

105TH CONGRESS  
1ST SESSION

# H. R. 2983

To promote long term stability in the Caucasus, deter renewed aggression, and facilitate the peaceful resolution of the Nagorno-Karabagh conflict.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 9, 1997

Mr. SHERMAN (for himself, Mr. FOX of Pennsylvania, Mr. PALLONE, Mr. VIS-CLOSKY, Mr. BONIOR, Ms. ESHOO, Mr. KENNEDY of Rhode Island, Mr. ROTHMAN, Mr. ROGAN, Mr. WEYGAND, Mr. RADANOVICH, Mr. MORAN of Virginia, Mr. KENNEDY of Massachusetts, and Mr. MARKEY) introduced the following bill; which was referred to the Committee on International Relations, and in addition to the Committee on Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To promote long term stability in the Caucasus, deter renewed aggression, and facilitate the peaceful resolution of the Nagorno-Karabagh conflict.

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 “Caucasus Peace and  
5 Stability Act of 1997”.

1 **SEC. 2. FINDINGS.**

2 The Congress makes the following findings:

3 (1) In 1988, the Government of Azerbaijan ini-  
4 tiated a campaign of armed aggression, deportations,  
5 pogroms, and blockades against the population of  
6 Nagorno-Karabagh which had exercised its right to  
7 self-determination.

8 (2) After more than six years of armed conflict,  
9 Nagorno-Karabagh, Armenia and Azerbaijan agreed,  
10 in May of 1994, to implement a cease-fire.

11 (3) Despite the existence of this cease-fire since  
12 May of 1994, Azerbaijan has maintained its block-  
13 ades of Armenia and Nagorno-Karabagh, which has  
14 directly resulted in extreme hardship, loss of life and  
15 economic devastation in both Armenia and Nagorno-  
16 Karabagh.

17 (4) Both Nagorno-Karabagh and Azerbaijan  
18 are participating in the peace process organized by  
19 the Minsk Group of the Organization for Security  
20 and Cooperation in Europe (OSCE).

21 (5) The United States has been an active par-  
22 ticipant in the OSCE peace negotiations and cur-  
23 rently serves as co-chair of the Minsk Group along  
24 with France and Russia.

25 (6) Renewed aggression by Azerbaijan and a re-  
26 turn to armed hostilities will destabilize a region of

1 major geopolitical importance to the United States,  
2 threaten the independence of the Caucasus states,  
3 and significantly hinder the region's economic and  
4 political development.

5 **SEC. 3. DECLARATIONS OF POLICY.**

6 The Congress declares that it is the policy of the  
7 United States—

8 (1) to promote a negotiated settlement of the  
9 Nagorno-Karabagh conflict through active participa-  
10 tion in the Minsk Group of the Organization for Se-  
11 curity and Cooperation in Europe (OSCE);

12 (2) to act as an impartial mediator, facilitating  
13 direct talks between Nagorno-Karabagh and Azer-  
14 baijan, and to remain neutral on the status and se-  
15 curity issues being negotiated by the parties to the  
16 conflict;

17 (3) not to take any action that would jeopardize  
18 the ongoing efforts of the OSCE Minsk Group to  
19 reach a peaceful solution to the conflict; and

20 (4) to foster confidence-building measures and  
21 to help create incentives for peace which will lead to  
22 a lasting and equitable long-term settlement of the  
23 conflict.

1 **SEC. 4. IMPOSITION OF SANCTIONS.**

2 (a) OPERATION, INVESTMENT, OR OTHER TRADE IN  
3 OR WITH AZERBAIJAN.—A United States person may not,  
4 either directly or through another person, operate or in-  
5 vest in Azerbaijan or trade in goods or services from Azer-  
6 baidjan if the Government of Azerbaijan is engaging in  
7 armed aggression or renewed use of force against Armenia  
8 or Nagorno-Karabagh.

9 (b) COMMERCIAL MILITARY OR DUAL-USE SALES.—  
10 A license may not be issued under section 38 of the Arms  
11 Export Control Act (22 U.S.C. 2778) for the export to  
12 Azerbaijan of any defense or dual-use article, service, or  
13 other technology if the Government of Azerbaijan is en-  
14 gaging in armed aggression or renewed use of force  
15 against Armenia or Nagorno-Karabagh.

16 (c) MULTILATERAL ASSISTANCE.—The President  
17 shall instruct the United States Executive Director of each  
18 international financial institution to which the United  
19 States is a member to use the voice and vote of the United  
20 States to oppose any loan or other utilization of the funds  
21 of the respective institutions to or from Azerbaijan if the  
22 Government of Azerbaijan is engaging in armed aggres-  
23 sion or renewed use of force against Armenia or Nagorno-  
24 Karabagh.

25 (d) WAIVER.—The President may waive any require-  
26 ment under subsections (a) through (c) on a case-by-case

1 basis beginning not less than 30 days after the date on  
2 which the President determines and reports to the Con-  
3 gress that it is important to the national interest of the  
4 United States to do so.

5 **SEC. 5. DEFINITION.**

6 As used in this Act, the term “United States person”  
7 means—

8 (1) a citizen or permanent resident of the  
9 United States;

10 (2) a corporation, partnership, or association  
11 organized under the laws of the United States or  
12 having its principle base in the United States; and

13 (3) a corporation, partnership, or association in  
14 which at least a 25 percent interest is owned or oth-  
15 erwise controlled by a natural person, corporation,  
16 partnership, or association that qualifies as a United  
17 States person under paragraph (1) or (2).

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