

**MARKUP OF H.R. 1152, SILK ROAD STRATEGY
ACT**

MARKUP
BEFORE THE
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MARKUP OF H.R. 1152, SILK ROAD STRATEGY ACT

Thursday, July 22, 1999

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
WASHINGTON, D.C.

The Committee met, pursuant to notice, at 11:05 a.m. in Room 2172, Rayburn House Office Building, Hon. Benjamin A. Gilman (Chairman of the Committee) Presiding.

Chairman GILMAN. The Committee on International Relations meets today in open session pursuant to notice to consider H.R. 1152. Let me give notice that we will also, by arrangement with the Minority, be taking up a unanimous consent request relative to the bill we handled yesterday, and I do want to express once again my thanks to all of our Members for their extreme cooperation in the effort that led us to the passage of H.R. 2415 yesterday. We really appreciate that.

We will now consider the Silk Road Strategy Act. The Chair lays the bill before the Committee. Clerk will report the title of the bill.

Ms. BLOOMER. "H.R. 1152, a bill to amend the Foreign Assistance Act of 1961 to target assistance to support the economic and political independence of the South Caucasus and Central Asia."

Chairman GILMAN. Without objection, the first reading of the bill will be dispensed with.

Ms. BLOOMER. "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——"

Chairman GILMAN. Without objection, the full reading of the bill is dispensed with.

Chairman GILMAN. This bill was considered by the Subcommittee on Asia and the Pacific and ordered favorably reported without amendment on June 23rd. Without objection, the bill will be considered as having been read for amendment. It is open to amendment at any point.

I now recognize the sponsor of the bill, the Vice Chairman of our Subcommittee on Asia and the Pacific, the distinguished gentleman from Nebraska, Mr. Bereuter for five minutes to introduce the bill.

Mr. BEREUTER. Thank you, Mr. Chairman. I would ask unanimous consent that I may be able to yield the first part of my time to Mr. Radanovich, who has an appointment he needs to get to promptly, and so without objection I would ask that he be able to proceed.

Chairman GILMAN. Without objection.

Mr. RADANOVICH. Thank you, Mr. Chairman, and to Mr. Bereuter my thanks as well not only for being able to speak, but also for your leadership in crafting this legislation and bringing it before the Committee for our consideration. I share your understanding of the importance of promoting greater regional cooperation, supporting increased economic integration and facilitating the free flow of transportation and communication among the states of the Caucasus in Central Asia. I very much appreciate your efforts to advance U.S. National interests, particularly in helping to create opportunities for U.S. businesses, while also making sure that we promote American values in the region. Among these values, of course, are supporting the independence of these newly independent states such as Armenia, encouraging durable political reforms and assisting in the peaceful resolution of conflicts.

I would like to stress how important it is for this legislation and more broadly for all of our diplomatic efforts in the region to encourage progress where we see it, but also to ensure that we do not reward governments that create obstacles to regional cooperation, reject negotiated settlements in favor of border closures and aggression, and stand in the way of genuine political and economic reform. Those who create barriers to progress, who block communications and reject peace should not be rewarded by U.S. tax dollars.

Thank you very much for this opportunity to speak. I appreciate it very much.

Mr. BEREUTER. Reclaiming my time, I thank the gentleman for his statement and his support, and would continue by saying that this legislation was introduced on March 17th of this year by this Member along with the distinguished Ranking Member Democrat of the Subcommittee, Mr. Lantos, and Mr. Berman and Mr. Pitts. It is cosponsored now by Subcommittee Members Ackerman, King and Faleomavaega. It was approved by voice vote on the Subcommittee level, which has policy jurisdiction over only the Central Asia Republics area of the bill, and that was done on June 23rd.

When the breakup of the former Soviet Union occurred in 1991, Russia became the overwhelming focus of U.S. attention. Of course, Russia is the heir of the vast Soviet nuclear arsenal, its military might. Russia also retains the Soviet permanent seat on the U.N. Security Council and membership in a secondary way on the G-8. If the post-Soviet era was to be peaceful, we had to get along with Moscow. Thus it is perhaps not surprising that U.S. attention, including the Freedom Support Act, was overwhelmingly directed at Russia.

However, the breakup of the former Soviet Union resulted, as we know, in the creation of 15 countries. A few countries, the Baltic nations and Ukraine, receive special attention either in the Freedom Support Act or the Seed Act, which addressed Eastern Europe.

However, the Caucasus and the Central Asia Republics received scant attention. This area includes Georgia, Armenia, Azerbaijan, Turkmenistan, Uzbekistan, Kazakhstan, Kyrgyzstan and Tajikistan. These eight countries have a total population of some 75 million and are strategically located at the geographic nexus of Russia, China, Iran, Afghanistan and Turkey. At least six of these countries are secular Islamic states which have in the main re-

jected efforts to foster expanded Islamic fundamentalism. They seek closer relations with the West, and they look to the United States for leadership and guidance on a host of international issues. Importantly, these Islamic states also seek close relations with long-standing U.S.-friendly countries in the region like Israel and Turkey.

I believe Mr. Berman will have an amendment at the proper time recognizing the relationship with Israel.

It is important to note that there is much at stake for our national security. These are frontline states in the effort to combat anti-Western extremism. The nations of the region are cooperating on important issues such as counterterrorism, counternarcotics and combating the spread of weapons of mass destruction. In addition to vast oil and natural gas wealth, the region offers the West a supplementary source of oil to avoid a predominant reliance on Persian Gulf oil. In short, this is a region that is rich with potential resource opportunities and also potential instability.

H.R. 1152 seeks to provide policy direction to U.S. policy in the Central Asian Republics and the Caucasus region. It outlines what our foreign policy and foreign aid priorities should be and what might be the reward for continued cooperation with the United States, and it also stipulates what actions would result in a termination of assistance.

I will tell my colleagues that H.R. 1152 does not authorize new money, but merely directs funding already provided to these eight countries emerging from the former Soviet Union.

I would also tell my colleagues that this legislation very intentionally does not address the difficult question of Section 907 of the Foreign Assistance Act, the prohibition of assistance in Azerbaijan. That is a conscious decision by this Member with the support of Chairman Gilman. Frankly, this is too divisive an issue, so it is to be avoided to make way for the progress which can spring from this legislation. The elements of the legislation are simply too important to allow it to be sidetracked because of a Section 907 controversy.

I want to express my appreciation for the interest and support of the Subcommittee's Ranking Democrat, the distinguished gentleman from California, and to the other Members on both sides of the aisle for cosponsoring this legislation. Finally, I also want to thank the Chairman for scheduling the markup of this legislation today. Thank you.

Chairman GILMAN. Thank you, Mr. Bereuter.

Chairman GILMAN. Mr. Gejdenson.

Mr. GEJDENSON. Thank you. I would like to commend Mr. Bereuter, Mr. Berman, Mr. Ackerman, Mr. Lantos, and others who are involved in this effort. It is clear that as Prime Minister Barak referenced his own area of the world, this is also a dangerous part of the world. It is an area where a number of the countries in the region are involved in destabilizing activities, and so it is particularly important that we put our focus on this area. So much of our focus has been on the former Soviet bloc countries and parts of the Soviet Union that were closer to central Europe where actually there is much more of a force for progress, democracy, human rights and economic development. So it is very appropriate that we focus on

this region, especially when we look at the difficult neighbors in the region, Iran, Afghanistan, and China. There are some very tough issues that need to be addressed, and I would again commend Mr. Bereuter for his efforts on this legislation. It is a very appropriate thing to do.

Chairman GILMAN. Any other Members seeking recognition?

Mr. Rohrabacher.

Mr. ROHRABACHER. I have an amendment.

Chairman GILMAN. We are just on general discussion on the measure.

I support the intent of the measure before us today, the Silk Road Strategy Act of 1999, sponsored by our colleague from Nebraska, Mr. Bereuter. The Subcommittee on Asia and the Pacific, which he chairs, has jurisdiction over the countries of Central Asia. The countries of the Caucasus region also covered by the bill deserve to be a specific focus of our policy and our assistance in the region in the former Soviet Union. This bill relating 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 the ongoing authority of chapter 11 of the Freedom Support Act of 1992.

With regard to those countries, and I think that this is important, given the key work done by the Office of the State Department Coordinator of Assistance that was created by the 1992 act, this act will ensure that coordinating function continues through all of the new independent states of the former Soviet Union. It should ensure an added specific focus on the states of Central Asia and the Caucasus. Accordingly, I support the measure, and Mr. Bereuter is recognized for his amendment.

Mr. BEREUTER. Mr. Chairman, the amendment I was going to offer is also offered by Mr. Burton, and I would let him offer it for several of us.

Chairman GILMAN. Mr. Burton.

Mr. BURTON. I appreciate the gentleman yielding to me. I offer this amendment with Mr. Bereuter, Mr. Lantos, you, Mr. Gilman, and Mr. Gejdenson. I feel that this amendment is extremely important, this legislation which is authored by my good friend, the gentleman from Nebraska.

Chairman GILMAN. Mr. Burton, if you will yield a moment, the clerk will report.

Ms. BLOOMER. "The amendment offered by Mr. Burton, page 13, line 16, strike 'or'; page 13, line 21, strike the last period and insert 'or'; page 13, after line 21, add the following: '(5) has not made significant progress toward resolving trade disputes.'"

Chairman GILMAN. The amendment is considered as having been read and is open for discussion.

Chairman GILMAN. The Chair recognizes Mr. Burton for five minutes.

Mr. BURTON. Thank you again, Mr. Chairman. As I said, this legislation offered by my good friend from Nebraska seeks to promote free market policies in the new republics of Central Asia and the Caucasus, and it will encourage foreign investment, increase trade and other forms of commercial ties between the countries of these

regions and the rest of the world. These are very praiseworthy objectives, and legislation expressing U.S. support for the fledgling democracies of the Silk Road region deserves priority attention. Consequently, I support the goals of H.R. 1152, the Silk Road Strategy Act of 1999.

At the same time, and Mr. Bereuter and the others agree, however, many companies from OECD countries including the U.S., with substantial direct investments in several of the Silk Road countries, are not being accorded fair treatment. Investment contracts are not being honored. Export permits are not being issued, and de facto nationalizations of foreign investment have occurred. In several instances, formal complaints have been lodged by investors through U.S. and other embassies in the region. Yet H.R. 1152 is, but won't be in the future, silent on the need to protect U.S. and other foreign investment.

I am concerned or was concerned that without specific language conditioning U.S. assistance on the fair treatment of foreign investors, adoption of the Silk Road Bill could cause the beneficiary governments to conclude that they have a green light to renege on commitments to foreign investors, thus jeopardizing hundreds of millions of dollars of investments.

Legislation in support of the Silk Road countries should not be passed at any cost, and care should be taken to ensure that the legislation does not do more harm than good. Accordingly, I believe that the various types of U.S. assistance that would be authorized in the Silk Road bill should be conditioned on the progress that a recipient country is making in resolving existing investment and other trade disputes. This amendment does this, and this amendment would make a Silk Road country ineligible for assistance if the President determines such country has not made significant progress toward resolving trade disputes registered with and raised by the U.S. embassy in such countries.

This language is very similar to the provision authored by Congressman Ron Packard in the fiscal year 1998 Foreign Operations Appropriations bill regarding the Ukraine, and it got results.

I am sure that my colleagues would agree that investments in the Silk Road region should be protected, and the commitments made by companies, by Silk Road governments must be honored. I therefore I appreciate the Committee supporting this amendment, and this amendment in no way undercuts the thrust of the underlying bill. In fact, I believe that this amendment adds to the value of this very important statement of policy toward the important countries of the Silk Road region, and I congratulate Mr. Bereuter for this bill.

Chairman GILMAN. Thank you, Mr. Burton.

Chairman GILMAN. Any other Member seeking recognition?

Mr. Bereuter.

Mr. BEREUTER. Mr. Chairman, I have a statement with some examples of problems in the past, and I would ask unanimous consent that it be inserted in the record at this point.

Chairman GILMAN. Without objection.

Mr. BEREUTER. Thank you, Mr. Chairman. I would just extend by saying I appreciate Mr. Burton's interest and his effort on this, along with the leadership of the Subcommittee and the Committee

on both sides of the aisle. The only consideration I had about language on this was whether or not it should be "significant progress" or "substantial effort," and the gentleman correctly points out that this is exactly the language used by Mr. Packard in a previous appropriation bill. Since there is a Presidential waiver here on this legislation where there was not in that one, I think this is entirely appropriate. I commend my colleagues and many people who have helped us on this effort, and I urge my colleagues to support the Burton, et al., amendment.

Chairman GILMAN. Thank you, Mr. Bereuter.

On the amendment, Mr. Rohrabacher.

Mr. ROHRABACHER. Yes. I would like to congratulate Mr. Burton on his amendment. I have two amendments, and one touches on this area, although it is still necessary, but I would be very supportive of Mr. Burton's amendment.

There are American businessmen who have invested in this part of the world, and frankly a lot of the leaders in this part of the world do not understand how to deal with business. They have been under the Communist system so long, and they feel they can get away with the same type of heavy-handed approach they have gotten away with with their own people. Mr. Burton's amendment will give them a message, especially concerning American businessmen.

For example, I have heard of a deal in Kazakhstan where millions of dollars were invested by an American company into a uranium project. The Government of Kazakhstan just arrogantly pushed them aside and put them in a situation to lose their investment, and this can't be tolerated. We have to let people know that if they expect to have good relations with the United States, they can't just treat American businessmen as if their investments in that country can be basically stolen. We are talking about when you renege on an agreement, you are stealing from somebody because somebody has invested money with an understanding.

So I would hope that Mr. Burton's amendment passes, and I hope we are sending a message to Kazakhstan and others that they can't treat people this way.

Chairman GILMAN. Thank you, Mr. Rohrabacher. Anyone else want to be heard on the amendment?

I support the amendment offered by the gentleman from Indiana which addresses an important issue, as I understand, as a result of consultation by its sponsor and Mr. Bereuter, who also has an interest in the issue of business disputes in Central Asia involving American businesses.

Any other Members seeking recognition on the amendment?

The question then is on the Burton amendment. All in favor, signify in the usual manner.

Opposed.

The ayes have it. The amendment is agreed to.

Mr. Berman.

Mr. BERMAN. I have an amendment at the desk, Mr. Chairman.

Chairman GILMAN. Clerk will distribute the amendment.

Clerk will read the amendment.

Which amendment, Mr. Berman?

Mr. BERMAN. Do I have more than one?

Chairman GILMAN. Apparently you do.

Clerk will distribute the amendment.

Clerk will read the amendment.

Ms. BLOOMER. "Amendment offered by Mr. Berman. Page 17, insert the following new section after line 5, section, U.S.-Israel Economic Development Cooperation in the South Caucasus and Central Asia."

Mr. BERMAN. Mr. Chairman, I ask unanimous consent that the amendment be considered as read.

Chairman GILMAN. The amendment is considered as read.

Chairman GILMAN. Without objection the gentleman from California, Mr. Berman, is recognized for five minutes in support of his amendment.

Mr. BERMAN. Thank you very much, Mr. Chairman. This amendment simply expresses the sense of Congress that we should continue our partnership with Israel on valuable economic development programs in Central Asia and the Caucasus. At the present time a modest amount of assistance is being provided to the Israeli MASHAV, a part of their Ministry of Foreign Affairs, under the Cooperative Development Program, (CDP). This program has allowed the Israelis to share their expertise in agriculture, rural development, health and other areas with developing countries around the world.

There is a particular program called the Central Asian Republics Program that has been supported dealing with Central Asia, the Caucasus. It is really quite an excellent program. The Israelis have a great deal to offer in this area. They have developed unique expertise in horticulture, water-saving technologies, rural health care programs, and I think this program is worthy of continuation. It would simply express the sense of Congress that these programs in the south Caucasus and Central Asia continue.

Chairman GILMAN. Thank you, Mr. Berman.

Any other Member seeking recognition?

Mr. BEREUTER.

Mr. BEREUTER. Thank you, Mr. Chairman. I support the Berman amendment, and I want to say a few things about the importance of it. Among the Central Asian Republics in the Caucasus region, there are six Islamic states. They are secular, pro-Western States. They have demonstrated a willingness to work with Israel. The history of tolerance for religious minority runs deep here. During World War II, tens of thousands of Jews fled the advancing German armies into this region. By and large they found sympathetic hosts who refused to turn them over to the Nazis. This tolerance has resulted in an important, positive legacy of respect and potential friendship between Israel and these states.

Good relations between Israel and the secular Islamic states of Central Asia represents an important counterbalance to the extremism of Iran, Iraq and others. It increases the prospect for peace in the Middle East. As such, this process is decidedly in the U.S. national interest.

The gentleman from California's amendment is fully in keeping with the spirit of the legislation. Programs as the one he describes are important tools to foster better relationships not just between the U.S. and Central Asia, but also between Israel and the region.

I fully support the amendment. It gives me an opportunity to make an important observation as well. My colleagues should know that a broad coalition of American Jewish organizations support the passage of the Silk Road Strategy Act: The B'nai B'rith, the American Jewish Committee, the American Jewish Congress, the Anti-Defamation League, the National Conference on Soviet Jewry, the President's Conference, the Jewish Institute for National Security Affairs, AIPAC, and the Orthodox Union. These groups have issued a statement that says, "We are confident that genuine independence, peace and prosperity for all of these countries of the Southern Caucasus and Central Asia will benefit the national interest of the West, Israel, Turkey and other regional allies. The Silk Road strategy will promote these goals as well as helping to pave the way for the support of democratic values in the region that has been subjected to foreign domination for hundreds of years. We are also confident, they go on to say, that the legislation's implementation will improve the lives of tens of thousands of Jews who live in these former Soviet republics."

I urge support for the Berman amendment.

Chairman GILMAN. Thank you, Mr. Bereuter.

Any other Member seeking recognition? If not, I would just like to note that I am pleased to support the Berman amendment. I believe programs sponsored by the Government of Israel in Central Asia deserve our support and continue to produce good results in that region.

If there is no other Member seeking recognition, all in favor of the amendment signify in the usual manner.

Opposed.

The amendment is agreed to.

Mr. Bereuter.

Mr. BEREUTER. Mr. Chairman, I would advance the amendment offered by Mr. Burr in his behalf.

Chairman GILMAN. Amendment by Mr. Burr. The clerk will read. Clerk will distribute the Burr amendment.

Ms. BLOOMER. "Amendment offered by Mr. Burr. Page 12, line 24, insert after 'transferred to' the following: Comma, 'or knowingly allowed to be transferred through the territory of such country to,'"

Chairman GILMAN. Mr. Bereuter is recognized on the Burr amendment.

Mr. BEREUTER. Thank you, Mr. Chairman. Mr. Burr had another markup at Commerce Committee at this point, and I would ask that his full statement in support of the amendment be made a part of the record at this point. I would ask unanimous consent for that.

Chairman GILMAN. Without objection.

Mr. BEREUTER. Mr. Chairman, I would like to speak about the gentleman's amendment. The gentleman offered this amendment in Subcommittee, where it surely would have been approved except for the fact that the Subcommittee did not receive jurisdiction over that section of the bill that he was attempting to amend.

Needless to say, I support the gentleman's amendment. A major focus of the legislation, perhaps the most major focus, is working with the countries of the region to prevent a proliferation of weapons of mass destruction. Much of our assistance is directed at that

effort through training of customs officials, law enforcement, education, finding work for former nuclear lab scientists and the like. This is an important component of the legislation because the arsenal of the former Soviet Union has become a prized target. The prohibitions on assistance are largely designed to alert the Central Asian Republics in the Caucasus region countries that participation in the deadly game of selling these deadly items to rogue regimes will result in repercussions, severe ones.

The gentleman's amendment makes it clear that countries transshipping such items should also expect to be subject to sanctions. This is a helpful amendment and delivers a clear message regarding U.S. intent. I would urge adoption of the Burr amendment.

Chairman GILMAN. Thank you, Mr. Bereuter.

Any other Member seeking recognition on the Burr amendment as proposed by Mr. Bereuter?

If not, I would like to note my support for the gentleman from North Carolina's proposal as offered in his absence by Mr. Bereuter. Nuclear proliferation in the region of the former Soviet Union is a potentially serious problem, and we appreciate the gentleman's effort to strengthen language in the bill and to address this problem.

If there is no other Member seeking recognition, the amendment is now before us. All in favor, signify by saying aye.

Opposed.

The ayes appear to it have. The amendment is agreed to.

Mr. Rohrabacher.

Mr. ROHRABACHER. Mr. Chairman, I have two amendments that I believe will strengthen the act.

Chairman GILMAN. Clerk will read the Rohrabacher amendment. Are they offered en bloc?

Mr. ROHRABACHER. I would ask the Chairman's advice.

Chairman GILMAN. We would welcome them being offered en bloc.

Mr. ROHRABACHER. I will be happy to offer them en bloc.

Chairman GILMAN. Thank you.

Clerk will read the amendments offered by Mr. Rohrabacher. Clerk will distribute the amendments.

Ms. BLOOMER. "Amendments offered by Mr. Rohrabacher. Page 6, line 25, add the following after the period: 'Any role by the United States in such'—."

Chairman GILMAN. I ask unanimous consent that further reading of the amendments be dispensed with without objection.

Chairman GILMAN. Mr. Rohrabacher is recognized for five minutes on his amendment.

Mr. ROHRABACHER. Yes, sir. Thank you.

Mr. BERMAN. Point of parliamentary inquiry, Mr. Chairman. Are we on two amendments en bloc?

Chairman GILMAN. En bloc.

Mr. ROHRABACHER. I have two amendments that I believe, as I say, will strengthen the act in the areas of promoting democracy and clarifying the role of Congress in any decision to deploy American military personnel to this volatile region.

The countries of Central Asia which spent nearly a century under the iron grip of the Soviet Union are currently struggling to

achieve some type of stability and prosperity in this century and in the next century. We should have no illusions about the pressure that these resource-rich nations continue to bear from Russia, Iran, China, Pakistan and terrorist organizations operating out of Afghanistan, such as the fanatical Taliban and their partner in crime, Mr. Bin Laden.

The United States should do everything possible to assist these emerging nations. However, the culture of repression is still prevalent in governments that stretch from the Caucasus across the great Caspian Sea to Kazakhstan to the borders of China.

My first amendment would enhance the progress in democracy by requiring, to be eligible for the provision of this act, that elections must be held in these countries which are certified as free and fair and must be free of criticism by international organizations such as the OSCE. In addition, in order to protect American businessmen and investors who currently face serious problems in transactions in these countries, the amendment requires that the President must certify that such countries' judicial systems provide appropriate recourse for judicial complaints lodged by citizens and investors, both foreign and domestic, to certify that such a judicial system and those systems are now undergoing the appropriate reforms to ensure a respect for human rights and a recourse of law, which, of course, is consistent with what Mr. Burton was just suggesting. Mr. Burton's amendment addresses this, but my amendment would actually insist on some institutional reform that would help protect American investors.

As I say, we have heard many stories about investors being brutalized and being robbed by the governments in these areas.

My second amendment, which is en bloc, requires any United States role in a peacekeeping operation in that region should be limited to logistics, observers and financial support through international organizations. The second part of my amendment requires that the U.S. role in any multilateral military cooperation agreement should not include the deployment of American forces unless approved by a vote of the U.S. Congress. So we are not outlawing any U.S. military involvement there, but at least there has to be a vote of the U.S. Congress before we start shipping our troops off to Central Asia.

I strongly disagree with any language that would potentially commit American peacekeeping forces in Central Asia for three reasons. First, U.S. forces are already overextended on peacekeeping missions with our open-ended commitments in Bosnia and Kosovo. We also have a tinderbox situation in the Pacific with Taiwan and the Spratley Islands. In the Middle East we have Saddam Hussein, who is still lurking around the corner.

Second, we are in an historic junction in our relationship with Russia. During these past few months, due to the expansion of NATO and the Kosovo intervention, the attitude among Russian military leaders, politicians and the public in general has grown resentful and even hostile toward the United States. Now is not the time to codify legislation that furthers the potential of incursions along Russia's border areas. It is preferable to send training missions, such as the recent training mission to Uzbekistan, to accom-

plish our missions and not to set forth a strategy that sends alarm signals to Russia.

So I would ask support. I would yield to the Chairman.

Chairman GILMAN. Please continue.

Mr. ROHRABACHER. Third, the line of communications that we would have in that area would really strain our ability to protect any forces that were there.

So I would ask support for my en bloc amendments. Thank you.

Chairman GILMAN. Thank you.

Chairman GILMAN. I recognize Mr. Bereuter.

Mr. BEREUTER. Thank you, Mr. Chairman. I am compelled to rise in objection and opposition to the gentleman's amendments en bloc. One of them I will attempt to amend and ask for a division so that it could be considered separately. I would say to my colleagues that I had received earlier three amendments from Mr. Rohrabacher, and I had examined those closely. These are new to me now, but it is clear that there are problems with both.

Let me address the more lengthy amendment which is now being considered en bloc, which is the one which starts, "Page 12." If you take a look at subparagraph 2(b), the judicial system of such country that provides appropriate recourse for judicial complaints and so on, lodged by both domestic and foreign nationals, is undergoing appropriate reforms to ensure such appropriate recourse.

That is certainly a desirable objective, but really, this comes down to a "chicken and egg" situation. If these countries had already established political and legal structures, including appropriate judicial systems compatible for democracy and free market economy, this legislation would not be as urgent and essential as it is. What we are trying to do is effect the creation and further refinement of democratic institutions in the legal structure, including the judicial system. That is the purpose of the legislation. This is perhaps a sharp philosophical difference, so it is a matter of timing that I would have with the gentleman from California.

Remember, these countries have never had these kinds of democratic institutions. They were loose-knit tribal societies that were absorbed into the Russian/Soviet empire. Their first experiment with nation state status was the 1990 era. Almost without exception there were no preexisting democratic institutions from which they could draw. Despite this, many of them have made a substantial change. In Georgia, there has been a near 180-degree turnaround. President Shevardnadze has embraced USAID's five-point plan for democratization—made it a national policy. In Kyrgyzstan, elections have been free and fair. It is also true that a number of these countries have not allowed democratic institutions to flourish. That is why we are trying to have an impact there. In most of the countries the U.S. can contribute to this democratization effort by assisting the NGO's to emerge for the first time in those countries and, of course, by our own NGO's and other international NGO's. They are important building blocks that have never existed in those countries, and they are a prerequisite for a modern democracy.

So I would say that is the reason why we are involved here. We don't have a judicial system that would be able to meet this certifi-

cation, and therefore we cutoff eligibility. So it is really a vital kind of a change.

Now, in the second amendment, the deployment of U.S. armed forces, unless approved by vote of the U.S. Congress—ladies and gentlemen of the Committee—this is going to draw a Presidential veto. This is Bosnia, this is Kosovo, this is peacekeeping deployment. That is what Mr. Campbell's involvement attempting to bring it before the Supreme Court was all about.

I think it is highly desirable for the President to get our approval before moving peacekeeping activities, but he regards it as a constitutional responsibility and power that he has. So Mr. Rohrabacher's amendment, the shorter of the two, will clearly cause this legislation to be unacceptable, and I urge my colleagues not to approve it.

At this point, in order to move along the debate, I know others want to speak, I would offer an amendment at the desk which does strike 2(b).

Chairman GILMAN. Clerk will report the Bereuter amendment.

Ms. BLOOMER. "Mr. Bereuter moves that subparagraph 2(b) of the Rohrabacher amendment be stricken, and that is line 15 through 19."

Chairman GILMAN. Clerk will distribute the amendment.

Ms. BLOOMER. We don't have copies. It is handwritten.

Chairman GILMAN. Mr. Bereuter, on your amendment.

Mr. BEREUTER. I have explained the purpose of striking 2(b) because these judicial systems do not exist clearly in all these countries and cannot. That is why we are involved in aiding, so that in the future, at some time, an amendment such as the gentleman offers, after they have had an opportunity to work with us and establish a judicial system worthy of meeting these requirements, will be in place. At this time we are trying to help them. I will later ask for division so that the rest of Mr. Rohrabacher's lengthy amendment could survive, and I urge support of my amendment which simply strikes section 2(b).

Chairman GILMAN. Mr. Berman.

Mr. BERMAN. Mr. Chairman, I would like to ask the gentleman from California, the sponsor of the base amendment, under subsection B, am I correct in thinking that if, say, the Government of Kazakhstan asked that an AID-funded program involving representatives of the judicial conference come to Kazakhstan to create a program to provide a judicial process which would allow recourse for complaints lodged by both domestic and foreign nationals, that your amendment if it passed would prohibit that program because Kazakhstan did not have a judicial process which allowed recourse for both domestic and foreign nationals?

Mr. ROHRABACHER. Let me see if I have your question correctly. You are asking me whether the chicken or the egg is coming first here? The answer to your question is no. The answer is the very fact they are trying to organize a judicial reform process suggests they are going through judicial reform. This is not a fait accompli. If you will read the legislation, it is talking about a process. We expect people to be moving toward democracy, toward judicial reform rather than away from it in order to have the benefits of dealing with the United States.

Mr. BERMAN. If the mere application by a country for a program to achieve these results thereby renders the limitations of your amendment meaningless, then the amendment goes from dangerous to meaningless.

Mr. ROHRABACHER. If the gentleman would note, I did not use the term "meaningless," and I disagree with that interpretation.

Mr. BERMAN. That is my conclusion. I just don't read it like that. I read the language as prohibiting programs to remedy the very problems the gentleman is seeking to achieve, and I urge support for Mr. Bereuter's amendment.

Chairman GILMAN. Mr. Gejdenson.

Mr. GEJDENSON. I join in supporting Mr. Bereuter's amendment. I think we have Iran and Afghanistan playing all too dominant a role in this region, and I think we all would like to see the countries in the region develop democratic institutions and full-fledged judicial systems. Sometimes we don't get our nose under the tent in these countries when they have accepted all our values; and I think that if there were activities in these countries that you object to, I would like know what they are and what our government is now doing. It seems to me that the lesson of history is every time there is contact with the West, we undermine the totalitarian forces in a country, and what I would like to see is actually more focus on these countries.

I know the gentleman's intent is a noble one and that he would like us to have these governments become democratic, but again, if the choice is noncontact and leaving them to deal with Iran and Afghanistan or finding ways to create contact that will nudge them, push them, get them to peaceful relations and more democratic institutions, then I think that is what we are doing, and for that reason I support the Bereuter amendment.

Chairman GILMAN. Any other Member seeking recognition?

Mr. Bereuter, did you want to make a motion? First, we will take up the Bereuter amendment. All in favor of the Bereuter amendment signify in the usual manner.

Those in opposition signify by saying no.

The ayes appear to have it. The amendment is agreed to.

Mr. Bereuter.

Mr. BEREUTER. Mr. Chairman, I ask for a division under the rules, the division between the two amendments that were offered and combined in en bloc.

Chairman GILMAN. Mr. Bereuter has requested division of the en bloc amendment. All in favor signify in the usual manner.

Opposed.

The en bloc now divided and back to the original form, but before we move on it, I would like to note my support to the amendment offered by the gentleman from California.

Mr. Bereuter, with regard to democratization, we met just last week with the former Prime Minister of Kazakhstan whose efforts to run in a free and fair election for the Presidency have been stymied. His efforts to mount a slate of candidates in a parliamentary election have encountered similar obstructions. This amendment by Mr. Rohrabacher makes it clear that we expect truly democratic government in Central Asia and the Caucasus. The United States has provided and is providing assistance for democratization in

countries such as Kazakhstan, but our efforts will be meaningless if they are met with oppression and corruption. Accordingly, I support the Rohrabacher amendment.

We are now going to consider the peacekeeping amendment by Mr. Rohrabacher. All those in favor of the Rohrabacher amendment signify in the usual manner.

Mr. GEJDENSON. Parliamentary inquiry.

Chairman GILMAN. Please state your inquiry.

Mr. GEJDENSON. Where we are right now is we have separated Mr. Rohrabacher, as amended by Mr. Bereuter, having again separated the section that deals with peacekeeping from that dealing with elections, is that correct?

Chairman GILMAN. That is correct. We will first vote on the language relating to peacekeeping.

Mr. ROHRABACHER. Mr. Chairman.

Chairman GILMAN. Mr. Rohrabacher.

Mr. ROHRABACHER. This basically is a vote on my first amendment which says that in order to deploy troops, you have to have a vote of Congress in that region; is that correct?

Chairman GILMAN. That is correct.

Mr. ROHRABACHER. OK.

Chairman GILMAN. The vote is now on the Rohrabacher peacekeeping amendment. All in favor signify in the usual manner.

Opposed.

The noes appear to have it. The amendment is defeated.

We now go to the second amendment by Mr. Rohrabacher with regard to certification prior to eligibility. Anyone seeking recognition? If not, we will now consider it.

Mr. ROHRABACHER. I think to just be reminded, we are talking about democratic progress in order to be eligible for the benefits of this bill.

Chairman GILMAN. All in favor of the Rohrabacher amendment as amended signify in the usual manner by saying aye.

Those opposed.

The ayes appear to have it. The amendment is agreed to.

Are there any further amendments? If there are no further amendments, the previous question is ordered on the bill. The gentleman from Nebraska Mr. Bereuter is recognized to offer a motion.

Mr. BEREUTER. Thank you, Mr. Chairman. I move that the Chairman be requested to seek consideration of the pending bill on the suspension calendar.

Chairman GILMAN. The question is now on the motion by Mr. Bereuter. All those in favor signify by saying aye.

Opposed, say no.

The ayes have it. The motion is agreed to.

Without objection the chief of staff may make technical conforming and grammatical amendments to the bill just ordered reported. Without objection, the Chairman is authorized to make motions under Rule 22 in respect of this bill, counterpart in the Senate. Further proceedings on this measure are now postponed.

I ask unanimous consent that the Chairman be authorized on H.R. 2415 to make motions under Rule 22 in connection with H.R. 2415, S. 886 or counterpart from the Senate. Without objection, so ordered.

The Committee stands adjourned.
[Whereupon, at 11:50 a.m., the Committee was adjourned.]

A P P E N D I X

JULY 22, 1999

**Chairman Benjamin A. Gilman
Statement
Mark-Up of Silk Road Strategy Act of 1999
International Relations Committee
Thursday, July 22, 1999
11 A.M. 2172 Rayburn Building**

I support the intent of the bill before us today, H.R. 1152, the "Silk Road Strategy Act of 1999," sponsored by my colleague from Nebraska, Congressman Bereuter.

The Subcommittee Congressman Bereuter chairs, the Subcommittee on Asia and the Pacific, has jurisdiction over the countries of Central Asia, but the countries of the Caucasus region covered by this bill also deserve to be a specific focus of our policy and assistance in the region of the former Soviet Union.

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 this focus, however, it cites the on-going authority of Chapter 11 of that Act - the "FREEDOM Support Act of 1992" - with regard to those countries. I think that this is important, given the key work done by the office of the State Department Coordinator of Assistance created by the 1992 Act.

This act will ensure that coordinating function continues for all of the New Independent States of the former Soviet Union, but should ensure an added, specific focus on the states of Central Asia and the Caucasus.

I support the intent of this measure.

**OPENING STATEMENT
THE HONORABLE DOUG BEREUTER**

**H.R.1152
THE SILK ROAD STRATEGY
ACT OF 1999
HOUSE INTERNATIONAL RELATIONS COMMITTEE MARK-UP**

JULY 22, 1999

As the Vice Chairman of this Committee; as the Chairman of the Subcommittee on Asia and the Pacific, under whose jurisdiction the Central Asian Republics fall; and as the original sponsor of this bill, this Member rises in strong support of H.R.1152, the Silk Road Strategy Act of 1999. I am pleased to recognize the Honorable Messrs. Lantos, Pitts, Ackerman, Berman, and King for their co-sponsorship of this bill and their assistance in bringing it to the Full Committee today.

The Silk Road countries of Central Asia and the South Caucasus rose from the rubble of the Soviet Union's collapse in 1991. These independent states – Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan, Armenia, Azerbaijan, and Georgia – are key nations in their own right and, as a region, they are of significant strategic importance to the U.S..

These 8 countries are strategically located. They are positioned to be a front-line force in U.S. efforts to contain the spread of anti-Western religious radicalism and terrorism, the proliferation of sensitive weapons technologies, and drug trafficking. Although absent any real industrial base or fully developed markets, the region also is blessed with abundant natural resources and raw materials. A number of the countries are proven storehouses of energy with vast crude oil and natural gas reserves. The U.S. Department of Energy estimates reserves in the Caspian Basin at up to almost 200 billion barrels of oil and 5,700 cubic feet of natural gas. Tremendous untapped hydrocarbon resources also reside in the Basin. Other nations in the region have gold, other valuable metals, agricultural products, and potential hydroelectric resources. The cumulative potential of these assets holds great promise for transforming the lives of the Silk Road peoples, for enhancing U.S. trade and investment, and for bolstering our global economic and energy security agendas.

The Caspian region is at an historic crossroads, however. It is balanced between democracy and authoritarianism, between a free market economy and systemic corruption, between cooperation with or resistance to the West. In short, the region is poised between

merging into or retreating from the Free World order. It is undergoing an uncertain and turbulent economic, political, and cultural transformation. The states face 3 foundational challenges:

- First, they must forge a shared national identity from the legacy of intermingled ethnic and religious groups, and convoluted borders.
- Second, they must institutionalize political and legal structures and attitudes compatible with democracy.
- Third, they must create a free, open economic system -- a radical departure from the Soviet past -- in the absence of well-defined guiding principles.

The turbulent evolution of this region also has substantial spillover potential in the form of terrorism, drug trafficking, and the proliferation of sensitive weapons technologies. Already we have seen warnings in some of these areas. Last September, the State Department closed our embassy in Tajikistan indefinitely because of civil violence and a heightened threat of terrorism. In February this year, a series of bombs directed at the Uzbekistan Parliament Building exploded near the U.S. embassy and shattered windows. Luckily, no one was hurt. In addition, some states in the region are reported to be conduits for narcotics shipments destined for Russia or the Baltics, and from there to the West. And, while Kazakhstan, to its credit, surrendered the nuclear weapons on its soil, press reports have suggested that sensitive technology transfers, material sales (such as highly enriched uranium), and "brain drain" from within the region may be occurring.

Lacking a sense of regional cohesion, the states of this region may be inclined to look to the outside for political and economic support -- to Russia, Iran, and Turkey; to China and Pakistan, and even to Afghanistan, as well as to the United States. Some of these neighbors are economically or politically unstable; others may be awaiting an opportunity to spawn religious radicalism in the region.

The type and scope of support provided by the U.S. *now* could tip the scales toward or against us. Long term uncertainties and an incomplete understanding of the region have hampered developing a coherent U.S. policy toward it. Uneven political and economic progress among the states, other global exigencies, and apparent U.S. indecision regarding the *real import* of our interests in Central Asia and the South Caucasus, vis-a-vis other priorities, have resulted in a largely fractional U.S. policy toward the area. For the U.S., Central Asia and the South Caucasus states currently remain relegated to a policy "backwater."

This Member believes, however, that it is time for the United States to step up to the plate and *lead* in building this region, and leadership demands *engagement*. We have a unique opportunity to influence events there by adopting H.R. 1152, the Silk Road Strategy Act of 1999. This broad-based and pro-active policy of engagement will help 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 forging *effective tools*. The Congress has been at the forefront in encouraging, through legislation, the formation of effective U.S. policies for assisting the Caspian region. The Congress approved the Freedom Support Act for just this purpose and, indeed, we can and *must* continue our initiatives in this area. This Member's proposed legislation -- H.R.1152 -- is an *essential tool* in building toward U.S. goals in the Caspian region. Broadly, the bill targets U.S. assistance to support the economic and political independence, and cross-border cooperation, of South 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, build market-oriented economic and legal systems as well as the infrastructure to facilitate strong East-West commerce and other relations.
- Third, promote U.S. business interests and investments in the region.

Senator Brownback introduced similar Senate legislation this year, which has been passed by the Senate Foreign Relations Committee *without amendment* and is scheduled for a full Senate vote. ***Let me make clear that there is a pivotal difference between the two bills. The Senate version lifts Section 907 of the Freedom Support Act, which prohibits most U.S. government-to-government assistance to Azerbaijan. This Member's bill retains the Section 907 sanctions.***

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.

My distinguished colleagues, this Member urges you to vote in favor of HR.1152, the Silk Road Strategy Act of 1999.

106TH CONGRESS
1ST SESSION

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 the South Caucasus and Central Asia.

IN THE HOUSE OF REPRESENTATIVES

MARCH 17, 1999

Mr. BEREUTER (for himself, Mr. LANTOS, Mr. BERMAN, and Mr. PITTS) introduced the following bill; which was referred to the Committee on International 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.

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 “Silk Road Strategy
5 Act of 1999”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

1 (1) The ancient Silk Road, once the economic
2 lifeline of Central Asia and the South Caucasus, tra-
3 versed much of the territory now within the coun-
4 tries of Armenia, Azerbaijan, Georgia, Kazakstan,
5 Kyrgyzstan, Tajikistan, Turkmenistan, and
6 Uzbekistan.

7 (2) Economic interdependence spurred mutual
8 cooperation among the peoples along the Silk Road
9 and restoration of the historic relationships and eco-
10 nomic ties between those peoples is an important ele-
11 ment of ensuring their sovereignty as well as the
12 success of democratic and market reforms.

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

19 (4) The development of open market economies
20 and open democratic systems in the countries of the
21 South Caucasus and Central Asia will provide posi-
22 tive incentives for international private investment,
23 increased trade, and other forms of commercial
24 interactions with the rest of the world.

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

6 (6) The region of the South Caucasus and Cen-
7 tral Asia could produce oil and gas in sufficient
8 quantities to reduce the dependence of the United
9 States on energy from the volatile Persian Gulf re-
10 gion.

11 (7) United States foreign policy and inter-
12 national assistance should be narrowly targeted to
13 support the economic and political independence as
14 well as democracy building, free market policies,
15 human rights, and regional economic integration of
16 the countries of the South Caucasus and Central
17 Asia.

18 **SEC. 3. POLICY OF THE UNITED STATES.**

19 It shall be the policy of the United States in the coun-
20 tries of the South Caucasus and Central Asia—

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

24 (2) to promote tolerance, pluralism, and under-
25 standing and counter racism and anti-Semitism;

1 (3) to assist actively in the resolution of re-
2 gional conflicts and to facilitate the removal of im-
3 pediments to cross-border commerce;

4 (4) to promote friendly relations and economic
5 cooperation;

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

8 (6) to assist in the development of the infra-
9 structure necessary for communications, transpor-
10 tation, education, health, and energy and trade on
11 an East-West axis in order to build strong inter-
12 national relations and commerce between those
13 countries and the stable, democratic, and market-
14 oriented countries of the Euro-Atlantic Community;
15 and

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

18 **SEC. 4. UNITED STATES EFFORTS TO RESOLVE CONFLICTS**
19 **IN THE SOUTH CAUCASUS AND CENTRAL**
20 **ASIA.**

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

1 **SEC. 5. AMENDMENT OF THE FOREIGN ASSISTANCE ACT OF**
2 **1961.**

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

6 **“CHAPTER 12—SUPPORT FOR THE ECO-**
7 **NOMIC AND POLITICAL INDEPEND-**
8 **ENCE OF THE COUNTRIES OF THE**
9 **SOUTH CAUCASUS AND CENTRAL ASIA**

10 **“SEC. 499. UNITED STATES ASSISTANCE TO PROMOTE REC-**
11 **ONCILIATION AND RECOVERY FROM RE-**
12 **GIONAL CONFLICTS.**

13 **“(a) PURPOSE OF ASSISTANCE.—**The purposes of as-
14 sistance under this section include—

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

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

21 **“(3)** the encouragement of broad regional co-
22 operation among countries of the South Caucasus
23 and Central Asia that have been destabilized by in-
24 ternal conflicts.

25 **“(b) AUTHORIZATION FOR ASSISTANCE.—**

1 “(1) IN GENERAL.—To carry out the purposes
2 of subsection (a), the President is authorized to pro-
3 vide humanitarian assistance and economic recon-
4 struction assistance for the countries of the South
5 Caucasus and Central Asia to support the activities
6 described in subsection (c).

7 “(2) DEFINITION OF HUMANITARIAN ASSIST-
8 ANCE.—In this subsection, the term ‘humanitarian
9 assistance’ means assistance to meet humanitarian
10 needs, including needs for food, medicine, medical
11 supplies and equipment, education, and clothing.

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

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

16 “(2) facilitating the return of refugees and in-
17 ternally displaced persons to their homes; and

18 “(3) assisting in the reconstruction of residen-
19 tial and economic infrastructure destroyed by war.

20 “(d) POLICY.—It is the sense of Congress that the
21 United States should, where appropriate, support the es-
22 tablishment of neutral, multinational peacekeeping forces
23 to implement peace agreements reached between belliger-
24 ents in the countries of the South Caucasus and Central
25 Asia.

1 **“SEC. 499A. ECONOMIC ASSISTANCE.**

2 “(a) **PURPOSE OF ASSISTANCE.**—The purpose of as-
3 sistance under this section is to foster economic growth
4 and development, including the conditions necessary for
5 regional economic cooperation, among the countries of the
6 South Caucasus and Central Asia.

7 “(b) **AUTHORIZATION FOR ASSISTANCE.**—To carry
8 out the purpose of subsection (a), the President is author-
9 ized to provide assistance for the countries of the South
10 Caucasus and Central Asia to support the activities de-
11 scribed in subsection (c).

12 “(c) **ACTIVITIES SUPPORTED.**—In addition to the ac-
13 tivities described in section 498, activities supported by
14 assistance under subsection (b) should support the devel-
15 opment of the structures and means necessary for the
16 growth of private sector economies based upon market
17 principles.

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

20 “(1) assist the countries of the South Caucasus
21 and Central Asia to develop policies, laws, and regu-
22 lations that would facilitate the ability of those coun-
23 tries to develop free market economies and to join
24 the World Trade Organization to enjoy all the bene-
25 fits of membership; and

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

4 **“SEC. 499B. DEVELOPMENT OF INFRASTRUCTURE.**

5 “(a) PURPOSE OF PROGRAMS.—The purposes of pro-
6 grams under this section include—

7 “(1) to develop the physical infrastructure nec-
8 essary for regional cooperation among the countries
9 of the South Caucasus and Central Asia; and

10 “(2) to encourage closer economic relations and
11 to facilitate the removal of impediments to cross-bor-
12 der commerce among those countries and the United
13 States and other developed nations.

14 “(b) AUTHORIZATION FOR PROGRAMS.—To carry out
15 the purposes of subsection (a), the following types of pro-
16 grams for the countries of the South Caucasus and Cen-
17 tral Asia may be used to support the activities described
18 in subsection (c):

19 “(1) Activities by the Export-Import Bank to
20 complete the review process for eligibility for financ-
21 ing under the Export-Import Bank Act of 1945.

22 “(2) The provision of insurance, reinsurance, fi-
23 nancing, or other assistance by the Overseas Private
24 Investment Corporation.

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

3 “(c) ACTIVITIES SUPPORTED.—Activities that may
4 be supported by programs under subsection (b) include
5 promoting actively the participation of United States com-
6 panies and investors in the planning, financing, and con-
7 struction of infrastructure for communications, transpor-
8 tation, including air transportation, and energy and trade,
9 including highways, railroads, port facilities, shipping,
10 banking, insurance, telecommunications networks, and gas
11 and oil pipelines.

12 “(d) POLICY.—It is the sense of Congress that the
13 United States representatives at the International Bank
14 for Reconstruction and Development, the International Fi-
15 nance Corporation, and the European Bank for Recon-
16 struction and Development should encourage lending to
17 the countries of the South Caucasus and Central Asia to
18 assist the development of the physical infrastructure nec-
19 essary for regional economic cooperation.

20 **“SEC. 499C. BORDER CONTROL ASSISTANCE.**

21 “(a) PURPOSE OF ASSISTANCE.—The purpose of as-
22 sistance under this section includes the assistance of the
23 countries of the South Caucasus and Central Asia to se-
24 cure their borders and implement effective controls nec-
25 essary to prevent the trafficking of illegal narcotics and

1 the proliferation of technology and materials related to
2 weapons of mass destruction (as defined in section
3 2332a(c)(2) of title 18, United States Code), and to con-
4 tain and inhibit transnational organized criminal activi-
5 ties.

6 “(b) AUTHORIZATION FOR ASSISTANCE.—To carry
7 out the purpose of subsection (a), the President is author-
8 ized to provide assistance to the countries of the South
9 Caucasus and Central Asia to support the activities de-
10 scribed in subsection (c).

11 “(c) ACTIVITIES SUPPORTED.—Activities that may
12 be supported by assistance under subsection (b) include
13 assisting those countries of the South Caucasus and Cen-
14 tral Asia in developing capabilities to maintain national
15 border guards, coast guard, and customs controls.

16 “(d) POLICY.—It is the sense of Congress that the
17 United States should encourage and assist the develop-
18 ment of regional military cooperation among the countries
19 of the South Caucasus and Central Asia through pro-
20 grams such as the Central Asian Battalion and the Part-
21 nership for Peace of the North Atlantic Treaty Organiza-
22 tion.

1 **“SEC. 499D. STRENGTHENING DEMOCRACY, TOLERANCE,**
2 **AND THE DEVELOPMENT OF CIVIL SOCIETY.**

3 “(a) PURPOSE OF ASSISTANCE.—The purpose of as-
4 sistance under this section is to promote institutions of
5 democratic government and to create the conditions for
6 the growth of pluralistic societies, including religious toler-
7 ance and respect for internationally recognized human
8 rights.

9 “(b) AUTHORIZATION FOR ASSISTANCE.—To carry
10 out the purpose of subsection (a), the President is author-
11 ized to provide the following types of assistance to the
12 countries of the South Caucasus and Central Asia:

13 “(1) Assistance for democracy building, includ-
14 ing programs to strengthen parliamentary institu-
15 tions and practices.

16 “(2) Assistance for the development of non-
17 governmental organizations.

18 “(3) Assistance for development of independent
19 media.

20 “(4) Assistance for the development of the rule
21 of law, a strong independent judiciary, and trans-
22 parency in political practice and commercial trans-
23 actions.

24 “(5) International exchanges and advanced pro-
25 fessional training programs in skill areas central to
26 the development of civil society.

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

4 “(e) ACTIVITIES SUPPORTED.—Activities that may
5 be supported by assistance under subsection (b) include
6 activities that are designed to advance progress toward the
7 development of democracy.

8 “(d) POLICY.—It is the sense of Congress that the
9 Voice of America and RFE/RL, Incorporated, should
10 maintain high quality broadcasting for the maximum du-
11 ration possible in the native languages of the countries of
12 the South Caucasus and Central Asia.

13 **“SEC. 499E. INELIGIBILITY FOR ASSISTANCE.**

14 “(a) IN GENERAL.—Except as provided in subsection
15 (b), assistance may not be provided under this chapter for
16 the government of a country of the South Caucasus or
17 Central Asia if the President determines and certifies to
18 the appropriate congressional committees that the govern-
19 ment of such country—

20 “(1) is engaged in a consistent pattern of gross
21 violations of internationally recognized human
22 rights;

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

1 “(A) missiles or missile technology incon-
2 sistent with the guidelines and parameters of
3 the Missile Technology Control Regime (as de-
4 fined in section 11B(e) of the Export Adminis-
5 tration Act of 1979 (50 U.S.C. App. 2410b(e));
6 or

7 “(B) any material, equipment, or tech-
8 nology that would contribute significantly to the
9 ability of such country to manufacture any
10 weapon of mass destruction (including nuclear,
11 chemical, and biological weapons) if the Presi-
12 dent determines that the material, equipment,
13 or technology was to be used by such country
14 in the manufacture of such weapons;

15 “(3) has repeatedly provided support for acts of
16 international terrorism; or

17 “(4) is prohibited from receiving such assist-
18 ance by chapter 10 of the Arms Export Control Act
19 or section 306(a)(1) and 307 of the Chemical and
20 Biological Weapons Control and Warfare Elimini-
21 nation Act of 1991 (22 U.S.C. 5604(a)(1), 5605).

22 “(b) EXCEPTIONS TO INELIGIBILITY.—

23 “(1) EXCEPTIONS.—Assistance prohibited by
24 subsection (a) or any similar provision of law, other
25 than assistance prohibited by the provisions referred

1 to in paragraphs (2) and (4) of subsection (a), may
2 be furnished under any of the following cir-
3 cumstances:

4 “(A) The President determines that fur-
5 nishing such assistance is important to the na-
6 tional interest of the United States.

7 “(B) The President determines that fur-
8 nishing such assistance will foster respect for
9 internationally recognized human rights and the
10 rule of law or the development of institutions of
11 democratic governance.

12 “(C) The assistance is furnished for the al-
13 leviation of suffering resulting from a natural
14 or man-made disaster.

15 “(D) The assistance is provided under the
16 secondary school exchange program adminis-
17 tered by the United States Information Agency.

18 “(2) REPORT TO CONGRESS.—The President
19 shall immediately report to Congress any determina-
20 tion under paragraph (1) (A) or (B) or any decision
21 to provide assistance under paragraph (1)(C).

22 **“SEC. 499F. ADMINISTRATIVE AUTHORITIES.**

23 “(a) ASSISTANCE THROUGH GOVERNMENTS AND
24 NONGOVERNMENTAL ORGANIZATIONS.—Assistance under

1 this chapter may be provided to governments or through
2 nongovernmental organizations.

3 “(b) USE OF ECONOMIC SUPPORT FUNDS.—Except
4 as otherwise provided, any funds that have been allocated
5 under chapter 4 of part II for assistance for the inde-
6 pendent states of the former Soviet Union may be used
7 in accordance with the provisions of this chapter.

8 “(c) TERMS AND CONDITIONS.—Assistance under
9 this chapter shall be provided on such terms and condi-
10 tions as the President may determine.

11 “(d) AVAILABLE AUTHORITIES.—The authority in
12 this chapter to provide assistance for the countries of the
13 South Caucasus and Central Asia is in addition to the au-
14 thority to provide such assistance under the FREEDOM
15 Support Act (22 U.S.C. 5801 et seq.) or any other Act,
16 and the authorities applicable to the provision of assist-
17 ance under chapter 11 may be used to provide assistance
18 under this chapter.

19 **“SEC. 499G. DEFINITIONS.**

20 “In this chapter:

21 “(1) APPROPRIATE CONGRESSIONAL COMMIT-
22 TEES.—The term ‘appropriate congressional com-
23 mittees’ means the Committee on Foreign Relations
24 of the Senate and the Committee on International
25 Relations of the House of Representatives.

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

6 **SEC. 6. ANNUAL REPORT.**

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

9 (1) by striking “and” at the end of paragraph
10 (3);

11 (2) by striking the period at the end of para-
12 graph (4) and inserting “; and”; and

13 (3) by adding the following new paragraph:

14 “(5) with respect to the countries of the South
15 Caucasus and Central Asia—

16 “(A) identifying the progress of United
17 States foreign policy to accomplish the policy
18 identified in section 3 of the Silk Road Strategy
19 Act of 1999;

20 “(B) evaluating the degree to which the as-
21 sistance authorized by chapter 12 of part I of
22 the Foreign Assistance Act of 1961 has been
23 able to accomplish the purposes identified in
24 those sections; and

1 “(C) recommending any additional initia-
2 tives that should be undertaken by the United
3 States to implement the policy and purposes
4 contained in the Silk Road Strategy Act of
5 1999.”.

6 **SEC. 7. CONFORMING AMENDMENTS.**

7 Section 102(a) of the FREEDOM Support Act (Pub-
8 lic Law 102–511) is amended in paragraphs (2) and (4)
9 by striking each place it appears “this Act)” and inserting
10 “this Act and the Silk Road Strategy Act of 1999)”.

11 **SEC. 8. DEFINITIONS.**

12 In this Act:

13 (1) **APPROPRIATE CONGRESSIONAL COMMIT-**
14 **TEES.**—The term “appropriate congressional com-
15 mittees” means the Committee on Foreign Relations
16 of the Senate and the Committee on International
17 Relations of the House of Representatives.

18 (2) **COUNTRIES OF THE SOUTH CAUCASUS AND**
19 **CENTRAL ASIA.**—The term “countries of the South
20 Caucasus and Central Asia” means Armenia, Azer-
21 baijan, Georgia, Kazakstan, Kyrgyzstan, Tajikistan,
22 Turkmenistan, and Uzbekistan.

○

AMENDMENT TO H.R. 1152

OFFERED BY MR. ~~BURTON OF INDIANA~~
Bereuter

Page 13, line 16, strike "or".

Page 13, line 21, strike the last period and insert
"; or".

Page 13, after line 21, add the following:

- 1 “(5) has not made significant progress toward
- 2 resolving trade disputes registered with and raised
- 3 by the United States embassy in such country.”.

Amendment to H.R. 1152
Offered by Mr. Berman

Page 17, insert the following new section after line 5 (and make such technical and conforming changes as may be necessary):

1 **SEC. ____ U.S. - Israel Economic Development Cooperation in the South**
2 **Caucasus and Central Asia**

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

AMENDMENT TO H.R. 1152

OFFERED BY MR. ~~BURR OF NORTH CAROLINA~~
Bereuter

Page 12, line 24, insert after "transferred to" the following: ", or knowingly allowed to be transferred through the territory of such country to,".

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F.C.M.U.
H.L.C. 7-22-99 (4)

En bloc

PART 1

V V V

DEFEATED

**AMENDMENT TO H.R. 1152
OFFERED BY MR. ROHRABACHER**

Page 6, line 25, add the following after the period:
"Any role by the United States in such peacekeeping operations should be limited to logistics, observers, and financial support through international organizations."

Page 10, line 22, add the following after the period:
"Any role by the United States in such cooperation should not include the deployment of United States Armed Forces unless approved by a vote of the United States Congress."

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AMENDMENT TO H.R. 1152
OFFERED BY MR. ROHRABACHER

Page 12, line 14, strike "Except" and insert

1 “(1) BASES FOR EXCLUSION.—Subject to para-
2 graph (2), and except”.

3 Pages 12 and 13, redesignate paragraphs and sub-
4 paragraphs accordingly.

5 Page 13, insert the following after line 21:

6 “(2) CERTIFICATIONS PRIOR TO ELIGIBILITY.—
7 Assistance may not be provided under this chapter
8 to a country unless the President certifies to the ap-
9 propriate congressional committees that—

10 “(A) elections held in that country are free
11 and fair and are free of substantial criticism by
12 the Organization for Security and Cooperation
13 in Europe and other appropriate international
14 organizations; and

15 “(B) the judicial system of such country
16 provides appropriate recourse for judicial com-
17 plaints lodged by both domestic and foreign na-
18 tionals or is undergoing appropriate reforms to
19 ensure such appropriate recourse.