AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

105TH CONGRESS
1ST SESSION

S. 1344

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

OCTOBER 30, 1997

Mr. BROWNBACK (for himself, Mr. SMITH of Oregon, Mr. LUGAR, Mr. HAGEL, Mr. MCCAIN, Mr. HELMS, and Mr. BYRD) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

---

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.

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 1997".

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 and economic ties between countries of the South Caucasus and Central Asia and the West will foster stability in the region.

(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) The Caspian Sea Basin, overlapping the territory of the countries of the South Caucasus and

Central Asia, contains proven oil and gas reserves that may exceed $4,000,000,000,000 in value.

(6) The region of the South Caucasus and Central Asia will 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 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, and democratic government;

(2) to assist actively in the resolution of regional conflicts;

(3) to promote friendly relations and economic cooperation;

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

(5) to assist in the development of the infrastructure necessary for communications, transpor-

tation, 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

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

SEC. 4. UNITED STATES EFFORTS TO RESOLVE CONFLICTS IN GEORGIA, AZERBAIJAN, AND TAJIKISTAN.

It is the sense of 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 Georgia and Azerbaijan and the civil war in Tajikistan.

SEC. 5. AMENDMENT OF 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 are—

''(1) to create the basis for reconciliation between belligerents;

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

''(3) to encourage 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 under this Act, and assistance under the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601 et seq.), to 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 urgent humanitarian needs, in particular meeting needs for food, medicine, medical supplies and equipment, and clothing.

"(c) ACTIVITIES SUPPORTED.—Activities that may be supported by assistance under subsection (b) are limited to—

"(1) providing for the essential 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 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 the conditions necessary for regional economic cooperation in the South Caucasus and Central Asia.

"(b) AUTHORIZATION FOR ASSISTANCE.—To carry out the purpose of subsection (a), the President is authorized to provide technical 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) are limited to 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 Congress that the United States should—

"(1) assist the countries of the South Caucasus and Central Asia to develop laws and regulations that would facilitate the ability of those countries to join the World Trade Organization;

"(2) provide permanent nondiscriminatory trade treatment (MFN status) to the countries of the South Caucasus and Central Asia; and

"(3) 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 ASSISTANCE.—The purposes of assistance under this section are—

"(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 between those countries and the United States and other developed nations.

"(b) AUTHORIZATION FOR ASSISTANCE.—To carry out the purposes of subsection (a), the following types of assistance to the countries of the South Caucasus and Central Asia are authorized to support the activities described in subsection (c):

"(1) Activities by the Export-Import Bank 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 assistance under subsection (b) are limited to promoting actively the participation of United States companies and investors in the planning, financing, and construction of infrastructure for communications, 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 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. SECURITY ASSISTANCE.

"(a) PURPOSE OF ASSISTANCE.—The purpose of assistance under this section is to assist 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 the following types of assistance to the countries of the South Caucasus and Central Asia to support the activities described in subsection (c):

"(1) Assistance under chapter 5 of part II of this Act (relating to international military education and training).

"(2) Assistance under chapter 8 of this part of this Act (relating to international narcotics control assistance).

"(3) The transfer of excess defense articles under section 516 of this Act (22 U.S.C. 2321j).

"(c) ACTIVITIES SUPPORTED.—Activities that may be supported by assistance under subsection (b) are limited to 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 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 Part-

nership 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.

"(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) Technical assistance for democracy building.

"(2) Technical assistance for the development of nongovernmental organizations.

"(3) Technical assistance for development of independent media.

"(4) Technical assistance for the development of the rule of law.

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

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

"(d) POLICY.—It is the sense of 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.—Except as provided in subsection (b), assistance may not be provided under this chapter for a country of the South Caucasus or Central Asia if the President determines and certifies to the appropriate congressional committees that the country—

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

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

"(A) 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 Adminis-

tration Act of 1979 950 U.S.C. App. 2410b(c); or

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

"(3) has supported acts of international terrorism;

"(4) 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

"(5) has initiated an act of aggression against another state in the region after the date of enactment of the Silk Road Strategy Act of 1997.

"(b) EXCEPTION TO INELIGIBILITY.—Notwithstanding subsection (a), assistance may be provided under this chapter if the President determines and certifies in advance to the appropriate congressional committees that

the provision of such assistance is important to the national interest of the United States.

"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) SUPERSEDING EXISTING LAW.—The authority to provide assistance under this chapter supersedes any other provision of law, except for—

"(1) this chapter;

"(2) section 634A of this Act and comparable notification requirements contained in sections of the annual foreign operations, export financing, and related programs Act; and

"(3) section 1341 of title 31, United States Code (commonly referred to as the "Anti-Deficiency

Act''), the Congressional Budget and Impoundment Control Act of 1974, the Balanced Budget and Emergency Deficit Control Act of 1985, and the Budget Enforcement Act of 1990.

"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, Kazakstan, Kyrgystan, Tajikistan, Turkmenistan, and Uzbekistan.''.

SEC. 6. ANNUAL REPORT.

Beginning one year after the date of enactment of this Act, and annually thereafter, the President shall submit a report to the appropriate congressional committees—

(1) identifying the progress of United States foreign policy to accomplish the policy identified in section 3;

(2) evaluating the degree to which the assistance authorized by chapter 12 of part I of the Foreign Assistance Act of 1961, as added by section 5 of this Act, was able to accomplish the purposes identified in those sections; and

(3) recommending any additional initiatives that should be undertaken by the United States to implement the policy and purposes contained in this Act.

SEC. 7. 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, Kyrgystan, Tajikistan, Turkmenistan, and Uzbekistan.

○