

107TH CONGRESS  
1ST SESSION

# S. 375

To provide assistance to East Timor to facilitate the transition of East Timor to an independent nation, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 15, 2001

Mr. KENNEDY (for himself, Mr. CHAFEE, Mr. LEAHY, Mr. HARKIN, Mr. FEINGOLD, Mr. REED, Mr. JEFFORDS, and Mr. KERRY) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

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## A BILL

To provide assistance to East Timor to facilitate the transition of East Timor to an independent nation, and for other purposes.

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 “East Timor Transition  
5 to Independence Act of 2001”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

8 (1) On August 30, 1999, the East Timorese  
9 people voted overwhelmingly in favor of independ-

1       ence from Indonesia. Anti-independence militias,  
2       with the support of the Indonesian military, at-  
3       tempted to prevent then retaliated against this vote  
4       by launching a campaign of terror and violence, dis-  
5       placing 500,000 people and murdering at least  
6       1,000 people.

7               (2) The violent campaign devastated East  
8       Timor's infrastructure, destroyed or severely dam-  
9       aged 60 to 80 percent of public and private prop-  
10      erty, and resulted in the collapse of virtually all  
11      vestiges of government, public services and public se-  
12      curity.

13              (3) The Australian-led International Force for  
14      East Timor (INTERFET) entered East Timor in  
15      September 1999 and successfully restored order. On  
16      October 25, 1999, the United Nations Transitional  
17      Administration for East Timor (UNTAET) began to  
18      provide overall administration of East Timor, guide  
19      the people of East Timor in the establishment of a  
20      new democratic government, and maintain security  
21      and order.

22              (4) UNTAET and the East Timorese leader-  
23      ship currently anticipate that East Timor will be-  
24      come an independent nation as early as late 2001.

1           (5) East Timor is one of the poorest places in  
2           Asia. A large percentage of the population live below  
3           the poverty line, only 20 percent of East Timor's  
4           population is literate, most of East Timor's people  
5           remain unemployed, the annual per capita Gross Na-  
6           tional Product is \$340, and life expectancy is only  
7           56 years.

8           (6) The World Bank and the United Nations  
9           have estimated that it will require \$300,000,000 in  
10          development assistance over the next three years to  
11          meet East Timor's basic development needs.

12 **SEC. 3. SENSE OF CONGRESS RELATING TO SUPPORT FOR**  
13 **EAST TIMOR.**

14          It is the sense of Congress that the United States  
15          should—

16               (1) facilitate East Timor's transition to inde-  
17               pendence, support formation of broad-based democ-  
18               racy in East Timor, help lay the groundwork for  
19               East Timor's economic recovery, and strengthen  
20               East Timor's security;

21               (2) help ensure that the nature and pace of the  
22               economic transition in East Timor is consistent with  
23               the needs and priorities of the East Timorese people,  
24               that East Timor develops a strong and independent

1 economic infrastructure, and that the incomes of the  
2 East Timorese people rise accordingly;

3 (3) begin to lay the groundwork, prior to East  
4 Timor's independence, for an equitable bilateral  
5 trade and investment relationship;

6 (4)(A) officially open a diplomatic mission to  
7 East Timor as soon as possible;

8 (B) recognize East Timor, and establish diplo-  
9 matic relations with East Timor, upon its independ-  
10 ence; and

11 (C) ensure that a fully functioning, fully  
12 staffed, adequately resourced, and securely main-  
13 tained United States diplomatic mission is accred-  
14 ited to East Timor upon its independence;

15 (5) support efforts by the United Nations and  
16 East Timor to ensure justice and accountability re-  
17 lated to past atrocities in East Timor through—

18 (A) United Nations investigations;

19 (B) development of East Timor's judicial  
20 system, including appropriate technical assist-  
21 ance to East Timor from the Department of  
22 Justice, the Federal Bureau of Investigation,  
23 and the Drug Enforcement Administration;

24 (C) the possible establishment of an inter-  
25 national tribunal for East Timor; and

1 (D) sharing with the United Nations Tran-  
2 sitional Administration for East Timor  
3 (UNTAET) and East Timorese investigators  
4 any unclassified information relevant to past  
5 atrocities in East Timor gathered by the United  
6 States Government; and

7 (6)(A) as an interim step, support observer sta-  
8 tus for an official delegation from East Timor to ob-  
9 serve and participate, as appropriate, in all delibera-  
10 tions of the Asia-Pacific Economic Cooperation  
11 (APEC) group, the Association of Southeast Asian  
12 Nations (ASEAN), and other international institu-  
13 tions; and

14 (B) after East Timor achieves independence,  
15 support full membership for East Timor in these  
16 and other international institutions, as appropriate.

17 **SEC. 4. BILATERAL ASSISTANCE.**

18 (a) **AUTHORITY.**—The President, acting through the  
19 Administrator of the United States Agency for Inter-  
20 national Development, is authorized to—

21 (1) support the development of civil society, in-  
22 cluding nongovernmental organizations in East  
23 Timor;

24 (2) promote the development of an independent  
25 news media;

1           (3) support job creation, including support for  
2           small business and microenterprise programs, envi-  
3           ronmental protection, sustainable development, de-  
4           velopment of East Timor's health care infrastruc-  
5           ture, educational programs, and programs strength-  
6           ening the role of women in society;

7           (4) promote reconciliation, conflict resolution,  
8           and prevention of further conflict with respect to  
9           East Timor, including establishing accountability for  
10          past gross human rights violations;

11          (5) support the voluntary and safe repatriation  
12          and reintegration of refugees into East Timor; and

13          (6) support political party development, voter  
14          education, voter registration, and other activities in  
15          support of free and fair elections in East Timor.

16          (b) AUTHORIZATION OF APPROPRIATIONS.—

17           (1) IN GENERAL.—There are authorized to be  
18           appropriated to the President to carry out this sec-  
19           tion \$30,000,000 for each of the fiscal years 2002,  
20           2003, and 2004.

21           (2) AVAILABILITY.—Amounts appropriated pur-  
22           suant to the authorization of appropriations under  
23           paragraph (1) are authorized to remain available  
24           until expended.

1 **SEC. 5. MULTILATERAL ASSISTANCE.**

2 The Secretary of the Treasury shall instruct the  
3 United States executive director at each international fi-  
4 nancial institution to which the United States is a member  
5 to use the voice, vote, and influence of the United States  
6 to support economic and democratic development in East  
7 Timor.

8 **SEC. 6. PEACE CORPS ASSISTANCE.**

9 (a) **AUTHORITY.**—The Director of the Peace Corps  
10 is authorized to—

11 (1) provide English language and other tech-  
12 nical training for individuals in East Timor as well  
13 as other activities which promote education, eco-  
14 nomic development, and economic self-sufficiency;  
15 and

16 (2) quickly address immediate assistance needs  
17 in East Timor using the Peace Corps Crisis Corps,  
18 to the extent practicable.

19 (b) **AUTHORIZATION OF APPROPRIATIONS.**—

20 (1) **IN GENERAL.**—There are authorized to be  
21 appropriated to the Peace Corps to carry out this  
22 section \$2,000,000 for each of the fiscal years 2001,  
23 2002, 2003, and 2004.

24 (2) **AVAILABILITY.**—Amounts appropriated pur-  
25 suant to the authorization of appropriations under

1 paragraph (1) are authorized to remain available  
2 until expended.

3 **SEC. 7. TRADE AND INVESTMENT ASSISTANCE.**

4 (a) OPIC.—Beginning on the date of the enactment  
5 of this Act, the President should initiate negotiations with  
6 the United Nations Transitional Administration for East  
7 Timor (UNTAET), the National Council of East Timor,  
8 and the government of East Timor (after independence  
9 for East Timor)—

10 (1) to apply to East Timor the existing agree-  
11 ment between the Overseas Private Investment Cor-  
12 poration and Indonesia; or

13 (2) to enter into a new agreement authorizing  
14 the Overseas Private Investment Corporation to  
15 carry out programs with respect to East Timor,  
16 in order to expand United States investment in East  
17 Timor, emphasizing partnerships with local East Timorese  
18 enterprises.

19 (b) TRADE AND DEVELOPMENT AGENCY.—

20 (1) IN GENERAL.—The Director of the Trade  
21 and Development Agency is authorized to carry out  
22 projects in East Timor under section 661 of the  
23 Foreign Assistance Act of 1961 (22 U.S.C. 2421).

24 (2) AUTHORIZATION OF APPROPRIATIONS.—



1           (A) IN GENERAL.—There are authorized to  
2           be appropriated to the Trade and Development  
3           Agency to carry out this subsection \$1,000,000  
4           for each of the fiscal years 2001, 2002, 2003,  
5           and 2004.

6           (B) AVAILABILITY.—Amounts appro-  
7           priated pursuant to the authorization of appro-  
8           priations under subparagraph (A) are author-  
9           ized to remain available until expended.

10       (c) EXPORT-IMPORT BANK.—The Export-Import  
11 Bank of the United States shall expand its activities in  
12 connection with exports to East Timor.

13 **SEC. 8. GENERALIZED SYSTEM OF PREFERENCES.**

14       (a) SENSE OF CONGRESS.—It is the sense of Con-  
15 gress that the President should encourage the United Na-  
16 tions Transitional Administration for East Timor  
17 (UNTAET), in close consultation with the National Coun-  
18 cil of East Timor, to seek to become eligible for duty-free  
19 treatment under title V of the Trade Act of 1974 (19  
20 U.S.C. 2461 et seq.; relating to generalized system of pref-  
21 erences).

22       (b) TECHNICAL ASSISTANCE.—The United States  
23 Trade Representative and the Commissioner of the United  
24 States Customs Service are authorized to provide technical  
25 assistance to UNTAET, the National Council of East

1 Timor, and the government of East Timor (after inde-  
2 pendence for East Timor) in order to assist East Timor  
3 to become eligible for duty-free treatment under title V  
4 of the Trade Act of 1974.

5 **SEC. 9. BILATERAL INVESTMENT TREATY.**

6 It is the sense of Congress that the President should  
7 seek to enter into a bilateral investment treaty with the  
8 United Nations Transitional Administration for East  
9 Timor (UNTAET), in close consultation with the National  
10 Council of East Timor, in order to establish a more stable  
11 legal framework for United States investment in East  
12 Timor.

13 **SEC. 10. SCHOLARSHIPS FOR EAST TIMORESE STUDENTS.**

14 (a) **AUTHORITY.**—The Secretary of State—

15 (1) is authorized to carry out an East Timorese  
16 scholarship program under the authorities of the  
17 United States Information and Educational Ex-  
18 change Act of 1948, the Mutual Educational and  
19 Cultural Exchange Act of 1961, Reorganization Plan  
20 Number 2 of 1977, and the National Endowment  
21 for Democracy Act; and

22 (2) shall make every effort to identify and pro-  
23 vide scholarships and other support to East Timor-  
24 ese students interested in pursuing undergraduate

1 and graduate studies at institutions of higher edu-  
2 cation in the United States.

3 (b) AUTHORIZATION OF APPROPRIATIONS.—There  
4 are authorized to be appropriated to the Department of  
5 State, \$1,000,000 for the fiscal year 2002 and \$1,000,000  
6 for the fiscal year 2003 to carry out subsection (a).

7 **SEC. 11. PLAN FOR ESTABLISHMENT OF DIPLOMATIC FA-**  
8 **CILITIES IN EAST TIMOR.**

9 (a) DEVELOPMENT OF DETAILED PLAN.—The Sec-  
10 retary of State shall develop a detailed plan for the official  
11 establishment of a United States diplomatic mission to  
12 East Timor, with a view to—

13 (1) officially open a fully functioning, fully  
14 staffed, adequately resourced, and securely main-  
15 tained diplomatic mission in East Timor as soon as  
16 possible;

17 (2) recognize East Timor, and establish diplo-  
18 matic relations with East Timor, upon its independ-  
19 ence; and

20 (3) ensure that a fully functioning, fully staffed,  
21 adequately resourced, and securely maintained diplo-  
22 matic mission is accredited to East Timor upon its  
23 independence.

24 (b) REPORTS.—

1           (1) INITIAL REPORT.—Not later than three  
2 months after the date of the enactment of this Act,  
3 the Secretary of State shall submit to the Committee  
4 on International Relations of the House of Rep-  
5 resentatives and the Committee on Foreign Rela-  
6 tions of the Senate a report that contains the de-  
7 tailed plan described in subsection (a), including a  
8 timetable for the official opening of a facility in Dili,  
9 East Timor, the personnel requirements for the mis-  
10 sion, the estimated costs for establishing the facility,  
11 and its security requirements.

12           (2) SUBSEQUENT REPORTS.—Beginning six  
13 months after the submission of the initial report  
14 under paragraph (1), and every six months there-  
15 after until January 1, 2004, the Secretary of State  
16 shall submit to the committees specified in that  
17 paragraph a report on the status of the implementa-  
18 tion of the detailed plan described in subsection (a),  
19 including any revisions to the plan (including its  
20 timetable, costs, or requirements) that have been  
21 made during the period covered by the report.

22           (3) FORM OF REPORT.—Each report submitted  
23 under this subsection shall be in unclassified form,  
24 with a classified annex as necessary.

1 **SEC. 12. SECURITY ASSISTANCE FOR EAST TIMOR.**

2 (a) AUTHORIZATION.—Beginning on the date on  
3 which the President transmits to the Congress a certifi-  
4 cation described in subsection (b), the President is  
5 authorized—

6 (1) to transfer excess defense articles under  
7 section 516 of the Foreign Assistance Act of 1961  
8 (22 U.S.C. 2321j) to East Timor in accordance with  
9 such section; and

10 (2) to provide military education and training  
11 under chapter 5 of part II of such Act (22 U.S.C.  
12 2347 et seq.) for the armed forces of East Timor in  
13 accordance with such chapter.

14 (b) CERTIFICATION.—A certification described in this  
15 subsection is a certification that—

16 (1) East Timor has established an independent  
17 armed forces; and

18 (2) the assistance proposed to be provided pur-  
19 suant to subsection (a)—

20 (A) is in the national security interests of  
21 the United States; and

22 (B) will promote both human rights in  
23 East Timor and the professionalization of the  
24 armed forces of East Timor.

25 (c) STUDY AND REPORT.—

1           (1) STUDY.—The President shall conduct a  
2 study to determine—

3           (A) the extent to which East Timor’s secu-  
4 rity needs can be met by the transfer of excess  
5 defense articles under section 516 of the For-  
6 eign Assistance Act of 1961;

7           (B) the extent to which international mili-  
8 tary education and training (IMET) assistance  
9 will enhance professionalism of the armed  
10 forces of East Timor, provide training in  
11 human rights, and promote respect for human  
12 rights and humanitarian law; and

13           (C) the terms and conditions under which  
14 such defense articles or training, as appro-  
15 priate, should be provided.

16           (2) REPORT.—Not later than 1 month after the  
17 date of enactment of this Act, the President shall  
18 submit a report to the Committee on Foreign Rela-  
19 tions and the Committee on Appropriations of the  
20 Senate and the Committee on International Rela-  
21 tions and the Committee on Appropriations of the  
22 House of Representatives setting forth the findings  
23 of the study conducted under paragraph (1).

1 **SEC. 13. AUTHORITY FOR RADIO BROADCASTING.**

2       The Broadcasting Board of Governors shall further  
3 the communication of information and ideas through the  
4 increased use of audio broadcasting to East Timor to en-  
5 sure that radio broadcasting to that country serves as a  
6 consistently reliable and authoritative source of accurate,  
7 objective, and comprehensive news.

8 **SEC. 14. REPORTING REQUIREMENT.**

9       (a) IN GENERAL.—Not later than three months after  
10 the date of the enactment of this Act, and every six  
11 months thereafter until January 1, 2004, the Secretary  
12 of State, in coordination with the Administrator of the  
13 United States Agency for International Development, the  
14 Secretary of the Treasury, the United States Trade Rep-  
15 resentative, the Secretary of Commerce, the Overseas Pri-  
16 vate Investment Corporation, the Director of the Trade  
17 and Development Agency, the President of the Export-Im-  
18 port Bank of the United States, the Secretary of Agri-  
19 culture, and the Director of the Peace Corps, shall prepare  
20 and transmit to the Committee on International Relations  
21 of the House of Representatives and the Committee on  
22 Foreign Relations of the Senate a report that contains the  
23 information described in subsection (b).

24       (b) INFORMATION.—The report required by sub-  
25 section (a) shall include—

1           (1) developments in East Timor’s political and  
2           economic situation in the period covered by the re-  
3           port, including an evaluation of any elections occur-  
4           ring in East Timor and the refugee reintegration  
5           process in East Timor;

6           (2)(A) in the initial report, a 3-year plan for  
7           United States foreign assistance to East Timor in  
8           accordance with section 4, prepared by the Adminis-  
9           trator of the United States Agency for International  
10          Development, which outlines the goals for United  
11          States foreign assistance to East Timor during the  
12          3-year period; and

13          (B) in each subsequent report, a description in  
14          detail of the expenditure of United States bilateral  
15          foreign assistance during the period covered by each  
16          such report;

17          (3) a description of the activities undertaken in  
18          East Timor by the International Bank for Recon-  
19          struction and Development, the Asian Development  
20          Bank, and other international financial institutions,  
21          and an evaluation of the effectiveness of these activi-  
22          ties;

23          (4) an assessment of—

24                  (A) the status of United States trade and  
25                  investment relations with East Timor, including



1 a detailed analysis of any trade and investment-  
2 related activity supported by the Overseas Pri-  
3 vate Investment Corporation, the Export-Im-  
4 port Bank of the United States, and the Trade  
5 and Development Agency during the period of  
6 time since the previous report; and

7 (B) the status of any negotiations with the  
8 United Nations Transitional Administration for  
9 East Timor (UNTAET) or East Timor to fa-  
10 cilitate the operation of the United States trade  
11 agencies in East Timor;

12 (5) the nature and extent of United States-East  
13 Timor cultural, education, scientific, and academic  
14 exchanges, both official and unofficial, and any  
15 Peace Corps activities;

16 (6) a comprehensive study and report on local  
17 agriculture in East Timor, emerging opportunities  
18 for producing, processing, and exporting indigenous  
19 agricultural products, and recommendations for ap-  
20 propriate technical assistance from the United  
21 States; and

22 (7) statistical data drawn from other sources on  
23 economic growth, health, education, and distribution  
24 of resources in East Timor.

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