

105TH CONGRESS
1ST SESSION

H. R. 2867

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

NOVEMBER 7, 1997

Mr. GILMAN 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 1997”.

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 and eco-
14 nomic ties between countries of the South Caucasus
15 and Central Asia and the West will foster stability
16 in the region.

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

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

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

3 (6) The region of the South Caucasus and
4 Central Asia will produce oil and gas in sufficient
5 quantities to reduce the dependence of the United
6 States on energy from the volatile Persian Gulf re-
7 gion.

8 (7) United States foreign policy and inter-
9 national assistance should be narrowly targeted to
10 support the economic and political independence of
11 the countries of the South Caucasus and Central
12 Asia.

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

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

16 (1) to promote and strengthen independence,
17 sovereignty, and democratic government;

18 (2) to assist actively in the resolution of re-
19 gional conflicts;

20 (3) to promote friendly relations and economic
21 cooperation;

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

24 (5) to assist in the development of the infra-
25 structure necessary for communications, transpor-

1 tation, and energy and trade on an East-West axis
2 in order to build strong international relations and
3 commerce between those countries and the stable,
4 democratic, and market-oriented countries of the
5 Euro-Atlantic Community; and

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

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

10 It is the sense of Congress that the President should
11 use all diplomatic means practicable, including the engage-
12 ment of senior United States Government officials, to
13 press for an equitable, fair, and permanent resolution to
14 the conflicts in Georgia and Azerbaijan and the civil war
15 in Tajikistan.

16 **SEC. 5. AMENDMENT OF THE FOREIGN ASSISTANCE ACT OF**
17 **1961.**

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

1 **“Chapter 12—Support for the Economic and**
2 **Political Independence of the Countries**
3 **of the South Caucasus and Central Asia**

4 **“SEC. 499. UNITED STATES ASSISTANCE TO PROMOTE REC-**
5 **ONCILIATION AND RECOVERY FROM RE-**
6 **GIONAL CONFLICTS.**

7 “(a) PURPOSE OF ASSISTANCE.—The purposes of as-
8 sistance under this section are—

9 “(1) to create the basis for reconciliation be-
10 tween belligerents;

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

14 “(3) to encourage broad regional cooperation
15 among countries of the South Caucasus and Central
16 Asia that have been destabilized by internal con-
17 flicts.

18 “(b) AUTHORIZATION FOR ASSISTANCE.—

19 “(1) IN GENERAL.—To carry out the purposes
20 of subsection (a), the President is authorized to pro-
21 vide humanitarian assistance and economic recon-
22 struction assistance under this Act, and assistance
23 under the Migration and Refugee Assistance Act of
24 1962 (22 U.S.C. 2601 et seq.), to the countries of

1 the South Caucasus and Central Asia to support the
2 activities described in subsection (c).

3 “(2) DEFINITION OF HUMANITARIAN ASSIST-
4 ANCE.—In this subsection, the term ‘humanitarian
5 assistance’ means assistance to meet urgent humani-
6 tarian needs, in particular meeting needs for food,
7 medicine, medical supplies and equipment, and
8 clothing.

9 “(c) ACTIVITIES SUPPORTED.—Activities that may
10 be supported by assistance under subsection (b) are lim-
11 ited to—

12 “(1) providing for the essential needs of victims
13 of the conflicts;

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

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

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

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

2 “(a) PURPOSE OF ASSISTANCE.—The purpose of as-
3 sistance under this section is to foster the conditions nec-
4 essary for regional economic cooperation in the South
5 Caucasus and Central Asia.

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

11 “(c) ACTIVITIES SUPPORTED.—Activities that may
12 be supported by assistance under subsection (b) are lim-
13 ited to the development of the structures and means nec-
14 essary for the growth of private sector economies based
15 upon market principles.

16 “(d) POLICY.—It is the sense of Congress that the
17 United States should—

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

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

1 “(3) 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 ASSISTANCE.—The purposes of as-
6 sistance under this section are—

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 be-
11 tween those countries and the United States and
12 other developed nations.

13 “(b) AUTHORIZATION FOR ASSISTANCE.—To carry
14 out the purposes of subsection (a), the following types of
15 assistance to the countries of the South Caucasus and
16 Central Asia are authorized to support the activities de-
17 scribed in subsection (c):

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

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

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

1 “(c) ACTIVITIES SUPPORTED.—Activities that may
2 be supported by assistance under subsection (b) are lim-
3 ited to promoting actively the participation of United
4 States companies and investors in the planning, financing,
5 and construction of infrastructure for communications,
6 transportation, and energy and trade including highways,
7 railroads, port facilities, shipping, banking, insurance,
8 telecommunications networks, and gas and oil pipelines.

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

17 **“SEC. 499C. SECURITY ASSISTANCE.**

18 “(a) PURPOSE OF ASSISTANCE.—The purpose of as-
19 sistance under this section is to assist countries of the
20 South Caucasus and Central Asia to secure their borders
21 and implement effective controls necessary to prevent the
22 trafficking of illegal narcotics and the proliferation of
23 technology and materials related to weapons of mass de-
24 struction (as defined in section 2332a(c)(2) of title 18,

1 United States Code), and to contain and inhibit
2 transnational organized criminal activities.

3 “(b) AUTHORIZATION FOR ASSISTANCE.—To carry
4 out the purpose of subsection (a), the President is author-
5 ized to provide the following types of assistance to the
6 countries of the South Caucasus and Central Asia to sup-
7 port the activities described in subsection (c):

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

11 “(2) Assistance under chapter 8 of this part of
12 this Act (relating to international narcotics control
13 assistance).

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

16 “(c) ACTIVITIES SUPPORTED.—Activities that may
17 be supported by assistance under subsection (b) are lim-
18 ited to assisting those countries of the South Caucasus
19 and Central Asia in developing capabilities to maintain na-
20 tional border guards, coast guard, and customs controls.

21 “(d) POLICY.—It is the sense of Congress that the
22 United States should encourage and assist the develop-
23 ment of regional military cooperation among the countries
24 of the South Caucasus and Central Asia through pro-
25 grams such as the Central Asian Battalion and the Part-

1 nership for Peace of the North Atlantic Treaty Organiza-
2 tion.

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

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

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

14 “(1) Technical assistance for democracy build-
15 ing.

16 “(2) Technical assistance for the development
17 of nongovernmental organizations.

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

20 “(4) Technical assistance for the development
21 of the rule of law.

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

1 “(c) **ACTIVITIES SUPPORTED.**—Activities that may
2 be supported by assistance under subsection (b) are lim-
3 ited to activities that directly and specifically are designed
4 to advance progress toward the development of democracy.

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

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

11 “(a) **IN GENERAL.**—Except as provided in subsection
12 (b), assistance may not be provided under this chapter for
13 a country of the South Caucasus or Central Asia if the
14 President determines and certifies to the appropriate con-
15 gressional committees that the country—

16 “(1) is engaged in a consistent pattern of gross
17 violations of internationally recognized human
18 rights;

19 “(2) has, on or after the date of enactment of
20 this chapter, knowingly transferred to another coun-
21 try—

22 “(A) missiles or missile technology incon-
23 sistent with the guidelines and parameters of
24 the Missile Technology Control Regime (as de-
25 fined in section 11B(e) of the Export Adminis-

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

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

11 “(3) has supported acts of international terror-
12 ism;

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

18 “(5) has initiated an act of aggression against
19 another state in the region after the date of enact-
20 ment of the Silk Road Strategy Act of 1997.

21 “(b) EXCEPTION TO INELIGIBILITY.—Notwithstand-
22 ing subsection (a), assistance may be provided under this
23 chapter if the President determines and certifies in ad-
24 vance to the appropriate congressional committees that

1 the provision of such assistance is important to the na-
2 tional interest of the United States.

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

4 “(a) ASSISTANCE THROUGH GOVERNMENTS AND
5 NONGOVERNMENTAL ORGANIZATIONS.—Assistance under
6 this chapter may be provided to governments or through
7 nongovernmental organizations.

8 “(b) USE OF ECONOMIC SUPPORT FUNDS.—Except
9 as otherwise provided, any funds that have been allocated
10 under chapter 4 of part II for assistance for the independ-
11 ent states of the former Soviet Union may be used in ac-
12 cordance with the provisions of this chapter.

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

16 “(d) SUPERSEDING EXISTING LAW.—The authority
17 to provide assistance under this chapter supersedes any
18 other provision of law, except for—

19 “(1) this chapter;

20 “(2) section 634A of this Act and comparable
21 notification requirements contained in sections of the
22 annual foreign operations, export financing, and re-
23 lated programs Act;

24 “(3) section 907 of the Freedom for Russia and
25 Emerging Eurasian Democracies and Open Markets

1 Support Act of 1992 (22 U.S.C. 5812 note; relating
2 to restriction on assistance to Azerbaijan), except
3 such section shall not apply with respect to—

4 “(A) activities to provide humanitarian as-
5 sistance under the Migration and Refugee As-
6 sistance Act of 1962 (22 U.S.C. 2601 et seq.);

7 “(B) activities to support democratic re-
8 forms and democratic governance;

9 “(C) assistance for the control of narcotic
10 and psychotropic drugs and other controlled
11 substances, or for other anticrime purposes,
12 under section 481(a)(4) of this Act (22 U.S.C.
13 2291(a)(4));

14 “(D) assistance under programs carried
15 out under section 1424 of the National Defense
16 Authorization Act for Fiscal Year 1997 (50
17 U.S.C. 2333);

18 “(E) assistance provided by the Trade and
19 Development Agency under section 661 of this
20 Act (22 U.S.C. 2421) ; and

21 “(F) activities carried out by the United
22 States and Foreign Commercial Service; and

23 “(4) section 1341 of title 31, United States
24 Code (commonly referred to as the “Anti-Deficiency
25 Act”), the Congressional Budget and Impoundment

1 Control Act of 1974, the Balanced Budget and
2 Emergency Deficit Control Act of 1985, and the
3 Budget Enforcement Act of 1990.

4 **“SEC. 499G. DEFINITIONS.**

5 “In this chapter:

6 “(1) APPROPRIATE CONGRESSIONAL COMMIT-
7 TEES.—The term ‘appropriate congressional com-
8 mittees’ means the Committee on Foreign Relations
9 of the Senate and the Committee on International
10 Relations of the House of Representatives.

11 “(2) COUNTRIES OF THE SOUTH CAUCASUS
12 AND CENTRAL ASIA.—The term ‘countries of the
13 South Caucasus and Central Asia’ means Armenia,
14 Azerbaijan, Georgia, Kazakstan, Kyrgystan,
15 Tajikistan, Turkmenistan, and Uzbekistan.”.

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

17 Beginning one year after the date of enactment of
18 this Act, and annually thereafter, the President shall sub-
19 mit a report to the appropriate congressional commit-
20 tees—

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

24 (2) evaluating the degree to which the assist-
25 ance authorized by chapter 12 of part I of the For-

1 eign Assistance Act of 1961, as added by section 5
2 of this Act, was able to accomplish the purposes
3 identified in those sections; and

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

8 **SEC. 7. DEFINITIONS.**

9 In this Act:

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

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

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