

community for the past 2 years. This foundation has worked hard to see that the dream of a college education is not out of the grasp of any deserving young student.

From its inception in May 1995, the foundation has granted annual scholarships to academically gifted and underprivileged students pursuing a college education. This year the foundation's \$15,000 scholarship award will be granted to 5 academically gifted students in Chicago-area high schools, and another \$75,500 will be distributed among 15 1995-96 scholarship awardees, currently pursuing studies at some of the most prestigious universities in the Nation.

These awards have been a blessing to many students and their families, but the benefits of this scholarship program reach far beyond the individual student's home. The surrounding community and our Nation at large will benefit from the quality education and training that these students receive.

It brings me great pleasure to honor the Quentis B. Garth Foundation today. I am certain that their good work will continue to enrich all of our students and our lives for many years to come.

#### U.S. ASSISTANCE IN SUPPORT OF ECONOMIC REFORM IN ARMENIA

**HON. LEE H. HAMILTON**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Friday, May 16, 1997*

Mr. HAMILTON. Mr. Speaker, I have exchanged correspondence over the past 2 years with the executive branch on the question of how our assistance programs help to promote the United States objective of economic reform in Armenia. In recent months, I have exchanged correspondence with the Agency for International Development [AID], pertaining to its plan to provide a \$30 million grant to Armenia during fiscal year 1997 to purchase natural gas. It is my firm belief that U.S. assistance to each of the New Independent States should, whenever possible, be conditioned on the achievement of specific reform objectives.

The text of a March 7, 1997 letter from AID, my reply of March 19, and AID's reply of April 16 follow:

U.S. AGENCY FOR  
INTERNATIONAL DEVELOPMENT,  
*Washington, DC, March 7, 1997.*

Hon. LEE HAMILTON,  
*House of Representatives, Washington, DC.*

DEAR CONGRESSMAN HAMILTON: As a follow-up to staff discussions on January 3, 1997, with Mr. Kupchan on the FY 1997 Armenia natural gas program, I am writing to confirm that our provision of natural gas commodity assistance to Armenia is contingent upon significant energy sector reforms.

Ambassador Tomsen has recently communicated to the Prime Minister and Minister of Energy that the provision of FY 1997 natural gas would require: (1) evidence of progress in implementing conditions contained in last year's agreement, e.g., creation of an independent energy regulatory authority; and (2) commitment to new conditions that deepen and broaden the movement to restructure and privatize the energy sector. Furthermore, we are coordinating this position closely with the World Bank as well as introducing elements that go beyond the World Bank's conditions.

If you should require more detailed information, my staff are available to discuss our position and progress in obtaining energy reforms.

Sincerely,

THOMAS A. DINE.

COMMITTEE ON  
INTERNATIONAL RELATIONS,  
HOUSE OF REPRESENTATIVES,  
*Washington, DC, March 19, 1997.*

Hon. THOMAS DINE,  
*Assistant Administrator, Bureau for Europe and the NIS, USAID, Washington, DC.*

DEAR MR. DINE: Thank you for your letter of March 7 regarding the Armenia natural gas program and the reforms upon which this agreement would be contingent.

I support your decision not to release the \$30 million until: (1) the government of Armenia provides evidence of implementing conditions contained in last year's agreement, and (2) Armenia commits to new conditions which go beyond the World Bank's conditions.

However, I would appreciate receiving more detailed information on both issues before I could support providing another round of funding for fuel. First, what progress has Armenia made, in AID's view, on complying with last years' agreements? According to a letter of April 3, 1996 from Assistant Secretary Barbara Larkin to me, the US was to seek Armenian agreement to increase tariffs in the private sector, pursue energy sector reform in parliament, and reform the gas sector. Your letter of March 7, 1997 mentions creation of an independent energy regulatory authority as a US goal. Where are we on these issues?

Second, if this year's \$30 million award goes forward, what specific conditionality *over and above* that already in World Bank agreements, will US assistance be contingent upon? What steps will you insist that Armenia take to deepen and broaden the movement to restructure and privatize the energy sector?

I look forward to working with you on this issue and other matters pertaining to NIS assistance.

With best wishes,

Sincerely,

LEE H. HAMILTON,  
*Ranking Democratic Member.*

U.S. AGENCY FOR  
INTERNATIONAL DEVELOPMENT,  
*Washington, DC, April 16, 1997.*

Hon. LEE H. HAMILTON,  
*House of Representatives, Washington, DC.*

DEAR CONGRESSMAN HAMILTON: We appreciate your continuing interest in the Armenia energy program and wish to reconfirm that our provision of natural gas commodity assistance to Armenia is contingent upon significant energy sector reforms.

As requested in your letter of March 19, 1997, to Assistant Administrator Tom Dine, I would like to highlight some of the significant progress Armenia is making in achieving energy sector reforms. Tariffs have been raised and are on a path to economic cost recovery, a goal that may be reached in early 1998. The Armenian Government recently completed its first round of privatization in the power sector, focused on small hydro-power plants. Although the Energy Law has not yet passed, the Law was submitted to Parliament March 31 and should be acted upon shortly. Meanwhile, the Government of Armenia has just issued a presidential decree acceptable to both the U.S. Agency for International Development (USAID) and the World Bank establishing an independent energy regulatory body. The new regulatory body will play a critical, catalytic role in

further movement toward a financially-viable, market-oriented utility system. According to USAID energy advisors who have worldwide experience, both the decree and the Energy Law are superior to those enacted in other NIS and Eastern European countries.

We have established new covenants in connection with the provision of natural gas in 1997 that go beyond the conditions set by the World Bank. These conditions relate to:

Full implementation of the aforementioned regulatory body;

Establishment of a financial settlement process and procedures for improving cash flow in the power sector;

Consolidation of power distribution companies to a reasonable number;

The formation of power sector joint stock companies with corporate charters;

Development of an action plan for further privatization;

Promotion of a Petroleum Law to encourage foreign investment; and

Implementation of a least-cost power investment plan to provide replacement power for the Armenia Nuclear Power Plant.

We have discussed these covenants with the Government of Armenia and expect them to agree to these covenants in the very near future.

The 1996 delivery of gas to Armenia amounted to \$15 million, which purchased 201 million cubic meters or about 33 percent of Armenia's total annual gas use. Due to changes in international gas prices, this year's \$30 million should purchase about 290 million cubic meters, which could represent from 25 to 50 percent of Armenia's 1997 gas imports, depending on future industrial demand, next winter's severity, and alternate energy supplies.

If you should require more information, please let us know.

Sincerely,

ROBERT K. BOYER,  
*Senior Deputy Assistant Administrator,  
Bureau for Legislative and Public Affairs.*

#### TRIBUTE TO DAVID HARRIS

**HON. VIC FAZIO**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, May 16, 1997*

Mr. FAZIO of California. Mr. Speaker, I rise today to honor David Harris of Dixon, CA. David Harris has served as the city manager for the city of Dixon for 19 years, from June, 1978, to July, 1997.

During David Harris' career as city manager to the city of Dixon, he placed the city of Dixon on the map. Dixon grew from a population of 6,031 in 1978 to a population of 13,078 in 1997. Furthermore, the city's area increased from 3.2 square miles in 1978 to 6.5 square miles in 1997.

He served under Mayors Maureen Southwell, Marime Burton-Halloran, Joe Anderson, Richard Brians, and Don Erickson.

David Harris oversaw the planning and development of Dixon City Hall in 1981, the Senior Multi-Use Center in 1987, the Council Chambers in 1988, the Dixon Police Station in 1991, and the Dixon Fire Station in 1997.

In addition, he is credited with creating the city of Dixon's logo, overseeing the planning and development of Northwest Park, and all the major renovations of Hall Park. Under David Harris' leadership, the first traffic signal was installed at the corner of North Adams