrowly targeted to support the economic and political independence as well as democracy building, free market policies, human rights, and regional economic integration of the countries of the South Caucasus and Central Asia.

#### SEC. 3. POLICY OF THE UNITED STATES.

It shall be the policy of the United States in the countries of the South Caucasus and Central Asia—

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

(2) to promote tolerance, pluralism, and understanding and counter racism and anti-Semitism;

(3) to assist actively in the resolution of regional conflicts and to facilitate the removal of impediments to cross-border commerce;

(4) to promote friendly relations and economic cooperation;

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

(6) to assist in the development of the infrastructure necessary for communications, transportation, education, health, and energy and trade on an East-West axis in order to build strong international relations and commerce between those countries and the stable, democratic, and market-oriented countries of the Euro-Atlantic Community; and

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

#### SEC. 4. UNITED STATES EFFORTS TO RESOLVE CONFLICTS IN THE SOUTH CAUCASUS AND CENTRAL ASIA.

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

#### SEC. 5. AMENDMENT TO THE FOREIGN ASSISTANCE ACT OF 1961.

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

#### “CHAPTER 12—SUPPORT FOR THE ECONOMIC AND POLITICAL INDEPENDENCE OF THE COUNTRIES OF THE SOUTH CAUCASUS AND CENTRAL ASIA

##### “SEC. 499. UNITED STATES ASSISTANCE TO PROMOTE RECONCILIATION AND RECOVERY FROM REGIONAL CONFLICTS.

“(a) PURPOSE OF ASSISTANCE.—The purposes of assistance under this section include—

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

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

“(3) the encouragement of broad regional cooperation among countries of the South Caucasus and Central Asia that have been destabilized by internal conflicts.

“(b) AUTHORIZATION FOR ASSISTANCE.—

“(1) IN GENERAL.—To carry out the purposes of subsection (a), the President is authorized to provide humanitarian assistance and economic reconstruction assistance for the countries of the South Caucasus and Central Asia to support the activities described in subsection (c).

“(2) DEFINITION OF HUMANITARIAN ASSISTANCE.—In this subsection, the term ‘humanitarian assistance’ means assistance to meet humanitarian needs, including needs for food, medicine, medical supplies and equipment, education, and clothing.

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

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

“(2) facilitating the return of refugees and internally displaced persons to their homes; and

“(3) assisting in the reconstruction of residential and economic infrastructure destroyed by war.

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

#### “SEC. 499A. ECONOMIC ASSISTANCE.

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

“(b) AUTHORIZATION FOR ASSISTANCE.—To carry out the purpose of subsection (a), the President is authorized to provide assistance for the countries of the South Caucasus and Central Asia to support the activities described in subsection (c).

“(c) ACTIVITIES SUPPORTED.—In addition to the activities described in section 498, activities supported by assistance under subsection (b) should support the development of the structures and means necessary for the growth of private sector economies based upon market principles.

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

“(1) assist the countries of the South Caucasus and Central Asia to develop policies, laws, and regulations that would facilitate the ability of those countries to develop free market economies and to join the World Trade Organization to enjoy all the benefits of membership; and

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

#### “SEC. 499B. DEVELOPMENT OF INFRASTRUCTURE.

“(a) PURPOSE OF PROGRAMS.—The purposes of programs under this section include—

“(1) to develop the physical infrastructure necessary for regional cooperation among the countries of the South Caucasus and Central Asia; and

“(2) to encourage closer economic relations and to facilitate the removal of impediments to cross-border commerce among those countries and the United States and other developed nations.

“(b) AUTHORIZATION FOR PROGRAMS.—To carry out the purposes of subsection (a), the following types of programs for the countries of the South Caucasus and Central Asia may be used to support the activities described in subsection (c):

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

“(2) The provision of insurance, reinsurance, financing, or other assistance by the Overseas Private Investment Corporation.

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

“(c) ACTIVITIES SUPPORTED.—Activities that may be supported by programs under subsection (b) include promoting actively the participation of United States companies and investors in the planning, financing, and construction of infrastructure for communications, transportation, including air transportation, and energy and trade, including highways, railroads, port facilities, shipping, banking, insurance, telecommunications networks, and gas and oil pipelines.

“(d) POLICY.—It is the sense of the Congress that the United States representatives at the International Bank for Reconstruction and Development, the International Finance Corporation, and the European Bank

for Reconstruction and Development should encourage lending to the countries of the South Caucasus and Central Asia to assist the development of the physical infrastructure necessary for regional economic cooperation.

**"SEC. 499C. BORDER CONTROL ASSISTANCE.**

"(a) PURPOSE OF ASSISTANCE.—The purpose of assistance under this section includes aiding the countries of the South Caucasus and Central Asia to secure their borders and implement effective controls necessary to prevent the trafficking of illegal narcotics and the proliferation of technology and materials related to weapons of mass destruction (as defined in section 2332a(c)(2) of title 18, United States Code), and to contain and inhibit transnational organized criminal activities.

"(b) AUTHORIZATION FOR ASSISTANCE.—To carry out the purpose of subsection (a), the President is authorized to provide assistance to the countries of the South Caucasus and Central Asia to support the activities described in subsection (c).

"(c) ACTIVITIES SUPPORTED.—Activities that may be supported by assistance under subsection (b) include assisting those countries of the South Caucasus and Central Asia in developing capabilities to maintain national border guards, coast guard, and customs controls.

"(d) POLICY.—It is the sense of the Congress that the United States should encourage and assist the development of regional military cooperation among the countries of the South Caucasus and Central Asia through programs such as the Central Asian Battalion and the Partnership for Peace of the North Atlantic Treaty Organization.

**"SEC. 499D. STRENGTHENING DEMOCRACY, TOLERANCE, AND THE DEVELOPMENT OF CIVIL SOCIETY.**

"(a) PURPOSE OF ASSISTANCE.—The purpose of assistance under this section is to promote institutions of democratic government and to create the conditions for the growth of pluralistic societies, including religious tolerance and respect for internationally recognized human rights, in the countries of the South Caucasus and Central Asia.

"(b) AUTHORIZATION FOR ASSISTANCE.—To carry out the purpose of subsection (a), the President is authorized to provide the following types of assistance to the countries of the South Caucasus and Central Asia:

"(1) Assistance for democracy building, including programs to strengthen parliamentary institutions and practices.

"(2) Assistance for the development of non-governmental organizations.

"(3) Assistance for development of independent media.

"(4) Assistance for the development of the rule of law, a strong independent judiciary, and transparency in political practice and commercial transactions.

"(5) International exchanges and advanced professional training programs in skill areas central to the development of civil society.

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

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

"(d) POLICY.—It is the sense of the Congress that the Voice of America and RFE/RL, Incorporated, should maintain high quality broadcasting for the maximum duration possible in the native languages of the countries of the South Caucasus and Central Asia.

**"SEC. 499E. INELIGIBILITY FOR ASSISTANCE.**

"(a) IN GENERAL.—

"(1) BASES FOR EXCLUSION.—Subject to paragraph (2), and except as provided in sub-

section (b), assistance may not be provided under this chapter for the government of a country of the South Caucasus or Central Asia if the President determines and certifies to the appropriate congressional committees that the government of such country—

"(A) is engaged in a consistent pattern of gross violations of internationally recognized human rights;

"(B) has, on or after the date of enactment of this chapter, knowingly transferred to, or knowingly allowed to be transferred through the territory of such country to, another country—

"(i) missiles or missile technology inconsistent with the guidelines and parameters of the Missile Technology Control Regime (as defined in section 11B(c) of the Export Administration Act of 1979 (50 U.S.C. App. 2410b(c)); or

"(ii) any material, equipment, or technology that would contribute significantly to the ability of such country to manufacture any weapon of mass destruction (including any nuclear, chemical, or biological weapon) if the President determines that the material, equipment, or technology was to be used by such country in the manufacture of such weapons;

"(C) has repeatedly provided support for acts of international terrorism;

"(D) is prohibited from receiving such assistance by chapter 10 of the Arms Export Control Act or section 306(a)(1) and 307 of the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 (22 U.S.C. 5604(a)(1), 5605); or

"(E) has not made significant progress toward resolving trade disputes registered with and raised by the United States embassy in such country.

"(2) CERTIFICATIONS PRIOR TO ELIGIBILITY.—Assistance may not be provided under this chapter to a country unless the President certifies to the appropriate congressional committees that elections held in that country are free and fair and are free of substantial criticism by the Organization for Security and Cooperation in Europe and other appropriate international organizations."

"(b) EXCEPTIONS TO INELIGIBILITY.—

"(1) EXCEPTIONS.—Assistance prohibited by subsection (a) or any similar provision of law, other than assistance prohibited by the provisions referred to in subparagraphs (B) and (D) of subsection (a)(1), may be furnished under any of the following circumstances:

"(A) The President determines that furnishing such assistance is important to the national interest of the United States.

"(B) The President determines that furnishing such assistance will foster respect for internationally recognized human rights and the rule of law or the development of institutions of democratic governance.

"(C) The assistance is furnished for the alleviation of suffering resulting from a natural or man-made disaster.

"(D) The assistance is provided under the secondary school exchange program administered by the United States Information Agency.

"(2) REPORT TO CONGRESS.—The President shall immediately report to Congress any determination under paragraph (1) (A) or (B) or any decision to provide assistance under paragraph (1)(C).

**"SEC. 499F. ADMINISTRATIVE AUTHORITIES.**

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

"(b) USE OF ECONOMIC SUPPORT FUNDS.—Except as otherwise provided, any funds that have been allocated under chapter 4 of part

II for assistance for the independent states of the former Soviet Union may be used in accordance with the provisions of this chapter.

"(c) TERMS AND CONDITIONS.—Assistance under this chapter shall be provided on such terms and conditions as the President may determine.

"(d) AVAILABLE AUTHORITIES.—The authority in this chapter to provide assistance for the countries of the South Caucasus and Central Asia is in addition to the authority to provide such assistance under the FREEDOM Support Act (22 U.S.C. 5801 et seq.) or any other Act, and the authorities applicable to the provision of assistance under chapter 11 may be used to provide assistance under this chapter.

**"SEC. 499G. DEFINITIONS.**

"In this chapter:

"(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term 'appropriate congressional committees' means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

"(2) COUNTRIES OF THE SOUTH CAUCASUS AND CENTRAL ASIA.—The term 'countries of the South Caucasus and Central Asia' means Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan."

**SEC. 6. ANNUAL REPORT.**

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

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting "; and"; and

(3) by adding the following new paragraph: "(5) with respect to the countries of the South Caucasus and Central Asia—

"(A) identifying the progress of United States foreign policy to accomplish the policy identified in section 3 of the Silk Road Strategy Act of 1999;

"(B) evaluating the degree to which the assistance authorized by chapter 12 of part I of the Foreign Assistance Act of 1961 has been able to accomplish the purposes identified in that chapter; and

"(C) recommending any additional initiatives that should be undertaken by the United States to implement the policy and purposes contained in the Silk Road Strategy Act of 1999."

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

It is the sense of the Congress that the United States should continue to provide assistance to the Centre for International Cooperation (MASHAV) of the Ministry of Foreign Affairs of Israel under the Cooperative Development Program/Central Asian Republics (CDP/CAR) program of the United States Agency for International Development, for economic development activities in agriculture, health, and other relevant sectors, that are consistent with the priorities of the Agency for International Development in the countries of the South Caucasus and Central Asia.

**SEC. 8. CONFORMING AMENDMENTS.**

Section 102(a) of the FREEDOM Support Act (Public Law 102-511) is amended in paragraphs (2) and (4) by striking each place it appears "this Act" and inserting "this Act and the Silk Road Strategy Act of 1999)".

**SEC. 9. DEFINITIONS.**

In this Act:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

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

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Nebraska (Mr. BEREUTER) and the gentleman from Pennsylvania (Mr. HOEFFEL) each will control 20 minutes.

The Chair recognizes the gentleman from Nebraska (Mr. BEREUTER).

GENERAL LEAVE

Mr. BEREUTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1152, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, as the Vice Chairman of the Committee on International Relations and the original sponsor of H.R. 1152, this Member rises in strong support of the Silk Road Strategy Act of 1999. In introducing this important legislation, this Member was joined by the distinguished ranking Democrat on the Subcommittee on Asia and the Pacific, the gentleman from California (Mr. LANTOS), the distinguished gentleman from New York (Mr. ACKERMAN), the distinguished gentleman from California (Mr. BERMAN) and many other colleagues in the House who were interested in and concerned about improving U.S. relations with the countries in this vital region of the world.

Mr. Speaker, with the disintegration of the Soviet Union in 1991, Russia became the focus of U.S. attention and heir to the vast Soviet arsenal. Russia also retained the Soviet permanent seat on the UN Security Council and membership now, of course, in the G-8.

A peaceful post-Soviet era largely depended on Washington's ability to get along with Moscow. It is not surprising then that U.S. attention, including the Freedom Support Act, was directed principally at Moscow.

We should remember, however, that 15 countries emerged or reemerged from the collapse of the Soviet Union. A few, the Baltics and Ukraine, garnered special attention in the Freedom Support Act, or in the SEED Act, which addressed Eastern Europe. But the Caucasus and Central Asia region received scant attention.

The area includes some 75 million people in the Nations of Georgia, Armenia, Azerbaijan, Turkmenistan, Uzbekistan, Kazakhstan, Kyrgyzstan and Tajikistan.

Mr. Speaker, two points are clear as we look at the situation in these eight countries. First, there is much at stake for our national security. The Caucasus

and the Central Asian states are strategically located at the geographic nexus of Russia, China, Iran, Afghanistan and Turkey. At least six are secular Islamic states that largely have rejected the expansion of Islamic fundamentalism. They are a front-line force in U.S. efforts to contain the spread of terrorism, the proliferation of sensitive weapons and technologies and drug trafficking. Rich in natural resources, these nations are a proven storehouse of energy with vast crude oil and natural gas reserves.

Second, given the region's clear importance, it is time for the United States to become more energetically and effectively engaged in the region, for this area is at an historic crossroads, poised between merging into or retreating from the free world order. It is undergoing an uncertain and turbulent economic, political and cultural transformation.

H.R. 1152 seeks to invigorate and provide direction to U.S. policy in the Caucasus region and the Central Asian Republics.

First, it outlines what our foreign policy and foreign aid priorities should be.

Second, it delineates potential rewards for continued cooperation with the United States, as well as actions that would result in the termination of U.S. assistance.

Third, it does not authorize new money. Instead, it redirects funding already provided to the countries of the former Soviet Union.

Fourth, it does not address the difficult question of section 907 of the Foreign Assistance Act, the prohibition of assistance to Azerbaijan. Frankly, where the votes are on this issue is well-known, and elements of this legislation are too important to subordinate to a Section 907 debate.

The states of this region are looking to the outside for political and economic support, to Russia and Iran and Turkey potentially, to China and Pakistan, and even to Afghanistan, as well as to the United States. They are actively looking to the United States for leadership and guidance on a range of international issues and to long-standing U.S. friends in the area, such as Israel and Turkey, for closer relations.

At this crucial juncture in their evolution, the support the U.S. does provide can tip the scales of these countries' orientation towards or against the West. We have a unique opportunity to influence events there now by adopting a broad-based and proactive policy of engagement designed to keep conquerors away from the region, to foster cooperation among the states, and to unleash and channel the engines of growth, economic, social and democratic growth.

We cannot build toward these goals without the creation and use of effective tools. This body has been at the forefront in encouraging the formation of coherent policies for assisting the Caucasus region and Central Asian re-

publics and, indeed, moved the Freedom Support Act for just this purpose.

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This body can and must continue legislative initiatives in this area. This Member's proposed legislation, H.R. 1152, the Silk Road Strategy Act of 1999, is an essential tool in building toward U.S. goals in the region. Broadly, this bill targets U.S. assistance to support the economic and political independence and cross-border cooperation of the Caucasus and Central Asian states. This puts the U.S. squarely behind efforts to, first, build democracy and cross-border cooperation as well as resolve regional conflicts; second, to build market-oriented economies and legal systems as well as the infrastructure to facilitate strong East-West commerce and other relations; and, third, to promote U.S. business interests and investments in the region.

Sustained, affordable engagement that matches U.S. ambitions with resources is indispensable to the Caspian region's evolution in a manner compatible with the Free World order and interests. H.R. 1152 is an essential tool in helping to ensure that the region's political and economic options are clear and expansive, and that the far-reaching changes under way in the nations there will turn out to be desirable ones.

Mr. Speaker, this Member urges his colleagues to vote in favor of H.R. 1152, the Silk Road Strategy Act of 1999.

Mr. Speaker, I reserve the balance of my time.

Mr. HOEFFEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 1152, the Silk Road Strategy Act. I would like to start by commending the distinguished gentleman from Nebraska (Mr. BEREUTER) for his leadership on this bill. He is the prime sponsor. He is the distinguished chair of the Subcommittee on Asia and the Pacific, and has provided great leadership on this.

Mr. Speaker, I also commend as well a bipartisan group of cosponsors from the committee, including the gentleman from California (Mr. LANTOS), the gentleman from California (Mr. BERMAN), the gentleman from New York (Mr. ACKERMAN), and the gentleman from New York (Mr. KING).

Mr. Speaker, the five countries of Central Asia and the three countries of the South Caucasus are an important part of the newly independent States. This bill recognizes the unique interests that the United States has in these countries.

We have a strategic interest in seeing that the region does not become a hotbed of armed conflict, terrorism and drug trafficking, and we have some reason to worry. Many of these countries have difficult neighbors, including Iran, Afghanistan, and China.

The region is also rife with not only the seeds of ethnic and political conflict, but as we have seen in Nagorno-Karabagh, with actual conflicts that

have claimed tens of thousands of lives and have created hundreds of thousands of refugees.

We have legitimate and important economic interests in Central Asia and the Caucasus. All eight of these countries have a lot to offer in terms of natural and human resources. There is great potential for trade and investment and a positive exchange of people and ideas.

We have a great political interest in Central Asia and the South Caucasus. These countries are still emerging from Soviet rule, and it is in our interest to help them in the difficult transition away from their communist past.

Unfortunately, many of the governments of the region have a long way to go regarding democratization. It is our desire to engage these countries economically and to pursue our strategic interests, but we must not neglect the democratization that must occur there. We need to keep democratic values and human rights at the top of the agenda in the bilateral meetings with leaders of all eight of these countries and need to reach out further to those within these countries that are working to develop a civil society, including independent media, the people in the non-governmental sector and in private business.

It is imperative that we make sure that democratization becomes and remains a priority of ours in this region.

Mr. Speaker, I also welcome the inclusive nature of the bill. We recognize the fact that these countries are interrelated, there is economic integration that is needed in this region, and that includes all of the countries of this region. We will not see a full potential for this region without the full participation of all eight countries.

It is our hope that these countries understand the incentive of cooperation and make a renewed effort to solve the conflicts that have stood in the way of a greater integration.

Similarly, because we are endorsing integration within the region, this should not be seen as an endorsement of excluding others outside of the region. To tap the resources of South Asia and the Caucasus to settle these conflicts, we will need to work with others outside of the immediate region such as Russia, Ukraine and Turkey, in order to have the fullest possible success.

Mr. Speaker, I would like to note the administration is already pursuing many of these policy issues called for in this bill. It is also providing the kind of assistance authorized by this bill.

I must also note that the administration has expressed strong reservations about two amendments attached during the committee markup. The administration is concerned that these provisions which condition assistance on certification of free and fair elections and the resolution of business disputes may actually hinder progress on achieving those goals which are goals

that we all share. If these issues are not resolved during the conference, it may jeopardize administration support for the final version of this bill.

Mr. Speaker, it is my view and our view that this bill is helpful; that it focuses attention on the region, makes a call for a renewed push on solving regional conflicts promoting regional integration and democratization. I urge all of the Members of the House to support this bill, H.R. 1152.

Mr. Speaker, I reserve the balance of my time.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I first want to thank the distinguished gentleman from Pennsylvania (Mr. HOEFFEL), a first-term member of the Committee on International Relations, who is making a major contribution there, for his kind remarks and for his support. I recall well how the gentleman came up to me after the markup and pointed out something that we mutually agreed was a problem, and we have a way outlined to resolve it and I think to meet the administration's satisfaction. It was one of those things that we recognized, but at the moment we could not do anything about. Mr. Speaker, I want to thank the gentleman for his perceptiveness in that respect.

Mr. Speaker, at this point I submit for the RECORD a statement in support of the legislation from the gentleman from New York (Mr. GILMAN), the chairman of the committee.

Mr. Speaker, the gentleman indicates, for example, that he believes this legislation will serve as a signal to the peoples of those countries of America's desire to ensure that their future will be one of democracy, prosperity, peace and security.

Mr. GILMAN. Mr. Speaker, I rise in support of the bill before us today, H.R. 1152, the "Silk Road Strategy Act of 1999," sponsored by my colleagues from Nebraska, Congressman BEREUTER.

The Subcommittee on the International Relations Committee chaired by Congressman BEREUTER—the Subcommittee on Asia and the Pacific—has jurisdiction over the countries of Central Asia, but the countries of the Caucasus region—also covered by this bill—deserve to be a specific focus of our policy and assistance in the region of the former Soviet Union as well.

This bill, which relates to all eight countries of Central Asia and the Caucasus, attempts to ensure the implementation of that specific focus.

While it creates a new Chapter 12 of the Foreign Assistance Act to provide that focus, however, it cites, with regard to those countries, the on-going authority of Chapter 11 of that Act—known as the "FREEDOM Support Act of 1992."

I think that it is very important, given the key work done by the office of the State Department Coordinator of Assistance created by the 1992 "FREEDOM Support Act."

Nothing in this measure should or will endanger that important coordinating function for all of the New Independent States of the former Soviet Union.

The bill simply ensures that an added, specific focus on the states of Central Asia and the Caucasus.

Mr. Speaker, I support passage of this measure, which should serve as a signal of America's interest in the future of the eight newly independent states in the regions of Central Asia and the Caucasus.

It should serve as well as a signal to the peoples of those countries of America's desire to ensure that their future will be one of democracy, prosperity, peace and security.

Mr. Speaker, I urge my colleagues to join in supporting the passage of this measure.

Mr. BEREUTER. Mr. Speaker, I yield to the distinguished gentleman from California (Mr. RADANOVICH) for the purposes of a colloquy. And I would say as we begin this that the gentleman has been very much interested and concerned about this legislation and supportive overall and came to the committee hearings and participated in those hearings. Mr. Speaker, this distinguished gentleman from California is a new member of the committee.

Mr. RADANOVICH. Mr. Speaker, I thank the gentleman from Nebraska (Mr. BEREUTER) for his leadership in bringing this bill to the floor. I share the gentleman's vision in promoting greater regional cooperation, supporting increased economic integration, and facilitating the free flow of transportation and communication among the States of the Caucasus and Central Asia.

While I support these goals, I along with many of my colleagues, remain concerned that this legislation may, at a subsequent step in the legislative process, become a vehicle for the weakening or the repeal of Section 907 of the Freedom Support Act.

Mr. Speaker, it is my understanding that this bill is being brought forth today with the clear understanding that Section 907 of the Freedom Support Act will remain in place and unchanged throughout the remaining legislative process.

Mr. BEREUTER. Mr. Speaker, reclaiming my time, I will be happy to respond to the gentleman's statement. I am pleased that the gentleman has joined the Committee on International Relations this year, and as my colleague knows, this Member, the author of the legislation, has made it a point to ensure that the Silk Road Strategy Act intentionally did not include any change in Section 907. Neither the Senate version of the Silk Road legislation which was advanced after amendment, repeals or otherwise revises Section 907. So there would be no basis in a conference, with the approval of this legislation we pass in the House today, for Section 907 to be repealed or altered. Therefore, I think the gentleman's concerns are fully addressed.

Neither the House, by the passage of this legislation, or the Senate legislation, after the amendment deleting the provision of the senior Senator of the State of Kansas, contains anything referencing Section 907.

Mr. RADANOVICH. Mr. Speaker, if the gentleman would continue to yield,

I thank him for his continued support on this matter. With this assurance, my colleagues and I will feel much more confident in supporting this bill.

Mr. BEREUTER. Mr. Speaker, I reserve the balance of my time.

Mr. PORTER. Mr. Speaker, I rise in support of this legislation and commend the gentleman from Nebraska for his strategy with this bill and attention to current events in Caucuses region. Since 1923, Armenia and Azerbaijan have been in conflict over Nagorno-Karabagh. In the beginning of this year, Armenia and Nagorno-Karabagh accepted a compromise peace proposal developed by the Organization for Security and Cooperation in Europe (OSCE). Azerbaijan rejected it outright. This reaction by Azerbaijan was extremely disappointing to those involved in the peace process. However, at the NATO summit in Washington in April and in recent weeks, the Presidents of Armenia and Azerbaijan have been discussing other strategies for peace. This is very promising, and I hold out hope for a permanent peace in this area.

The most important role that the United States can play at this point is to continue to encourage all parties towards a lasting peace. This includes the continued enforcement of Section 907 of the Freedom Support Act. This provision keeps needed pressure on Azerbaijan to come to the negotiating table and works toward a permanent peace settlement. All Azerbaijan must do to have Section 907 lifted is to "take demonstrable steps to cease all blockades against Armenia and Nagorno-Karabagh." Any attempt to repeal or waive Section 907 legitimizes Azerbaijan's blockade and rewards its rejection of the current OSCE compromise plan. Further, such a waiver would seriously jeopardize any chance for peace in the near future.

While I share a commitment to greater regional cooperation and economic integration in the Caucasus and Central Asia, I am very concerned that this legislation could become a vehicle for the weakening or repeal of Section 907. I would strongly oppose such action and urge the House to retain its position omitting any reference to Section 907 in conference and avoid a contentious debate that could undermine the good and important objectives of this legislation.

Mr. LANTOS. Mr. Speaker, I join my colleagues in urging the adoption of H.R. 1152, the Silk Road Strategy Act of 1999. I want to pay tribute to my distinguished colleague from Nebraska (Mr. BEREUTER) for his leadership in introducing this legislation. I am pleased to be an original cosponsor of this legislation.

The Silk Road Strategy Act deals with a number of newly-emerging countries, which only recently became independent nations—the Central Asian republics of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan and the Southern Caucasus republics of Armenia, Azerbaijan, and Georgia.

Mr. Speaker, this legislation calls for the United States to give greater attention to the important countries of Central Asia and the Caucasus. We have significant national concerns in this region related to our national security and our international economic interests. These countries were part of the former Soviet Union, and we have a great interest in fostering democracy, an open market economy, and respect for human rights there. Many of these countries are resource-rich, and we like-

wise have a strong interest in assuring that oil, gas, and other natural resources are developed and are available on the world markets through free and fair international trade.

We have a strategic interest in seeing that these areas do not become hotbeds of armed conflict, terrorism or drug trafficking. These countries are located in a difficult neighborhood—the adjacent countries include Iran, Afghanistan, and China. In this area are a number of serious ethnic conflicts and unresolved political differences which could lead to bloodshed and instability. We need only remember, Mr. Speaker, that in this region we have already seen serious strife in Nagorno-Karabakh and Abkhazia, which have resulted in the loss of tens of thousands of lives and the creation of hundreds of thousands of refugees.

Mr. Speaker, H.R. 1152 authorizes and urges that we provide humanitarian assistance, as well as help for economic development and the development of democratic institutions. These countries are already eligible for other forms of U.S. assistance, but we can and should be doing more. I would also note, Mr. Speaker, that the Administration is currently pursuing many of the policy lines that are called for in this bill, and I commend the Administration for its efforts in this regard. I support this legislation because it helps to focus attention on this important region and urges our government to make a greater effort to help solve regional conflicts, promote regional economic development, and further the development of democracy.

Mr. Speaker, I do want to express my support for an amendment adopted during the markup of this legislation in the International Relations Committee. American companies and firms from other OECD nations have made substantial direct investments in "Silk Road" countries, but they are not being accorded fair treatment. In some cases investment contracts are not being honored, export permits are not being issued, and de facto rationalizations of foreign investment have taken place. In several instances, formal complaints have been lodged by investors through embassies of the United States and other countries.

In order to discourage this kind of mistreatment, the International Relations Committee amended the legislation to include language conditioning U.S. assistance on the fair treatment of foreign investors. Specifically, the amendment requires recipient governments to demonstrate "significant progress" in resolving investment and other trade disputes that have been registered with the U.S. Embassy and raised by the U.S. Embassy with the host government.

I cosponsored this amendment in Committee and I support its inclusion in the bill, Mr. Speaker, because without it the Silk Road Strategy Act could lead countries in this region to conclude that they have a green light to renege on commitments to foreign investors, jeopardizing hundreds of millions of dollars of foreign investments. The inclusion of this amendment should send a strong signal that countries cannot expect to receive American assistance if they mistreat the companies that provide critical investment capital and employment opportunities for their own citizens.

Mr. Speaker, I urge my colleagues to support H.R. 1152, the Silk Road Act of 1999.

Mr. HOEFFEL. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. BEREUTER. Mr. Speaker, I urge again support of the legislation, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Nebraska (Mr. BEREUTER) that the House suspend the rules and pass the bill, H.R. 1152, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### CERTIFIED DEVELOPMENT COMPANY PROGRAM IMPROVEMENTS ACT OF 1999

Mrs. KELLY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2614) to amend the Small Business Investment Act to make improvements to the certified development company program, and for other purposes.

The Clerk read as follows:

H.R. 2614

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Certified Development Company Program Improvements Act of 1999".

#### SEC. 2. WOMEN-OWNED BUSINESSES.

Section 501(d)(3)(C) of the Small Business Investment Act (15 U.S.C. 695(d)(3)(C)) is amended by inserting before the comma "or women-owned business development".

#### SEC. 3. MAXIMUM DEBENTURE SIZE.

Section 502(2) of the Small Business Investment Act of 1958 (15 U.S.C. 696(2)) is amended to read as follows:

"(2) Loans made by the Administration under this section shall be limited to \$1,000,000 for each such identifiable small business concern, except loans meeting the criteria specified in section 501(d)(3), which shall be limited to \$1,300,000 for each such identifiable small business concern."

#### SEC. 4. FEES.

Section 503(f) of the Small Business Investment Act of 1958 (15 U.S.C. 697(f)) is amended to read as follows:

"(f) EFFECTIVE DATE.—The fees authorized by subsections (b) and (d) shall apply to financings approved by the Administration on or after October 1, 1996, but shall not apply to financings approved by the Administration on or after October 1, 2003."

#### SEC. 5. PREMIER CERTIFIED LENDERS PROGRAM.

Section 217(b) of the Small Business Reauthorization and Amendments Act of 1994 (relating to section 508 of the Small Business Investment Act) is repealed.

#### SEC. 6. SALE OF CERTAIN DEFAULTED LOANS.

Section 508 of the Small Business Investment Act of 1958 (15 U.S.C. 697e) is amended—

(1) in subsection (a), by striking "On a pilot program basis, the" and inserting "The";

(2) by redesignating subsections (d) though (i) as subsections (e) though (j), respectively;

(3) in subsection (f) (as redesignated by paragraph (2)), by striking "subsection (f)" and inserting "subsection (g)";

(4) in subsection (h) (as redesignated by paragraph (2)), by striking "subsection (f)" and inserting "subsection (g)"; and