

106TH CONGRESS  
2D SESSION

# H. R. 5253

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 HOUSE OF REPRESENTATIVES

SEPTEMBER 21, 2000

Mr. GEJDENSON (for himself, Mr. LANTOS, Mrs. LOWEY, Ms. PELOSI, Mr. ACKERMAN, Mr. MCGOVERN, Mr. EVANS, Mr. WEXLER, Mr. KUCINICH, Mr. BERMAN, Mr. CAPUANO, Mr. BLUMENAUER, Mr. HALL of Ohio, Mr. SMITH of New Jersey, Mr. WEYGAND, Mr. FALEOMAVAEGA, Mr. KENNEDY of Rhode Island, Mr. FRANK of Massachusetts, and Mr. HOFFEL) introduced the following bill; which was referred to the Committee on International Relations, and in addition to the Committees on Banking and Financial Services, and Ways and Means, 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 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 2000”.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) On August 30, 1999, the East Timorese  
4 people voted overwhelmingly in favor of independ-  
5 ence from Indonesia in elections organized by the  
6 United Nations Assistance Mission in East Timor  
7 (UNAMET). Pro-integration militias, with the sup-  
8 port of the Indonesian military, attempted to pre-  
9 vent then retaliated against this vote by launching a  
10 campaign of terror and violence. As a result, over  
11 500,000 people, or approximately  $\frac{2}{3}$  of the popu-  
12 lation, were displaced. Hundreds were murdered,  
13 and many were raped.

14 (2) The violent campaign devastated East  
15 Timor's infrastructure, including its schools, water  
16 and power supplies, and transportation and commu-  
17 nications systems. The militias destroyed or severely  
18 damaged 60 to 80 percent of public and private  
19 property across East Timor. Virtually all vestiges of  
20 government, public services (including sanitation),  
21 and public security in East Timor also collapsed.

22 (3) The International Force for East Timor  
23 (INTERFET) entered East Timor in September  
24 1999 and successfully restored order. INTERFET  
25 was organized and led by Australia, with the active

1 participation of the Philippines, South Korea, New  
2 Zealand, and Thailand.

3 (4) On October 25, 1999, the United Nations  
4 Security Council established a new mandate for its  
5 operations in East Timor. The United Nations  
6 Transitional Administration for East Timor  
7 (UNTAET), which replaced UNAMET, was directed  
8 to provide overall administration of East Timor,  
9 guide the people of East Timor in the establishment  
10 of a new democratic government, and maintain secu-  
11 rity and order.

12 (5) The leadership of UNTAET and the East  
13 Timorese leadership currently anticipate that East  
14 Timor will become an independent nation in mid- to  
15 late-2001.

16 (6) East Timor is one of the poorest places in  
17 Asia. A large percentage of the population live below  
18 the poverty line, only 20 percent of East Timor's  
19 population is literate, most of East Timor's people  
20 remain unemployed, the annual per capita Gross Na-  
21 tional Product is \$340, and life expectancy is only  
22 56 years.

23 (7) The World Bank and the United Nations  
24 have estimated that it will require \$300,000,000 in  
25 development assistance over the next three years in

1 order to meet East Timor's basic development needs.  
2 Donor countries, including the United States, have  
3 pledged a total of \$173,000,000 to the Trust Fund  
4 established by the World Bank to manage the dis-  
5 tribution of donor funds in East Timor, and  
6 \$37,000,000 to the Trust Fund of UNTAET.

7 (8) The United States has been a leading con-  
8 tributor to the development of East Timor since  
9 1994. As a result of the United States Agency for  
10 International Development's funding a successful  
11 coffee cooperative project, small farmers have been  
12 able to enter the cash economy and to increase the  
13 amount of money earned from the coffee they grow.

14 (9) The Foreign Operations, Export Financing,  
15 and Related Programs Appropriations Act, 2000,  
16 provided \$25,000,000 for East Timor. Utilizing  
17 these funds, the United States Agency for Inter-  
18 national Development has helped to restart the cof-  
19 fee cooperative project after it ceased to operate dur-  
20 ing the militia rampage, funded job creation pro-  
21 grams for East Timorese, contributed to UNTAET  
22 and to the World Bank Trust Fund for East Timor,  
23 supported community organizations, and funded  
24 forensics, human rights, independent media, and ju-  
25 dicial development projects.

1 **SEC. 3. SENSE OF CONGRESS RELATING TO SUPPORT FOR**  
2 **EAST TIMOR.**

3 It is the sense of Congress that the United States—

4 (1) should support formation of broad-based de-  
5 mocracy in East Timor, and help lay the ground-  
6 work for East Timor's economic recovery, the  
7 strengthening of East Timor's security, and the pro-  
8 motion of East Timor's ability to play a positive role  
9 in the Asia-Pacific region and in international orga-  
10 nizations.

11 (2) should continue to support the provision of  
12 bilateral and multilateral assistance to East Timor,  
13 with such assistance targeted to creation of jobs,  
14 promotion of civil society, preparation for East  
15 Timor's first elections, development of East Timor's  
16 educational and health care systems, and support for  
17 East Timor's judicial system and the truth and rec-  
18 onciliation process;

19 (3) should begin to lay the groundwork, prior to  
20 East Timor's independence, for an equitable future  
21 trade and investment relationship with East Timor,  
22 including trade and investment promotion activities  
23 to be carried out by the Overseas Private Investment  
24 Corporation, the Trade and Development Agency,  
25 and the Export-Import Bank of the United States;

1           (4) should officially open a diplomatic mission  
2           in East Timor as soon as possible to ensure that the  
3           United States can continue to play a leadership role  
4           in building East Timor’s political and economic fu-  
5           ture; and

6           (5) should support the efforts by the United  
7           Nations to ensure justice and accountability related  
8           to past atrocities in East Timor through United Na-  
9           tions investigations, United Nations support for the  
10          development of East Timor’s judicial system, and  
11          the possible establishment of an international tri-  
12          bunal for East Timor.

13 **SEC. 4. BILATERAL ASSISTANCE.**

14          (a) **AUTHORIZATION.**—The President, acting through  
15          the Administrator of the United States Agency for Inter-  
16          national Development, is authorized and encouraged to  
17          provide assistance under the Foreign Assistance Act of  
18          1961 (22 U.S.C. 2151 et seq.) and other applicable laws  
19          to support the transition to democracy and self-govern-  
20          ment in East Timor.

21          (b) **ADDITIONAL REQUIREMENTS.**—Assistance pro-  
22          vided pursuant to subsection (a)—

23                  (1) shall support the development of civil soci-  
24                  ety, including nongovernmental organizations in  
25                  East Timor;

1           (2) shall promote the development of an inde-  
2           pendent news media;

3           (3) shall support job creation and economic de-  
4           velopment in East Timor, including support for  
5           microenterprise programs and technical education,  
6           as well as environmental protection and education  
7           programs;

8           (4) shall fund efforts to promote reconciliation,  
9           conflict resolution, and prevention of further conflict  
10          with respect to East Timor, including establishing  
11          accountability for past gross human rights viola-  
12          tions;

13          (5) shall support the repatriation and reintegra-  
14          tion of refugees into East Timor; and

15          (6) shall support political party development,  
16          voter education, voter registration and other activi-  
17          ties in support of free and fair elections in East  
18          Timor.

19          (c) AUTHORIZATION OF APPROPRIATIONS.—

20           (1) IN GENERAL.—There are authorized to be  
21           appropriated to carry out this section \$25,000,000  
22           for each of the fiscal years 2001, 2002, and 2003.

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

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

3 **SEC. 5. MULTILATERAL ASSISTANCE.**

4 The President shall instruct the United States execu-  
5 tive director at each international financial institution to  
6 which the United States is a member, in particular the  
7 International Bank for Reconstruction and Development  
8 and the Asian Development Bank, to use the voice, vote,  
9 and influence of the United States to ensure that the insti-  
10 tution provides timely and appropriate resources to help  
11 East Timor to continue to develop its economy, meet basic  
12 human needs, and evolve toward economic self-sufficiency,  
13 pluralism, and democracy.

14 **SEC. 6. PEACE CORPS ASSISTANCE.**

15 (a) AUTHORIZATION.—The President, acting through  
16 the Director of the Peace Corps, is authorized to carry  
17 out a program in East Timor under the Peace Corps Act  
18 (22 U.S.C. 2501 et seq.) which shall include the use of  
19 Peace Corps volunteers—

20 (1) to provide English language and other tech-  
21 nical training for individuals in East Timor as well  
22 as other activities which promote education, eco-  
23 nomic development, and economic self-sufficiency;  
24 and

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

4           (b) AUTHORIZATION OF APPROPRIATIONS.—

5           (1) IN GENERAL.—In addition to amounts oth-  
6 erwise available to carry out subsection (a), there  
7 are authorized to be appropriated \$2,000,000 for  
8 each of the fiscal years 2001, 2002, and 2003 to  
9 carry out such subsection.

10           (2) AVAILABILITY.—Amounts appropriated pur-  
11 suant to the authorization of appropriations under  
12 paragraph (1) are authorized to remain available  
13 until expended.

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

15           (a) OPIC.—Beginning on the date of the enactment  
16 of this Act, the President shall initiate negotiations with  
17 the United Nations Transitional Administration for East  
18 Timor (UNTAET), the National Council of East Timor,  
19 and the government of East Timor (after independence  
20 for East Timor)—

21           (1) to apply to East Timor the existing agree-  
22 ment between the Overseas Private Investment Cor-  
23 poration and Indonesia, or

1           (2) to enter into a new agreement authorizing  
2           the Overseas Private Investment Corporation to  
3           carry out programs with respect to East Timor,  
4 in order to expand United States investment in East  
5 Timor.

6           (b) TRADE AND DEVELOPMENT AGENCY.—

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

11          (2) AUTHORIZATION OF APPROPRIATIONS.—

12           (A) IN GENERAL.—There are authorized to  
13          be appropriated to carry out this subsection  
14          \$1,000,000 for each of the fiscal years 2001,  
15          2002, and 2003.

16           (B) AVAILABILITY.—Amounts appro-  
17          priated pursuant to the authorization of appro-  
18          priations under subparagraph (A) are author-  
19          ized to remain available until expended.

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

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

24          (a) SENSE OF CONGRESS.—It is the sense of Con-  
25 gress that the President should encourage the United Na-

1 tions Transitional Administration for East Timor  
2 (UNTAET), in close consultation with the National Coun-  
3 cil of East Timor, to seek to become eligible for duty-free  
4 treatment under title V of the Trade Act of 1974 (19  
5 U.S.C. 2461 et seq.; relating to generalized system of pref-  
6 erences).

7 (b) TECHNICAL ASSISTANCE.—The United States  
8 Trade Representative and the Commissioner of the United  
9 States Customs Service are authorized to provide technical  
10 assistance to UNTAET, the National Council of East  
11 Timor, and the government of East Timor (after inde-  
12 pendence for East Timor) in order to assist East Timor  
13 to become eligible for duty-free treatment under title V  
14 of the Trade Act of 1974.

15 **SEC. 9. BILATERAL INVESTMENT TREATY.**

16 It is the sense of the Congress that the President  
17 should seek to enter into a bilateral investment treaty with  
18 the United Nations Transitional Administration for East  
19 Timor (UNTAET), in close consultation with the National  
20 Council of East Timor, in order to establish a more stable  
21 legal framework for United States investment in East  
22 Timor.

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

24 There are authorized to be appropriated to the De-  
25 partment of State, \$1,000,000 for the fiscal year 2002

1 and \$1,000,000 for the fiscal year 2003 to carry out an  
2 East Timorese scholarship program under the authorities  
3 of the United States Information and Educational Ex-  
4 change Act of 1948, the Mutual Educational and Cultural  
5 Exchange Act of 1961, Reorganization Plan Number 2 of  
6 1977, and the National Endowment for Democracy Act.  
7 The Department of State shall make every effort to iden-  
8 tify and provide scholarships and other support to East  
9 Timorese students interested in pursuing undergraduate  
10 and graduate studies at institutions of higher education  
11 in the United States.

12 **SEC. 11. PLAN FOR ESTABLISHMENT OF DIPLOMATIC FA-**  
13 **CILITIES IN EAST TIMOR.**

14 The Secretary of State shall develop a detailed plan  
15 for the official establishment of a diplomatic mission in  
16 Dili, East Timor.

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

18 (a) **AUTHORIZATION.**—Beginning on and after the  
19 date on which the President transmits to the Congress a  
20 certification described in subsection (b), the President is  
21 authorized—

22 (1) to transfer excess defense articles under  
23 section 516 of such Act (22 U.S.C. 2321j) to East  
24 Timor in accordance with such section; and

1           (2) to provide military education and training  
2           under chapter 5 of part II of the Foreign Assistance  
3           Act of 1961 (22 U.S.C. 2347 et seq.) for the armed  
4           forces of East Timor in accordance with such chap-  
5           ter.

6           (b) CERTIFICATION.—A certification described in this  
7           subsection is a certification that—

8           (1) East Timor has established an independent  
9           armed forces; and

10          (2) the assistance proposed to be provided pur-  
11          suant to subsection (a)—

12                 (A) is in the national security interests of  
13                 the United States; and

14                 (B) will promote both human rights in  
15                 East Timor and the professionalization of the  
16                 armed forces of East Timor.

17 **SEC. 13. REPORTING REQUIREMENT.**

18          (a) IN GENERAL.—Not later than three months after  
19          the date of the enactment of this Act, and every six  
20          months thereafter until January 1, 2004, the Secretary  
21          of State, in coordination with the Administrator of the  
22          United States Agency for International Development, the  
23          Secretary of the Treasury, the United States Trade Rep-  
24          resentative, the Secretary of Commerce, the Overseas Pri-  
25          vate Investment Corporation, the Director of the Trade

1 and Development Agency, the President of the Export-Im-  
2 port Bank of the United States, and the Director of the  
3 Peace Corps, shall prepare and transmit to the Committee  
4 on International Relations of the House of Representa-  
5 tives and the Committee on Foreign Relations of the Sen-  
6 ate a report that contains the information described in  
7 subsection (b).

8 (b) INFORMATION.—The report shall include—

9 (1) significant developments in United States  
10 relations with East Timor;

11 (2) developments in East Timor’s political and  
12 economic situation in the period covered by the re-  
13 port, including an evaluation of any elections occur-  
14 ring in East Timor during this period and the ref-  
15 ugee reintegration process in East Timor;

16 (3) activities undertaken in East Timor by the  
17 International Bank for Reconstruction and Develop-  
18 ment and the Asian Development Bank, and an eval-  
19 uation of the effectiveness of these activities;

20 (4) the status of United States trade and in-  
21 vestment relations with East Timor, including a de-  
22 tailed analysis of any trade and investment-related  
23 activity supported by the Overseas Private Invest-  
24 ment Corporation, the Export-Import Bank of the  
25 United States, and the Trade and Development

1 Agency during the period of time since the previous  
2 report and the status of any negotiations with the  
3 United Nations Transitional Administration for East  
4 Timor (UNTAET) or East Timor to facilitate the  
5 operation of the United States trade agencies in  
6 East Timor;

7 (5) the nature and extent of United States-East  
8 Timor cultural, education, scientific, and academic  
9 exchanges, both official and unofficial, and any  
10 Peace Corps activities;

11 (6) with respect to the first report, a detailed  
12 plan for the establishment of diplomatic facilities in  
13 East Timor in accordance with section 11, which  
14 may be submitted in classified or unclassified form,  
15 and including a timetable for the official opening of  
16 a facility in Dili, the personnel requirements for the  
17 mission, the estimated costs for establishing the fa-  
18 cility, and its security requirements; and

19 (7) with respect to the first report, a 3-year  
20 plan for United States foreign assistance to East  
21 Timor in accordance with section 4, prepared by the  
22 Administrator of the United States Agency for  
23 International Development, which outlines the goals  
24 for United States foreign assistance to East Timor  
25 during this 3-year period, and in subsequent reports,

1 describes in detail the expenditure of United States  
2 bilateral foreign assistance during the period covered  
3 by the report.

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