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One Hundred Second Congress of the United States of America

AT THE SECOND SESSION

Begun and held at the City of Washington on Friday, the third day of January,

one thousand nine hundred and ninety-two

An Act

To support freedom and open markets in the independent states of the former

Soviet Union, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLES.

This Act may be cited as the 'Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992' or the 'FREEDOM Support Act'.

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SEC. 3. DEFINITION OF INDEPENDENT STATES.

For purposes of this Act, the terms `independent states of the former Soviet Union' and `independent states' mean the following: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

TITLE I--GENERAL PROVISIONS

SEC. 101. FINDINGS.

The Congress finds that--

(1) recent developments in Russia and the other independent states of the former Soviet Union present an historic opportunity for a transition to a peaceful and stable international order and the integration of the independent states of the former Soviet Union into the community of democratic nations;

(2) the entire international community has a vital interest in the success of this transition, and the dimension of the problems now faced in the independent states of the former Soviet Union makes it imperative for donor countries and institutions to provide the expertise and support necessary to ensure continued progress on economic and political reforms;

(3) the United States is especially well-positioned because of its heritage and traditions to make a substantial contribution to this transition by building on current technical cooperation, medical, and food assistance programs, by assisting in the development of democratic institutions, and by fostering conditions that will encourage the United States business community to engage in trade and investment;

(4) failure to meet the opportunities presented by these developments could threaten United States national security interests and jeopardize substantial savings in United States defense that these developments have made possible;

(5) the independent states of the former Soviet Union face unprecedented environmental problems that jeopardize the quality of life and the very existence of not only their own peoples but also the peoples of other countries, and it is incumbent on the international community to assist the independent states in addressing these problems and in promoting sustainable use of resources and development;

(6) the success of United States assistance for the independent states of the former Soviet Union depends on--

(A) effective coordination of United States efforts with similar activities of friendly and allied donor countries and of international financial institutions, and

(B) reciprocal commitments by the governments of the independent states to work toward the creation of democratic institutions and an environment hospitable to foreign investment based upon the rule of law, including negotiation of bilateral and multilateral agreements on open trade and investment, adoption of commercial codes, establishment of transparency in regulatory and other governmental decision making, and timely payment of obligations carried over from previous governmental entities; and

(7) trade and investment opportunities in the independent states of the former Soviet Union will generate employment and other economic benefits for the United States as the economies of the independent states of the former Soviet Union begin to realize their enormous potential as both customers and suppliers.

SEC. 102. PROGRAM COORDINATION, IMPLEMENTATION, AND OVERSIGHT.

(a) **COORDINATION-** The President shall designate, within the Department of State, a coordinator who shall be responsible for--

- (1) designing an overall assistance and economic cooperation strategy for the independent states of the former Soviet Union;
- (2) ensuring program and policy coordination among agencies of the United States Government in carrying out the policies set forth in this Act (including the amendments made by this Act);
- (3) pursuing coordination with other countries and international organizations with respect to assistance to independent states;
- (4) ensuring that United States assistance programs for the independent states are consistent with this Act (including the amendments made by this Act);
- (5) ensuring proper management, implementation, and oversight by agencies responsible for assistance programs for the independent states; and
- (6) resolving policy and program disputes among United States Government agencies with respect to United States assistance for the independent states.

(b) **EXPORT PROMOTION ACTIVITIES-** Consistent with subsection (a), coordination of activities related to the promotion of exports of United States goods and services to the independent states of the former Soviet Union shall continue to be primarily the responsibility of the Secretary of Commerce, in the Secretary's role as Chair of the Trade Promotion Coordination Committee.

(c) **INTERNATIONAL ECONOMIC ACTIVITIES-** Consistent with subsection (a), coordination of activities relating to United States participation in international financial institutions and relating to organization of multilateral efforts aimed at currency stabilization, currency convertibility, debt reduction, and comprehensive economic reform programs shall continue to be primarily the responsibility of the Secretary of the Treasury, in the Secretary's role as Chair of the National Advisory Council on International Monetary and Financial Policies and as the United States Governor of the international financial institutions.

(d) **ACCOUNTABILITY FOR FUNDS-** Any agency managing and implementing an assistance program for the independent states of the former Soviet Union shall be accountable for any funds made available to it for such program.

SEC. 103. REPORT ON OVERALL ASSISTANCE AND ECONOMIC COOPERATION STRATEGY.

(a) **REQUIREMENT FOR SUBMISSION-** As soon as practicable after the date of enactment of this Act, the coordinator designated pursuant to section 102(a) shall submit to the Congress a report on the overall assistance and economic cooperation strategy for the independent states of the former Soviet Union that is required to be developed pursuant to paragraph (1) of that section.

(b) **ASSISTANCE PLAN-** The report submitted pursuant to subsection (a) shall include a plan specifying--

- (1) the amount of the funds authorized to be appropriated for fiscal year 1993 by chapter 11 of part I of the Foreign Assistance Act of 1961 proposed to be allocated for each of the categories of activities authorized by section 498 of that Act and to carry out section 301 of this Act (relating to American Business Centers), section 303 of this Act (relating to export promotion activities and capital projects), and title IV of this Act (relating to the Democracy Corps);
- (2) the amount of other funds made available for fiscal year 1993 to carry out the Foreign Assistance Act of 1961 proposed to be allocated for assistance under that Act for the independent states of the former Soviet Union; and
- (3) the amount of funds available for fiscal year 1993 under the Foreign Assistance Act of 1961 that are proposed to be made to each agency to carry out activities for the independent states under that Act or this Act.

SEC. 104. ANNUAL REPORT.

Not later than January 31 of each year, the President shall submit to the Congress a report on United States assistance for the independent states of the former Soviet Union under this Act or other provisions of law. Each such report shall include--

- (1) an assessment of the progress each independent state has made in meeting the standards set forth in section 498A of the Foreign Assistance Act of 1961, including a description of the steps each independent state has taken or is taking toward meeting those standards and a discussion of additional steps that each independent state could take to meet those standards;
- (2) a description of the United States assistance for each independent state that was provided during the preceding fiscal year, is planned for the current fiscal year, and is proposed for the coming fiscal year, specifying the extent to which such assistance for the preceding fiscal year and for current fiscal year has actually been delivered;
- (3) an assessment of the effectiveness of United States assistance in achieving its purposes; and
- (4) an evaluation of the manner in which the `notwithstanding' authority provided in section 498B(j)(1) of the Foreign Assistance Act of 1961, and the `notwithstanding' authority provided in any other provision of law with respect to assistance for the independent states, has been used and why the use of that authority was necessary.

TITLE II--BILATERAL ECONOMIC ASSISTANCE ACTIVITIES

SEC. 201. SUPPORT FOR ECONOMIC AND DEMOCRATIC DEVELOPMENT IN THE INDEPENDENT STATES.

Part I of the Foreign Assistance Act of 1961 is amended by adding after chapter 10 the following:

CHAPTER 11--SUPPORT FOR THE ECONOMIC AND DEMOCRATIC DEVELOPMENT OF THE INDEPENDENT STATES OF THE FORMER SOVIET UNION

SEC. 498. ASSISTANCE FOR THE INDEPENDENT STATES.

The President is authorized to provide assistance to the independent states of the former Soviet Union under this chapter for the following activities:

- (1) URGENT HUMANITARIAN NEEDS- Meeting urgent humanitarian needs (including those arising from the health effects of exposure to radiation in the Chernobyl region), in particular--
 - (A) meeting needs for medicine, medical supplies and equipment, and food, including the nutritional needs of infants such as processed baby food; and
 - (B) continuing efforts to rebuild from the earthquake in Armenia.
- (2) DEMOCRACY- Establishing a democratic and free society by fostering--
 - (A) political, social, and economic pluralism;
 - (B) respect for internationally recognized human rights and the rule of law;
 - (C) the development of institutions of democratic governance, including electoral and legislative processes;
 - (D) the institution and improvement of public administration at the national, intergovernmental, regional, and local level;
 - (E) the development of a free and independent media;
 - (F) the development of effective control by elected civilian officials over, and the development of a nonpolitical officer corps in, the military and security forces; and
 - (G) strengthened administration of justice through programs and activities carried out in accordance with section 498B(e).
- (3) FREE MARKET SYSTEMS- Creating and developing private enterprise and free market systems based on the principle of

private ownership of property, including--

- `(A) the development of private cooperatives, credit unions, and labor unions;
- `(B) the improvement in the collection and analysis of statistical information;
- `(C) the reform and restructuring of banking and financial systems; and
- `(D) the protection of intellectual property.

`(4) TRADE AND INVESTMENT- Creating conditions that promote trade and investment, and encouraging participation of the United States private sector in the development of the private sector in the independent states of the former Soviet Union.

`(5) FOOD DISTRIBUTION AND PRODUCTION- Promoting market-based mechanisms for the distribution of the inputs necessary to agricultural production and for the handling, marketing, storage, and processing of agricultural commodities; encouraging policies that provide incentives for agricultural production; and creating institutions that provide technical and financial support for the agricultural sector.

`(6) HEALTH AND HUMAN SERVICES- Promoting programs to strengthen and build institutions that provide quality health care and voluntary family planning services, housing, and other services and policies that are components of a social safety net, particularly for infants, children, and people with disabilities.

`(7) EDUCATION AND EDUCATIONAL TELEVISION- Promoting broad-based educational reform at all levels, in particular--

- `(A) by assisting the development of curricula and by making available textbooks, other educational materials, and appropriate telecommunications technologies for the delivery of educational and instructional programming; and
- `(B) by assisting the development of the skills necessary to produce educational television programs aimed at promoting basic skills and the human values associated with a democratic society and a free market economy.

`(8) ENERGY EFFICIENCY AND PRODUCTION- Promoting market-based pricing policies and the transfer of technologies that reduce energy wastage and harmful emissions; supporting developmentally sound capital energy projects that utilize United States advanced coal technologies; and promoting efficient production, use, and transportation of oil, gas, coal, and other sources of energy.

`(9) CIVILIAN NUCLEAR REACTOR SAFETY- Implementing--

- `(A) a program of short-term safety upgrade of civilian nuclear power plants, including the training of power plant personnel, implementation of improved procedures for nuclear power plant operation, the development of effective and independent regulatory authorities, and cost-effective hardware upgrades; and
- `(B) a program to retire those civilian nuclear power plants whose capacity could be more cost-effectively replaced through energy efficiency.

`(10) ENVIRONMENT- Enhancing the human and natural environment and conserving environmental resources, including through--

- `(A) facilitation of the adoption of environmentally-sound policies and technologies, environmental restoration, and sustainable use of natural resources;
- `(B) promotion of the provision of environmental technology, education, and training by United States businesses, not-for-profit organizations, and institutions of higher education; and
- `(C) promotion of cooperative research efforts to validate and improve environmental monitoring of protracted radiation exposure.

`(11) TRANSPORTATION AND TELECOMMUNICATIONS- Improving transportation and telecommunications infrastructure and management, including intermodal transportation systems to ensure the safe and efficient movement of people, products, and materials.

`(12) DRUG EDUCATION, INTERDICTION, AND ERADICATION- Promoting drug education, interdiction, and eradication programs.

`(13) MIGRATION- Protecting and caring for refugees, displaced persons, and other migrants; addressing the root causes of migration; and promoting the development of appropriate immigration and emigration laws and procedures.

`SEC. 498A. CRITERIA FOR ASSISTANCE TO GOVERNMENTS OF THE INDEPENDENT STATES.

`(a) IN GENERAL- In providing assistance under this chapter for the government of any independent state of the former Soviet Union, the President shall take into account not only relative need but also the extent to which that independent state is acting to--

`(1) make significant progress toward, and is committed to the comprehensive implementation of, a democratic system based on principles of the rule of law, individual freedoms, and representative government determined by free and fair elections;

`(2) make significant progress in, and is committed to the comprehensive implementation of, economic reform based on market principles, private ownership, and integration into the world economy, including implementation of the legal and policy frameworks necessary for such reform (including protection of intellectual property and respect for contracts);

`(3) respect internationally recognized human rights, including the rights of minorities and the rights to freedom of religion and emigration;

`(4) respect international law and obligations and adhere to the Helsinki Final Act of the Conference on Security and Cooperation in Europe and the Charter of Paris, including the obligations to refrain from the threat or use of force and to settle disputes peacefully;

`(5) cooperate in seeking peaceful resolution of ethnic and regional conflicts;

`(6) implement responsible security policies, including--

`(A) adhering to arms control obligations derived from agreements signed by the former Soviet Union;

`(B) reducing military forces and expenditures to a level consistent with legitimate defense requirements;

`(C) not proliferating nuclear, biological, or chemical weapons, their delivery systems, or related technologies; and

`(D) restraining conventional weapons transfers;

`(7) take constructive actions to protect the international environment, prevent significant transborder pollution, and promote sustainable use of natural resources;

`(8) deny support for acts of international terrorism;

`(9) accept responsibility for paying an equitable portion of the indebtedness to United States firms incurred by the former Soviet Union;

`(10) cooperate with the United States Government in uncovering all evidence regarding Americans listed as prisoners-of-war, or otherwise missing during American operations, who were detained in the former Soviet Union during the Cold War; and

`(11) terminate support for the communist regime in Cuba, including removal of troops, closing of military facilities, and ceasing trade subsidies and economic, nuclear, and other assistance.

`(b) INELIGIBILITY FOR ASSISTANCE- The President shall not provide assistance under this chapter--

`(1) for the government of any independent state that the President determines is engaged in a consistent pattern of gross violations of internationally recognized human rights or of international law;

`(2) for the government of any independent state that the President determines has failed to take constructive actions to facilitate the effective implementation of applicable arms control obligations derived from agreements signed by the former Soviet Union;

`(3) for the government of any independent state that the President determines has, on or after the date of enactment of this chapter, knowingly transferred to another country--

`(A) missiles or missile technology inconsistent with the guidelines and parameters of the Missile Technology Control Regime; or

`(B) any material, equipment, or technology that would contribute significantly to the ability of such country to manufacture any weapon of mass destruction (including nuclear, chemical, and biological weapons) if the President determines that the material, equipment, or technology was to be used by such country in the manufacture of such weapon;

`(4) for the government of any independent state that is prohibited from receiving such assistance by section 669 or 670 of this Act or sections 306(a)(1) and 307 of the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991; or

`(5) for the Government of Russia if it has failed to make significant progress on the removal of Russian or Commonwealth of Independent States troops from Estonia, Latvia, and Lithuania or if it has failed to undertake good faith efforts, such as negotiations, to end other military practices that violate the sovereignty of the Baltics states.

`(c) EXCEPTIONS TO INELIGIBILITY- Assistance prohibited by subsection (b) or any similar provision of law, other than assistance prohibited by the provisions referred to in subsection (b)(4), may be furnished under any of the following circumstances:

`(1) The President determines that furnishing such assistance is important to the national interest of the United States.

`(2) The President determines that furnishing such assistance will foster respect for internationally recognized human rights and the rule of law or the development of institutions of democratic governance.

`(3) The assistance is furnished for the alleviation of suffering resulting from a natural or man-made disaster.

The President shall immediately report to the Congress any determination under paragraph (1) or (2) or any decision to provide assistance under paragraph (3).

`SEC. 498B. AUTHORITIES RELATING TO ASSISTANCE AND OTHER PROVISIONS.

`(a) ASSISTANCE THROUGH GOVERNMENTS AND NONGOVERNMENTAL ORGANIZATIONS- Assistance under this chapter may be provided to governments or through nongovernmental organizations.

`(b) TECHNICAL AND MANAGERIAL ASSISTANCE- Technical assistance under this chapter shall, to the maximum extent feasible, be provided on a long term, on-site basis and shall emphasize the provision of practical, management and other problem-solving advice, particularly advice on private enterprise provided by United States business volunteers.

`(c) ENTERPRISE FUNDS- Activities supported pursuant to this chapter may include the establishment of and the provision of support for one or more enterprise funds for the independent states of the former Soviet Union. If the President determines that an enterprise fund should be established and supported under this chapter, the provisions contained in section 201 of the Support for East European Democracy (SEED) Act of 1989 (excluding the authorizations of appropriations provided in subsection (b) of that section) shall be deemed to apply with respect to such enterprise fund and to funds made available to such enterprise fund pursuant to this chapter.

`(d) COOPERATIVE DEVELOPMENT AND RESEARCH PROJECTS- Assistance under this chapter may include support for cooperative development projects, including cooperative development research projects, among the United States, other countries, and independent states of the former Soviet Union.

`(e) ADMINISTRATION OF JUSTICE PROGRAMS- In order to strengthen the administration of justice in the independent states of the former Soviet Union under paragraph (2)(G) of section 498, the President may exercise the same authorities as are available under section 534 of this Act, subject to the limitations and requirements of that section, other than subsection (c) and the last two sentences of subsection (e).

`(f) USE OF ECONOMIC SUPPORT FUNDS- Any funds that have been allocated under chapter 4 of part II for assistance for the independent states of the former Soviet Union may be used in accordance with the provisions of this chapter.

`(g) USE OF SEED AGENCY FUNDS AND ADMINISTRATIVE AUTHORITIES- The President may authorize any agency of the United States Government that has authority to conduct activities under the Support for East European Democracy (SEED) Act of 1989 to use--

`(1) any funds that are available to it for activities related to international affairs outside Eastern Europe, and

`(2) any administrative authorities that are available to it for activities with respect to Eastern Europe,

to conduct activities authorized by section 498 with respect to the independent states of the former Soviet Union.

`(h) PROCUREMENT RESTRICTIONS- Funds made available for assistance under this chapter may be used for procurement--

`(1) in the United States, the independent states of the former Soviet Union, or a developing country; or

(2) in any other country but only if--

`(A) the provision of such assistance requires commodities or services of a type that are not produced in and available for purchase in any country specified in paragraph (1); or

`(B) the President determines, on a case-by-case basis, that procurement in such other country is necessary--

`(i) to meet unforeseen circumstances, such as emergency situations, where it is important to permit procurement in a country not specified in paragraph (1), or

`(ii) to promote efficiency in the use of United States foreign assistance resources, including to avoid impairment of foreign assistance objectives.

`(i) TERMS AND CONDITIONS- Assistance under this chapter shall be provided on such terms and conditions as the President may determine, consistent with applicable provisions of law (except as otherwise provided in subsection (j)).

`(j) WAIVER OF CERTAIN PROVISIONS-

`(1) IN GENERAL- Funds authorized to be appropriated for fiscal year 1993 by this chapter, and any other funds appropriated for fiscal year 1993 that are used under the authority of subsection (f) or (g), may be used to provide assistance under this chapter notwithstanding any other provision of law, except for--

`(A) this chapter;

`(B) section 634A of this Act and comparable notification requirements contained in sections of the annual foreign operations, export financing, and related programs Act;

`(C) sections 669 and 670 of this Act and sections 306 and 307 of the Chemical and Biological Weapons Control and Warfare Elimination Act of 1961, to the extent that they apply to assistance to governments; and

`(D) section 1341 of title 31, United States Code (commonly referred to as the `Anti-Deficiency Act'), the Congressional Budget and Impoundment Control Act of 1974, the Balanced Budget and Emergency Deficit Control Act of 1985, and the Budget Enforcement Act of 1990.

`(2) NUCLEAR REACTOR SAFETY AND RELATED ACTIVITIES- Any provision that corresponds to section 510 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991 (relating to the prohibition on financing exports of nuclear equipment, fuel, and technology) shall not apply with respect to funds used pursuant to this chapter.

`(k) DEFINITIONS-

`(1) APPROPRIATE CONGRESSIONAL COMMITTEES- As used in this chapter, the term `appropriate congressional committees' means the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

`(2) INDEPENDENT STATES OF THE FORMER SOVIET UNION- As used in this chapter, the terms `independent states of the former Soviet Union' and `independent states' have the meaning given those terms by section 3 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992.

SEC. 498C. AUTHORIZATION OF APPROPRIATIONS.

(a) **IN GENERAL-** To carry out this chapter, there are authorized to be appropriated to the President for fiscal year 1993 \$410,000,000, in addition to amounts otherwise available for assistance for the independent states of the former Soviet Union. Amounts appropriated pursuant to this subsection are authorized to remain available until expended.

(b) **OPERATING EXPENSES-**

(1) **AUTHORITY TO TRANSFER PROGRAM FUNDS-** Subject to paragraph (2), funds made available under subsection (a) may be transferred to, and merged with, funds appropriated for 'Operating Expenses of the Agency for International Development'. Funds so transferred may be expended for administrative costs in carrying out this chapter, including reimbursement of the Department of State for its incremental costs associated with assistance provided under this chapter.

(2) **LIMITATION ON AMOUNT TRANSFERRED-** Not more than 2 percent of the funds made available for a fiscal year under subsection (a) may be transferred pursuant to paragraph (1) unless, at least 15 days before transferring any additional amount, the President notifies the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A of this Act.

SEC. 202. INELIGIBILITY FOR ASSISTANCE OF INSTITUTIONS WITHHOLDING CERTAIN DOCUMENTS OF UNITED STATES NATIONALS.

(a) **PROHIBITION-** Except as provided in subsections (b) and (c), an agency, instrumentality, or other governmental entity of an independent state of the former Soviet Union shall not be eligible to receive assistance under chapter 11 of part I of the Foreign Assistance Act of 1961 if--

(1) on the date of enactment of this Act, there is outstanding a final judgment by a court of competent jurisdiction in that independent state that that governmental entity is withholding unlawfully books or other documents of religious or historical significance that are the property of United States persons; and

(2) within 90 days of a request by such United States persons, the Secretary of State determines that execution of the court's judgment is blocked as the result of extrajudicial causes such as any of the following:

(A) A declared refusal of the defendant to comply.

(B) The unwillingness or failure of local authorities to enforce compliance.

(C) The issuance of an administrative decree nullifying a court's judgment or forbidding compliance.

(D) The passage of legislation, after a court's judgment, nullifying that judgment or forbidding compliance with that judgment.

(b) **EXCEPTION FOR HUMANITARIAN ASSISTANCE-** The prohibition contained in subsection (a) shall not apply to the provision of assistance to alleviate suffering resulting from a natural or man-made disaster.

(c) **WAIVER AUTHORITY-** The Secretary of State may waive the application of subsection (a) whenever the Secretary finds that--

(1) the court's judgment has been executed; or

(2) it is important to the national interest of the United States to do so.

(d) **REPORT-** Nine months after the date of enactment of this Act, the Secretary of State shall report to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate on the status of final judgments described in subsection (a)(1).

(e) **UNITED STATES PERSON-** For purposes of this section, the term 'United States person' means--

(1) any citizen, national, or permanent resident alien of the United States; and

(2) any corporation, partnership, or other juridical entity which is 50 percent or more beneficially owned by individuals described in

paragraph (1).

TITLE III--BUSINESS AND COMMERCIAL DEVELOPMENT

SEC. 301. AMERICAN BUSINESS CENTERS.

(a) ESTABLISHMENT- The President is authorized and encouraged to establish American Business Centers in the independent states of the former Soviet Union receiving assistance under chapter 11 of part I of the Foreign Assistance Act of 1961 where the President determines that such centers can be cost-effective in promoting the objectives described in section 498 of that Act and United States economic interests and in establishing commercial partnerships between the people of the United States and the peoples of the independent states.

(b) ENVIRONMENTAL BUSINESS CENTERS AND AGRIBUSINESS CENTERS- For purposes of this section, the term `American Business Centers' includes the following:

(1) Environmental business centers in those independent states that offer promising market possibilities for the export of United States environmental goods and services. To the maximum extent practicable, these environmental business centers should be established as a component of other centers.

(2) Agribusiness centers that include the participation of private United States agribusinesses or agricultural cooperatives, private nonprofit organizations, State universities and land grant colleges, and financial institutions, that make appropriate contributions of equipment, materials, and personnel for the operation of such centers. The purposes of these agribusiness centers shall be--

(A) to enhance the ability of farmers and other agribusiness practitioners in the independent states to better meet the needs of the people of the independent states;

(B) to assist the transition from a command and control system in agriculture to a free market system; and

(C) to facilitate the demonstration and use of United States agricultural equipment and technology.

(c) ADDITIONAL POLICY GUIDANCE- To the maximum extent possible, and consistent with the particular purposes of the specific types of centers, the President should direct that--

(1) the American Business Centers established pursuant to this section place special emphasis on assistance to United States small- and medium-sized businesses to facilitate their entry into the commercial markets of the independent states;

(2) such centers offer office space, business facilities, and market analysis services to United States firms, trade associations, and State economic development offices on a user-fee basis that minimizes the cost of operating such centers;

(3) such centers serve as a repository for commercial, legal, and technical information, including environmental and export control information;

(4) such centers identify existing or potential counterpart businesses or organizations that may require specific technical coordination or assistance;

(5) such centers be established in several sites in the independent states; and

(6) host countries be asked to make appropriate contributions of real estate and personnel for the establishment and operation of such centers.

(d) FUNDING-

(1) REIMBURSEMENT AGREEMENT- Not later than 90 days after the date of enactment of this Act, the Administrator of the Agency for International Development shall conclude a reimbursement agreement with the Secretary of Commerce for the Department of Commerce's services in establishing and operating American Business Centers pursuant to this section.

(2) AUTHORIZATION OF APPROPRIATIONS- Of the amount authorized to be appropriated to carry out chapter 11 of part I of the Foreign Assistance Act of 1961, up to \$12,000,000 for fiscal year 1993 are authorized to be appropriated to carry out this section, in addition to amounts otherwise available for such purpose.

SEC. 302. BUSINESS AND AGRICULTURE ADVISORY COUNCIL.

(a) ESTABLISHMENT- The President is authorized to establish an advisory council to be known as the Independent States Business and Agriculture Advisory Council (hereinafter in this section referred to as the `Council')--

- (1) to consult with and advise the President periodically regarding programs of assistance for the independent states of the former Soviet Union; and
- (2) to evaluate, and consult periodically with the President regarding, the adequacy of bilateral and multilateral assistance programs that would facilitate exports by United States companies to, and investments by United States companies in, the independent states.

(b) MEMBERSHIP- The Council should consist of 15 members, appointed by the President, who are drawn from United States companies reflecting diverse businesses and perspectives that have experience and expertise in dealing with the independent states of the former Soviet Union. The President should designate one such member to serve as Chair of the Council. Five such members should be appointed upon the recommendation of the Speaker and the Minority Leader of the House of Representatives and 5 should be appointed upon the recommendation of the Majority Leader and Minority Leader of the Senate. Members of the Council shall receive no compensation from the United States Government by reason of their service on the Council.

(c) STAFF- Upon request of the Chair of the Council, the head of any United States Government agency may detail, on a nonreimbursable basis, any of the personnel of such agency to the Council to assist the Council.

SEC. 303. FUNDING FOR EXPORT PROMOTION ACTIVITIES AND CAPITAL PROJECTS.

(a) ALLOCATION OF A.I.D. FUNDS- The President is encouraged to use a portion of the funds made available for the independent states of the former Soviet Union under chapter 11 of part I of the Foreign Assistance Act of 1961--

- (1) to fund the export promotion, finance, and related activities carried out pursuant to subsection (b)(1), including activities relating to the export of intermediary goods; and
- (2) to fund capital projects, including projects for telecommunications, environmental cleanup, power production, and energy related projects.

(b) EXPORT PROMOTION, FINANCE, AND RELATED ACTIVITIES- The Secretary of Commerce, as Chair of the Trade Promotion Coordination Committee, should, in conjunction with other members of that committee, design and implement programs to provide adequate commercial and technical assistance to United States businesses seeking markets in the independent states of the former Soviet Union, including the following:

- (1) Increasing the United States and Foreign Commercial Service presence in the independent states, in particular in the Russian Far Eastern cities of Vladivostok and Khabarovsk.
- (2) Preparing profiles of export opportunities for United States businesses in the independent states and providing other technical assistance.
- (3) Utilizing the Market Development Cooperator Program under section 2303 of the Export Enhancement Act of 1988 (15 U.S.C. 4723).
- (4) Developing programs specifically for the purpose of assisting small- and medium-sized businesses in entering commercial markets of the independent states. In carrying out this paragraph, the Secretary of Commerce, to the extent possible, should work directly with private sector organizations with proven experience in trade and economic relations with the independent states.
- (5) Supporting projects undertaken by the United States business community on the basis of partnership, joint venture, contractual, or other cooperative agreements with appropriate entities in the independent states.
- (6) Supporting export finance programs, feasibility studies, political risk insurance, and other related programs through increased funding and flexibility in the implementation of such programs.
- (7) Supporting the Business Information Service (BISNIS) and its related programs.

SEC. 304. INTERAGENCY WORKING GROUP ON ENERGY OF THE TRADE PROMOTION COORDINATING COMMITTEE.

The Trade Promotion Coordinating Committee should utilize its interagency working group on energy to assist United States energy sector companies to develop a long-term strategy for penetrating the energy market in the independent states of the former Soviet Union. The working group should--

- (1) work with officials from the independent states in creating an environment conducive to United States energy investment;
- (2) help to coordinate assistance to United States companies involved with projects to clean up former Soviet nuclear weapons sites and commercial nuclear waste; and
- (3) work with representatives from United States business and industry involved with the energy sector to help facilitate the identification of business opportunities, including the promotion of oil, gas, and clean coal technology and products, energy efficiency, and the formation of joint ventures between United States companies and companies of the independent nations.

SEC. 305. REPORTS TO CONGRESS.

Not later than January 31 of each year (beginning in 1994), the Secretary of Commerce shall submit to the Congress a report--

- (1) describing the implementation of the preceding sections of this title;
- (2) analyzing the programs of other industrialized nations to assist their companies with their efforts to transact business in the independent states of the former Soviet Union, and
- (3) examining the trading practices of other Organization for Economic Cooperation and Development nations, as well as the pricing practices of transitional economies in the independent states, that may disadvantage against United States companies.

SEC. 306. POLICY ON COMBATting TIED AID PRACTICES.

Should the Secretary of the Treasury determine that foreign countries are engaged in tied aid practices with respect to any of the independent states of the former Soviet Union that violate the 1991 Helsinki agreement of the Organization for Economic Cooperation and Development, the President should give priority attention to combatting such practices.

SEC. 307. TECHNICAL ASSISTANCE FOR THE RUSSIAN FAR EAST.

(a) AUTHORIZATION- The President is authorized to provide technical assistance, through an American university in a region which received nonstop air service to and from the Russian Far East as of July 1, 1992, to facilitate the development of United States business opportunities, free markets, and democratic institutions in the Russian Far East.

(b) AUTHORIZATION OF APPROPRIATIONS- There are authorized to be appropriated \$2,000,000 to carry out subsection (a).

SEC. 308. FUNDING FOR OPIC PROGRAMS.

(a) AUTHORITY TO MAKE ADDITIONAL FUNDS AVAILABLE- Funds authorized to be appropriated for fiscal year 1993 to carry out chapter 11 of part I of the Foreign Assistance Act of 1961 may be made available to cover costs incurred by the Overseas Private Investment Corporation in carrying out programs with respect to the independent states of the former Soviet Union under title IV of chapter 2 of part I of that Act (22 U.S.C. 2191 and following), in addition to amounts otherwise available for that purpose.

(b) ENACTMENT OF OPIC AUTHORIZATION ACT- The authority of subsection (a) shall cease to be effective upon the enactment of the Overseas Private Investment Corporation Act Amendments Act of 1992.

TITLE IV--THE DEMOCRACY CORPS

SEC. 401. AUTHORIZATION FOR ESTABLISHMENT OF THE DEMOCRACY CORPS.

(a) ESTABLISHMENT; PURPOSE- The President is authorized to provide for the establishment of the Democracy Corps as a private nonprofit organization, incorporated in the District of Columbia, whose purpose shall be to maintain a presence in the independent states of the former Soviet Union as described in subsection (c).

(b) **BOARD OF DIRECTORS-** The Board of Directors of the Democracy Corps shall have not more than 10 members, appointed by the President. Individuals appointed to the Board--

(1) shall, individually or through the organizations they represent, have experience and expertise appropriate to carrying out the purpose of the Democracy Corps, including involvement either with activities of the type described in subsection (d) or in the independent states;

(2) shall be United States citizens; and

(3) may not be officers or employees of the United States Government or Members of Congress.

(c) **GRANTS TO THE DEMOCRACY CORPS; PURPOSE-** The Administrator is authorized to make an annual grant to the Democracy Corps with the funds made available pursuant to this section. The purpose of such grants shall be to enable the Democracy Corps to maintain a presence in independent states of the former Soviet Union that will assist at the local level in the development of--

(1) institutions of democratic governance (including judicial, electoral, legislative, and administrative processes), and

(2) the nongovernmental organizations of a civil society (including charitable, educational, trade union, business, professional, voluntary, community, and other civic organizations),

by mobilizing the expertise of the American people to provide practical assistance through 'on the ground' person-to-person advice, technical assistance, and small grants to indigenous individuals and indigenous entities, in accordance with subsection (d).

(d) **ACTIVITIES-** The Democracy Corps shall be required to carry out its purpose through the placement within the independent states of teams of United States citizens with appropriate expertise and knowledge. Under guidelines developed by the Board, these teams shall assist indigenous individuals and entities in the independent states that are involved in the development of the institutions and organizations referred to in paragraphs (1) and (2) of subsection (c) by--

(1) providing advice and technical assistance;

(2) making small grants (which in most cases should not exceed \$5,000) to such individuals and entities to assist the development of those institutions and organizations;

(3) identifying other sources of assistance; and

(4) operating local centers to serve as information, logistical, and educational centers and otherwise encourage cooperation and effectiveness by those involved in the development of democratic institutions, a market-oriented economy, and a civil society in the independent states.

These local centers may be designated as 'Democracy Houses' or given another appropriate appellation.

(e) **GRANT AGREEMENT-** Grants under this section shall be made pursuant to a grant agreement requiring the Democracy Corps to comply with the requirements specified in this section and with such other terms and conditions as the Administrator may require, which shall include requirements regarding consultation with the coordinator designated pursuant to section 102(a), conflicts of interest, and accountability for funds, including a requirement for annual independent audits.

(f) **COORDINATION-** The Democracy Corps shall be required to--

(1) coordinate its activities pursuant to this section with the programs and activities of other entities operating in or providing assistance to the independent states of the former Soviet Union in support of the development of democratic institutions, a market-oriented economy, and a civil society; and

(2) ensure that its activities pursuant to this section are designed to avoid duplication with activities carried out under other United States Government foreign assistance and international information, educational, cultural, and exchange programs.

(g) **PROHIBITION ON CAMPAIGN FINANCING-** Funds made available to the Democracy Corps under this section may not be expended by the Democracy Corps, or any recipient of a grant from the Democracy Corps, to finance the campaigns of candidates for public office.

(h) FREEDOM OF INFORMATION-

(1) IN GENERAL- Notwithstanding the fact that the Democracy Corps is not an agency or establishment of the United States Government, the Democracy Corps shall be required to comply fully with all of the provisions of section 552 of title 5, United States Code.

(2) PUBLICATION IN FEDERAL REGISTER- For purposes of complying pursuant to paragraph (1) with section 552(a)(1) of title 5, the Democracy Corps shall make available to the Administrator such records and other information as the Administrator determines may be necessary for such purposes. The Administrator shall cause such records and other information to be published in the Federal Register.

(3) AID REVIEW- In the event that the Democracy Corps determines not to comply with a request for records under section 552 of title 5, the Democracy Corps shall submit a report to the Administrator explaining the reasons for not complying with such request. If the Administrator approves such determination, the Agency for International Development shall assume full responsibility, including financial responsibility, for defending the Democracy Corps in any litigation relating to such request. If the Administrator disapproves such determination, the Democracy Corps shall be required to comply with such request.

(i) ANNUAL REPORTS- The Board shall be required to submit to the Administrator and the Congress, not later than January 31 each year, a comprehensive report on the activities of the Democracy Corps. Each such report shall list each grant made by the Democracy Corps under subsection (d)(2) during the preceding fiscal year, specifying the grantee and the amount of the grant.

(j) AUTHORIZATION OF APPROPRIATIONS- Of the amount authorized to be appropriated to carry out chapter 11 of part I of the Foreign Assistance Act of 1961, up to \$15,000,000 for fiscal year 1993 are authorized to be appropriated for grants to the Democracy Corps under this section, in addition to amounts otherwise available for such purpose.

(k) SUNSET PROVISION- Grants may not be made to the Democracy Corps under this section after the end of fiscal year 1997.

(l) DEFINITIONS- As used in this section--

(1) the term `Administrator' means the Administrator of the Agency for International Development; and

(2) the term `Board' means the Board of Directors of the Democracy Corps.

TITLE V--NONPROLIFERATION AND DISARMAMENT PROGRAMS AND ACTIVITIES

SEC. 501. FINDINGS.

The Congress finds that it is in the national security interest of the United States--

(1) to facilitate, on a priority basis--

(A) the transportation, storage, safeguarding, and destruction of nuclear and other weapons of mass destruction of the independent states of the former Soviet Union;

(B) the prevention of proliferation of weapons of mass destruction and destabilizing conventional weapons of the independent states, and the establishment of verifiable safeguards against the proliferation of such weapons;

(C) the prevention of diversion of weapons-related scientific expertise of the former Soviet Union to terrorist groups or third countries; and

(D) other efforts designed to reduce the military threat from the former Soviet Union;

(2) to support the conversion of the massive defense-related industry and equipment of the independent states of the former Soviet Union for civilian purposes and uses; and

(3) to expand military-to-military contacts between the United States and the independent states.

SEC. 502. ELIGIBILITY.

Funds may be obligated for a fiscal year for assistance or other programs or activities for an independent state of the former Soviet Union under sections 503 and 504 only if the President has certified to the Congress, during that fiscal year, that such independent state is committed to--

- (1) making a substantial investment of its resources for dismantling or destroying such weapons of mass destruction, if that independent state has an obligation under a treaty or other agreement to destroy or dismantle any such weapons;
- (2) forgoing any military modernization program that exceeds legitimate defense requirements and forgoing the replacement of destroyed weapons of mass destruction;
- (3) forgoing any use in new nuclear weapons of fissionable or other components of destroyed nuclear weapons; and
- (4) facilitating United States verification of any weapons destruction carried out under section 503(a) or 504(a) of this Act or section 212 of the Soviet Nuclear Threat Reduction Act of 1991 (title II of Public Law 102-228; 22 U.S.C. 2551 note).

SEC. 503. NONPROLIFERATION AND DISARMAMENT ACTIVITIES IN THE INDEPENDENT STATES.

(a) **AUTHORIZATION-** The President is authorized to promote bilateral and multilateral nonproliferation and disarmament activities--

- (1) by supporting the dismantlement and destruction of nuclear, biological, and chemical weapons, their delivery systems, and conventional weapons of the independent states of the former Soviet Union;
- (2) by supporting bilateral and multilateral efforts to halt the proliferation of nuclear, biological, and chemical weapons, their delivery systems, related technologies, and other weapons of the independent states, including activities such as--
 - (A) the storage, transportation, and safeguarding of such weapons, and
 - (B) the purchase, barter, or other acquisition of such weapons or materials derived from such weapons;
- (3) by establishing programs for safeguarding against the proliferation of nuclear, biological, chemical, and other weapons of the independent states;
- (4) by establishing programs for preventing diversion of weapons-related scientific and technical expertise of the independent states to terrorist groups or to third countries;
- (5) by establishing science and technology centers in the independent states for the purpose of engaging weapons scientists and engineers of the independent states (in particular those who were previously involved in the design and production of nuclear, biological, and chemical weapons) in productive, nonmilitary undertakings; and
- (6) by establishing programs for facilitating the conversion of military technologies and capabilities and defense industries of the former Soviet Union into civilian activities.

(b) **FUNDING PRIORITIES-** Priority in carrying out this section shall be given to the activities described in paragraphs (1) through (5) of subsection (a).

(c) **USE OF DEFENSE FUNDS-**

- (1) **AUTHORIZATION-** In recognition of the direct contributions to the national security interests of the United States of the programs and activities authorized by subsection (a), the President is authorized to make available for use in carrying out those programs and activities, in addition to amounts otherwise available for such purposes, funds made available pursuant to sections 108 and 109 of Public Law 102-229 or under the amendments made by section 506(a) of this Act.
- (2) **LIMITATION-** Funds described in paragraph (1) may not be obligated for programs and activities under subsection (a) unless the Director of the Office of Management and Budget has determined that expenditures during fiscal year 1993 pursuant to such obligation shall be counted against the defense category of the discretionary spending limits for that fiscal year (as defined in section 601(a)(2) of the Congressional Budget Act of 1974) for purposes of part C of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 504. NONPROLIFERATION AND DISARMAMENT FUND.

(a) **AUTHORIZATION-** The President is authorized to promote bilateral and multilateral nonproliferation and disarmament activities--

(1) by supporting the dismantlement and destruction of nuclear, biological, and chemical weapons, their delivery systems, and conventional weapons;

(2) by supporting bilateral and multilateral efforts to halt the proliferation of nuclear, biological, and chemical weapons, their delivery systems, related technologies, and other weapons, including activities such as--

(A) the storage, transportation, and safeguarding of such weapons, and

(B) the purchase, barter, or other acquisition of such weapons or materials derived from such weapons;

(3) by establishing programs for safeguarding against the proliferation of nuclear, biological, chemical, and other weapons of the independent states of the former Soviet Union;

(4) by establishing programs for preventing diversion of weapons-related scientific and technical expertise of the independent states to terrorist groups or to third countries;

(5) by establishing science and technology centers in the independent states for the purpose of engaging weapons scientists and engineers of the independent states (in particular those who were previously involved in the design and production of nuclear, biological, and chemical weapons) in productive, nonmilitary undertakings; and

(6) by establishing programs for facilitating the conversion of military technologies and capabilities and defense industries of the former Soviet Union into civilian activities.

(b) **FUNDING PRIORITIES-** Priority in carrying out this section shall be given to the activities described in paragraphs (1) through (5) of subsection (a).

(c) **USE OF SECURITY ASSISTANCE FUNDS-**

(1) **AUTHORIZATION-** In recognition of the direct contributions to the national security interests of the United States of the programs and activities authorized by subsection (a), the President is authorized to make available for use in carrying out those programs and activities, in addition to amounts otherwise available for such purposes, up to \$100,000,000 of security assistance funds for fiscal year 1993.

(2) **DEFINITION-** As used in paragraph (1), the term `security assistance funds' means funds made available for assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the Economic Support Fund) or assistance under section 23 of the Arms Export Control Act (relating to the `Foreign Military Financing Program').

(3) **EXEMPTION FROM CERTAIN RESTRICTIONS-** Section 531(e) of the Foreign Assistance Act of 1961, and any provision that corresponds to section 510 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991 (relating to the prohibition on financing exports of nuclear equipment, fuel, and technology), shall not apply with respect to funds used pursuant to this subsection.

SEC. 505. LIMITATIONS ON DEFENSE CONVERSION AUTHORITIES.

Notwithstanding any other provision of law (including any other provision of this Act), funds may not be obligated in any fiscal year for purposes of facilitating the conversion of military technologies and capabilities and defense industries of the former Soviet Union into civilian activities, as authorized by sections 503(a)(6) and 504(a)(6) or any other provision of law, unless the President has previously obligated in the same fiscal year an amount equal to or greater than that amount of funds for defense conversion and defense transition activities in the United States. For purposes of this section, the term `defense conversion and defense transition activities in the United States' means those United States Government funded programs whose primary purpose is to assist United States private sector defense workers, United States companies that manufacture or otherwise provide defense goods or services, or United States communities adversely affected by reductions in United States defense spending, such as programs funded through the Office of Economic Adjustment in the Department of Defense, through the Defense Conversion Adjustment Program (as authorized by the Job Training Partnership Act), or through the Economic Development Administration.

SEC. 506. SOVIET WEAPONS DESTRUCTION.

(a) ADDITIONAL FUNDING-

(1) AUTHORIZATION AMOUNT- Section 221(a) of the Soviet Nuclear Threat Reduction Act of 1991 (title II of Public Law 102-228; 22 U.S.C. 2551 note) is amended by striking out '\$400,000,000' and inserting in lieu thereof '\$800,000,000'.

(2) AUTHORIZATION PERIOD- Section 221(e) of such Act is amended--

(A) by inserting 'for fiscal year 1992 or fiscal year 1993' after 'under part B';

(B) by inserting 'for that fiscal year' after 'for that program'; and

(C) by striking out 'for fiscal year 1992' and inserting in lieu thereof 'for that fiscal year'.

(b) TECHNICAL REVISIONS TO PUBLIC LAW 102-229- Public Law 102-229 is amended--

(1) in section 108 (105 Stat. 1708), by striking out 'contained in H.R. 3807, as passed the Senate on November 25, 1991' and inserting in lieu thereof '(title II of Public Law 102-228)'; and

(2) in section 109 (105 Stat. 1708)--

(A) by striking out 'H.R. 3807, as passed the Senate on November 25, 1991' and inserting in lieu thereof 'Public Law 102-228 (105 Stat. 1696)'; and

(B) by striking out 'of H.R. 3807'.

(c) AVOIDANCE OF DUPLICATIVE AMENDMENTS- The amendments made by this section shall not be effective if the National Defense Authorization Act for Fiscal Year 1993 enacts an amendment to section 221(a) of the Soviet Nuclear Threat Reduction Act of 1991 that authorizes the transfer of an amount that is the same or greater than the amount that is authorized by the amendment made by subsection (a)(1) of this section and enacts amendments identical to those in subsections (a)(2) and (b) of this section. If that Act enacts such amendments, sections 503 and 508 of this Act shall be deemed to apply with respect to the funds made available under such amendments.

SEC. 507. WAIVER OF CERTAIN PROVISIONS.

(a) IN GENERAL- Funds made available for fiscal year 1993 under sections 503 and 504 to provide assistance or otherwise carry out programs and activities with respect to the independent states of the former Soviet Union under those sections may be used notwithstanding any other provision of law, other than the provisions cited in subsection (b).

(b) EXCEPTIONS- Subsection (a) does not apply with respect to--

(1) this title; and

(2) section 1341 of title 31, United States Code (commonly referred to as the 'Anti-Deficiency Act'), the Congressional Budget and Impoundment Control Act of 1974, the Balanced Budget and Emergency Deficit Control Act of 1985, and the Budget Enforcement Act of 1990.

SEC. 508. NOTICE AND REPORTS TO CONGRESS.

(a) NOTICE OF PROPOSED OBLIGATIONS- Not less than 15 days before obligating any funds under section 503 or 504 or the amendments made by section 506(a), the President shall transmit to the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the appropriate congressional committees a report on the proposed obligation. Each such report shall specify--

(1) the account, budget activity, and particular program or programs from which the funds proposed to be obligated are to be derived and the amount of the proposed obligations; and

(2) the activities and forms of assistance for which the President plans to obligate such funds.

(b) SEMI-ANNUAL REPORT- Not later than April 30, 1993, and not later than October 30, 1993, the President shall transmit to the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the appropriate congressional committees a report on the activities carried out under sections 503 and 504 and the amendments made by section 506(a). Each such report shall set forth, for the preceding 6-month period and cumulatively, the following:

- (1) The amounts expended for such activities and the purposes for which they were expended.
- (2) The source of the funds obligated for such activities, specified by program.
- (3) A description of the participation of all United States Government departments and agencies in such activities.
- (4) A description of the activities carried out and the forms of assistance provided.
- (5) Such other information as the President considers appropriate to fully inform the Congress concerning the operation of the programs and activities carried out under sections 503 and 504 and the amendments made by section 506(a).

(c) APPROPRIATE CONGRESSIONAL COMMITTEES- As used in this section--

(1) the term `appropriate congressional committees' means--

(A) the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Appropriations of the House and the Senate, wherever the account, budget activity, or program is funded from appropriations made under the international affairs budget function (150);

(B) the Committees on Armed Services and the Committees on Appropriations of the Senate and the House of Representatives, wherever the account, budget activity, or program is funded from appropriations made under the national defense budget function (050); and

(2) the committee to which the specified activities of section 503(a) or 504(a) or subtitle B of the Soviet Nuclear Threat Reduction Act of 1991 (as the case may be), if the subject of separate legislation, would be referred, under the rules of the respective House of Congress.

SEC. 509. INTERNATIONAL NONPROLIFERATION INITIATIVE.

(a) ASSISTANCE FOR INTERNATIONAL NONPROLIFERATION ACTIVITIES- Subject to the limitations and requirements provided in this section, during fiscal year 1993 the Secretary of Defense, under the guidance of the President, may provide assistance to support international nonproliferation activities.

(b) ACTIVITIES FOR WHICH ASSISTANCE MAY BE PROVIDED- Activities for which assistance may be provided under this section are activities such as the following:

(1) Activities carried out by the International Atomic Energy Agency (IAEA) that are designed to ensure more effective safeguards against nuclear proliferation and more aggressive verification of compliance with the Treaty on the Non-Proliferation of Nuclear Weapons, done on July 1, 1968.

(2) Activities of the On-Site Inspection Agency in support of the United Nations Special Commission on Iraq.

(3) Collaborative international nuclear security and nuclear safety projects to combat the threat of nuclear theft, terrorism, or accidents, including joint emergency response exercises, technical assistance, and training.

(4) Efforts to improve international cooperative monitoring of nuclear proliferation through joint technical projects and improved intelligence sharing.

(c) FORM OF ASSISTANCE- (1) Assistance under this section may include funds and in-kind contributions of supplies, equipment, personnel, training, and other forms of assistance.

(2) Assistance under this section may be provided to international organizations in the form of funds only if the amount in the `Contributions to International Organizations' account of the Department of State is insufficient or otherwise unavailable to meet the United States fair share

of assessments for international nuclear nonproliferation activities.

(3) No amount may be obligated for an expenditure under this section unless the Director of the Office of Management and Budget determines that the expenditure will be counted against the defense category of the discretionary spending limits for fiscal year 1993 (as defined in section 601(a)(2) of the Congressional Budget Act of 1974) for purposes of part C of the Balanced Budget and Emergency Deficit Control Act of 1985.

(4) No assistance may be furnished under this section unless the Secretary of Defense determines and certifies to the Congress 30 days in advance that the provision of such assistance--

(A) is in the national security interest of the United States; and

(B) will not adversely affect the military preparedness of the United States.

(5) The authority to provide assistance under this section in the form of funds may be exercised only to the extent and in the amounts provided in advance in appropriations Act.

(d) SOURCES OF ASSISTANCE- (1) Funds provided as assistance under this section shall be derived from amounts made available to the Department of Defense for fiscal year 1993 or from balances in working capital accounts of the Department of Defense.

(2) Supplies and equipment provided as assistance under this section may be provided, by loan or donation, from existing stocks of the Department of Defense and the Department of Energy.

(3) The total amount of the assistance provided in the form of funds under this section may not exceed \$40,000,000. Of such amount, not more than \$20,000,000 may be used for the activities of the On-Site Inspection agency in support of the United Nations Special Commission on Iraq.

(4) Not less than 30 days before obligating any funds to provide assistance under this section, the Secretary of Defense shall transmit to the committees of Congress named in subsection (e)(2) a report on the proposed obligation. Each such report shall specify--

(A) the account, budget activity, and particular program or programs from which the funds proposed to be obligated are to be derived and the amount of the proposed obligation; and

(B) the activities and forms of assistance for which the Secretary of Defense plans to obligate the funds.

(e) QUARTERLY REPORT- (1) Not later than 30 days after the end of each quarter of fiscal year 1993, the Secretary of Defense shall transmit to the committees of Congress named in paragraph (2) a report of the activities to reduce the proliferation threat carried out under this section. Each report shall set forth (for the preceding quarter and cumulatively)--

(A) the amounts spent for such activities and the purposes for which they were spent;

(B) a description of the participation of the Department of Defense and the Department of Energy and the participation of other Government agencies in those activities; and

(C) a description of the activities for which the funds were spent.

(2) The committees of Congress to which reports under paragraph (1) and under subsection (d)(2) are to be transmitted are--

(A) the Committee on Armed Services, the Committee on Appropriations, and the Committee on Foreign Relations of the Senate; and

(B) the Committee on Armed Services, the Committee on Appropriations, the Committee on Foreign Affairs, and the Committee on Energy and Commerce of the House of Representatives.

(f) AVOIDANCE OF DUPLICATIVE AUTHORIZATIONS- This section shall not apply if the National Defense Authorization Act for Fiscal Year 1993 enacts the same authorities and requirements as are contained in this section and authorizes the appropriation of the same (or a greater) amount to carry out such authorities.

SEC. 510. REPORT ON SPECIAL NUCLEAR MATERIALS.

Not later than 180 days after the date of enactment of this Act, the Secretary of State shall prepare, in consultation with the Secretary of Defense and the Secretary of Energy, and shall transmit to the Congress a report on the possible alternatives for the ultimate disposition of special nuclear materials of the former Soviet Union. This report shall include--

- (1) a cost-benefit analysis comparing (A) the relative merits of the indefinite storage and safeguarding of such materials in the independent states of the former Soviet Union and (B) its acquisition by the United States by purchase, barter, or other means;
- (2) a discussion of relevant issues such as the protection of United States uranium producers from dumping, the relative vulnerability of these stocks of special nuclear materials to illegal proliferation, and the potential electrical and other savings associated with their being made available in the fuel cycle in the United States; and
- (3) a discussion of how highly enriched uranium stocks could be diluted for reactor fuel.

SEC. 511. RESEARCH AND DEVELOPMENT FOUNDATION.

(a) **ESTABLISHMENT-** The Director of the National Science Foundation (hereinafter in this section referred to as the `Director') is authorized to establish an endowed, nongovernmental, nonprofit foundation (hereinafter in this section referred to as the `Foundation') in consultation with the Director of the National Institute of Standards and Technology.

(b) **PURPOSES-** The purposes of the Foundation shall be the following:

- (1) To provide productive research and development opportunities within the independent states of the former Soviet Union that offer scientists and engineers alternatives to emigration and help prevent the dissolution of the technological infrastructure of the independent states.
- (2) To advance defense conversion by funding civilian collaborative research and development projects between scientists and engineers in the United States and in the independent states of the former Soviet Union.
- (3) To assist in the establishment of a market economy in the independent states of the former Soviet Union by promoting, identifying, and partially funding joint research, development, and demonstration ventures between United States businesses and scientists, engineers, and entrepreneurs in those independent states.
- (4) To provide a mechanism for scientists, engineers, and entrepreneurs in the independent states of the former Soviet Union to develop an understanding of commercial business practices by establishing linkages to United States scientists, engineers, and businesses.
- (5) To provide access for United States businesses to sophisticated new technologies, talented researchers, and potential new markets within the independent states of the former Soviet Union.

(c) **FUNCTIONS-** In carrying out its purposes, the Foundation shall--

- (1) promote and support joint research and development projects for peaceful purposes between scientists and engineers in the United States and independent states of the former Soviet Union on subjects of mutual interest; and
- (2) seek to establish joint nondefense industrial research, development, and demonstration activities through private sector linkages which may involve participation by scientists and engineers in the university or academic sectors, and which shall include some contribution from industrial participants.

(d) **FUNDING-**

(1) **USE OF CERTAIN DEPARTMENT OF DEFENSE FUNDS-** (A) To the extent funds appropriated to carry out subtitle E of title XIV of the National Defense Authorization Act for Fiscal Year 1993 (relating to joint research and development programs with the independent states of the former Soviet Union) are otherwise available for such purpose, such funds may be made available to the Director for use by the Director in establishing the endowment of the Foundation and otherwise carrying out this section.

(B) For each fiscal year after fiscal year 1993, not more than 50 percent of the funds made available to the Foundation by the United States Government may be funds appropriated in the national defense budget function (function 050).

(2) CONTRIBUTION TO ENDOWMENT BY PARTICIPATING INDEPENDENT STATES- As a condition of participation in the Foundation, an independent state of the former Soviet Union must make a minimum contribution to the endowment of the Foundation, as determined by the Director, which shall reflect the ability of the independent state to make a financial contribution and its expected level of participation in the Foundation's programs.

(3) DEBT CONVERSIONS- To the extent provided in advance by appropriations Acts, local currencies or other assets resulting from government-to-government debt conversions may be made available to the Foundation. For purposes of this paragraph, the term `debt conversion' means an agreement whereby a country's government-to-government or commercial external debt burden is exchanged by the holder for local currencies, policy commitments, other assets, or other economic activities, or for an equity interest in an enterprise theretofore owned by the debtor government.

(4) LOCAL CURRENCIES- In addition to other uses provided by law, and subject to agreement with the foreign government, local currencies generated by United States assistance programs may be made available to the Foundation.

(5) INVESTMENT OF GOVERNMENT ASSISTANCE- The Foundation may invest any revenue provided to it through United States Government assistance, and any interest earned on such investment may be used only for the purpose for which the assistance was provided.

(6) OTHER FUNDS FROM GOVERNMENT AND NONGOVERNMENTAL SOURCES- The Foundation may accept such other funds as may be provided to it by Government agencies or nongovernmental entities.

TITLE VI--SPACE TRADE AND COOPERATION

SEC. 601. FACILITATING DISCUSSIONS REGARDING THE ACQUISITION OF SPACE HARDWARE, TECHNOLOGY, AND SERVICES FROM THE FORMER SOVIET UNION.

(a) EXPEDITED REVIEW- Any request for a license or other approval described in subsection (c) that is submitted to any United States Government agency by the National Aeronautics and Space Administration, any of its contractors, or any other person shall be considered on an expedited basis by that agency and any other agency involved in an applicable interagency review process.

(b) NOTICE TO CONGRESS IF LICENSE DENIED- If any United States Government agency denies a request for a license or other approval described in subsection (c), that agency shall immediately notify the designated congressional committees. Each such notification shall include a statement of the reasons for the denial.

(c) DESCRIPTION OF DISCUSSIONS- This section applies to a request for any license or other approval that may be necessary to conduct discussions with an independent state of the former Soviet Union with respect to the possible acquisition of any space hardware, space technology, or space service for integration into--

- (1) United States space projects that have been approved by the Congress, or
- (2) commercial space ventures,

including discussions relating to technical evaluation of such hardware, technology, or service.

SEC. 602. OFFICE OF SPACE COMMERCE.

(a) TRADE MISSIONS- The Office of Space Commerce of the Department of Commerce is authorized and encouraged to conduct one or more trade missions to appropriate independent states of the former Soviet Union for the purpose of familiarizing United States aerospace industry representatives with space hardware, space technologies, and space services that may be available from the independent states, and with the business practices and overall business climate in the independent states.

(b) MONITORING NEGOTIATIONS- The Office of Space Commerce--

(1) shall monitor the progress of any discussions described in section 601(c)(1) that are being conducted; and

(2) shall advise the Administrator of the National Aeronautics and Space Administration as to the impact on United States industry of each potential acquisition of space hardware, space technology, or space services from the independent states of the former Soviet Union, specifically including any anticompetitive issues the Office may observe.

SEC. 603. REPORT TO CONGRESS.

Within one year after the date of enactment of this title, the President shall submit to the designated congressional committees a report describing--

- (1) the opportunities for increased space-related trade with the independent states of the former Soviet Union;
- (2) a technology procurement plan for identifying and evaluating all unique space hardware, space technology, and space services available to the United States from the independent states;
- (3) specific space hardware, space technology, and space services that have been, or could be, the subject of discussions described in section 601(c);
- (4) the trade missions carried out pursuant to section 602(a), including the private participation in and the results of such missions;
- (5) any barriers, regulatory or practical, that inhibit space-related trade between the United States and independent states, including any such barriers in either the United States or the independent states; and
- (6) any anticompetitive issues raised during the course of negotiations, as observed pursuant to section 602(b).

SEC. 604. DEFINITIONS.

For purposes of this title--

- (1) the term `contractor' means a National Aeronautics and Space Administration contractor to the extent that the acquisition of space hardware, space technology, or space services from the independent states of the former Soviet Union may be relevant to the contractor's responsibilities under the contract; and
- (2) the term `designated congressional committees' means the Committee on Science, Space, and Technology and the Committee on Foreign Affairs of the House of Representatives and the Committee on Commerce, Science, and Transportation and the Committee on Foreign Relations of the Senate.

TITLE VII--AGRICULTURAL TRADE

SEC. 701. FOOD FOR PROGRESS ACT.

Section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) is amended--

- (1) in subsection (b)--
 - (A) by inserting `(including the independent states of the former Soviet Union)' after `such countries';
 - (B) by striking `or cooperatives' and inserting `cooperatives, or other private entities';
 - (C) by inserting `(1)' after `(b)'; and
 - (D) by adding at the end the following:

`(2) The annual tonnage limitation contained in subsection (g) shall not apply with respect to commodities furnished to the independent states of the former Soviet Union during fiscal year 1993.';

- (2) by amending subsection (f)(1) to read as follows:

`(f)(1) The Commodity Credit Corporation may provide for--

- (A) grants, or

`(B) in the case of the independent states of the former Soviet Union, sales on credit terms,

of commodities made available under section 416(b) of the Agricultural Act of 1949 for use in carrying out this section.'; and

(3) by adding at the end the following:

`(m) In carrying out this section with respect to the independent states of the former Soviet Union, the President shall approve, as determined appropriate by the President, agreements with private voluntary organizations and cooperatives that provide for--

`(1) the sale of commodities, including the marketing of these commodities through the private sector; and

`(2) the use in the independent states of the proceeds generated in the humanitarian and development programs of such private voluntary organizations and cooperatives.

`(n) As used in this section, the term `independent states of the former Soviet Union' means the independent states of the former Soviet Union as defined in section 102(8) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(8)).'.

SEC. 702. DEFINITIONS FOR AGRICULTURAL TRADE ACT OF 1978.

(a) AGRICULTURAL COMMODITY- Section 102(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(1)) is amended by striking `feed, or fiber' and inserting `feed, fiber, or livestock (including livestock as it is defined in section 602(2) of the Agricultural Act of 1949 (7 U.S.C. 1471(2)) and insects)'.

(b) INDEPENDENT STATES OF THE FORMER SOVIET UNION- Section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602) is amended by adding at the end the following:

`(8) INDEPENDENT STATES OF THE FORMER SOVIET UNION- The term `independent states of the former Soviet Union' means the following: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.'.

SEC. 703. ASSISTANCE FOR PRIVATE VOLUNTARY ORGANIZATIONS.

The President is encouraged to use funds made available under section 109 of Public Law 102-229 (105 Stat. 1708), and funds made available under chapter 11 of part I of the Foreign Assistance Act of 1961, to assist private voluntary organizations and cooperatives in carrying out food assistance programs for the independent states of the former Soviet Union under--

(1) section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o);

(2) section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431); or

(3) title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.).

SEC. 704. DISTRIBUTION OF AID TO THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.

It is the sense of Congress that, in order to avoid waste and to ensure fair and equitable distribution of food and commodities provided to the independent states of the former Soviet Union, the President should, as appropriate, when discussing and planning the provision of such food aid, whether acting unilaterally or multilaterally with other donor countries, encourage the involvement of suitable multinational organizations to monitor the transport and distribution of such food aid within such entities.

SEC. 705. AGRICULTURAL FELLOWSHIP PROGRAM FOR MIDDLE INCOME COUNTRIES AND EMERGING DEMOCRACIES.

(a) ELIGIBLE COUNTRIES- Section 1543 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3293) is amended--

(1) in subsection (a) by striking `middle income countries and emerging democracies' and by inserting `(as determined under subsection (b))' after `eligible countries'; and

(2) in subsection (b)--

(A) by striking `that meet the following requirements' in the text preceding paragraph (1) and inserting `described in any of the following paragraphs'; and

(B) by adding at the end the following:

`(4) INDEPENDENT STATES OF THE FORMER SOVIET UNION- A country that is an independent state of the former Soviet Union (as defined in section 102(8) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(8)), to the extent that the Secretary of Agriculture determines that such country should be eligible to participate in the program established under this section.'.

(b) INDIVIDUALS WHO MAY RECEIVE FELLOWSHIPS- Section 1543(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3293(b)) is amended by adding at the end the following: `The Secretary may provide fellowships under the program authorized by this section to private agricultural producers from eligible countries.'.

SEC. 706. PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING DEMOCRACIES.

Section 1542 of the Agricultural Development and Trade Act of 1990 (7 U.S.C. 5622 note) is amended--

(1) in subsection (a)--

(A) by inserting `direct credits or' before `export credit';

(B) by inserting `201 or' before `202'; and

(C) by inserting `or authorized' after `required';

(2) in subsection (b)--

(A) by striking the subsection heading and inserting `(b) FACILITIES AND SERVICES- ';

(B) by striking `for the establishment or improvement by United States persons of facilities in emerging democracies' and inserting the following: `for--

`(1) the establishment or improvement of facilities, or

`(2) the provision of services or United States produced goods,

in emerging democracies by United States persons'; and

(C) by striking the last sentence and inserting the following: `The Commodity Credit Corporation shall give priority under this subsection--

`(1) to opportunities or projects identified under subsection (d)(1);

`(2) to projects that encourage the privatization of the agricultural sector or that benefit private farms or cooperatives in emerging democracies; and

`(3) to projects for which nongovernmental persons agree to assume a relatively larger share of the costs.';

(3) in subsection (d)(1)(B)(i), by inserting `, farmers, other persons from the private sector,' after `agricultural consultants'; and

(4) by amending subsection (d)(1)(D) to read as follows:

`(D) TECHNICAL ASSISTANCE- The Secretary is authorized to provide, or pay the necessary costs for, technical assistance to enable individuals or other entities to implement the recommendations or to carry out the opportunities and projects identified under paragraph (1)(A).'.

SEC. 707. DIRECT CREDIT SALES.

(a) **REQUIRED DETERMINATIONS-** Section 201(c) of the Agricultural Trade Act of 1978 (7 U.S.C. 5621(c)) is amended by inserting after paragraph (3) the following:

`The reference in paragraphs (1) and (2) to `on a long-term basis' shall not apply in the case of determinations with respect to sales to the independent states of the former Soviet Union.'

(b) **ELIGIBLE COUNTRIES-** Section 201(d)(1)(C) of the Agricultural Trade Act of 1978 (7 U.S.C. 5621(d)(1)(C)) is amended to read as follows:

`(C) to assist countries in meeting their food and fiber needs, particularly--

`(i) developing countries; and

`(ii) countries that are emerging democracies that have committed to carry out, or are carrying out, policies that promote economic freedom, private domestic production of food commodities for domestic consumption, and the creation and expansion of efficient domestic markets for the purchase and sale of agricultural commodities; and'.

(c) **RESTRICTIONS-** Section 201 of the Agricultural Trade Act of 1978 (7 U.S.C. 5621) is amended by adding at the end the following new subsection:

`(f) **RESTRICTIONS-** The Commodity Credit Corporation may not make export sales financing authorized under this section available in connection with sales of an agricultural commodity to any country that the Secretary determines cannot adequately service the debt associated with such sale.'

(d) **REGULATIONS-** The Secretary of Agriculture shall issue final regulations to implement section 201 of the Agricultural Trade Act of 1978 (7 U.S.C. 5621), as amended by this section, not later than 30 days after the date of enactment of this Act.

SEC. 708. EXPORT CREDIT GUARANTEES.

(a) **REQUIRED DETERMINATIONS-** Section 202(c) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(c)) is amended by inserting after paragraph (3) the following:

`The reference in paragraphs (1) and (2) to `on a long-term basis' shall not apply in the case of determinations with respect to sales to the independent states of the former Soviet Union.'

(b) **PURPOSE OF PROGRAM-** Section 202(d)(3) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(c)) to read as follows:

`(3) to assist countries in meeting their food and fiber needs, particularly--

`(A) developing countries; and

`(B) countries that are emerging democracies that have committed to carry out, or are carrying out, policies that promote economic freedom, private domestic production of food commodities for domestic consumption, and the creation and expansion of efficient domestic markets for the purchase and sale of agricultural commodities; and'.

SEC. 709. EXPORT PROMOTION PROGRAMS AMENDMENTS.

(a) **PROCESSED AND HIGH-VALUE AGRICULTURAL PRODUCT EXPORT CREDIT GUARANTEE PROGRAM-** Section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622) is amended--

(1) in subsections (a) and (b), by inserting `, including processed agricultural products and high-value agricultural products,' after `agricultural commodities' both places it appears; and

(2) by adding at the end the following new subsection:

`(k) **SET-ASIDES-**

`(1) **IN GENERAL-** In issuing export credit guarantees under this section in connection with sales to the independent states of the

former Soviet Union, the Commodity Credit Corporation shall, to the extent practicable and subject to paragraph (2), ensure that no less than 35 percent of the total amount of credit guarantees issued for a fiscal year are issued to promote the export of processed and high-value agricultural products and that the balance are issued to promote the export of bulk or raw agricultural commodities.

`(2) LIMITATION- The 35 percent requirement of paragraph (1) shall apply for a fiscal year only to the extent that the percentage of the total amount of credit guarantees issued for that fiscal year under this section to promote the export to all countries of processed and high-value agricultural products is less than 25 percent.'

(b) PROCESSED AND HIGH-VALUE AGRICULTURAL PRODUCT EXPORT ENHANCEMENT PROGRAM- Section 301 of the Agricultural Trade Act of 1978 (7 U.S.C. 5651) is amended--

(1) in subsection (a), by inserting `, including processed agricultural products and high-value agricultural products,' after `agricultural commodities'; and

(2) in subsection (e)--

(A) by striking `The Commodity' and inserting the following:

`(1) IN GENERAL- The Commodity'; and

(B) by adding at the end the following new paragraph:

`(2) SET-ASIDES- (A) For each fiscal year, the Corporation shall, to the extent practicable and subject to subparagraph (B), ensure that no less than 25 percent of the total of--

`(i) the funds expended, and

`(ii) the value of any commodities made available,

under this section in connection with sales of agricultural commodities to the independent states of the former Soviet Union is used to promote the export of processed and high-value United States agricultural products and that the balance of the funds expended and commodities made available under this section in connection with such sales is used to promote the export of bulk or raw United States agricultural commodities.

`(B) The 25 percent requirement of subparagraph (A) shall apply for a fiscal year only to the extent that the percentage of the total of--

`(i) the funds expended, and

`(ii) the value of commodities made available,

for that fiscal year under this section to promote the export to all countries of processed and high-value United States agricultural products is less than 15 percent.'

TITLE VIII--UNITED STATES INFORMATION AGENCY, DEPARTMENT OF STATE, AND RELATED AGENCIES AND ACTIVITIES

SEC. 801. DESIGNATION OF EDMUND S. MUSKIE FELLOWSHIP PROGRAM.

Section 227 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2452 note), is amended by adding at the end the following new subsection:

`(f) DESIGNATION OF PROGRAM AND SCHOLARSHIPS-

`(1) The scholarship program established by this section shall be known as the `Edmund S. Muskie Fellowship Program'.

`(2) Scholarships provided under this section shall be known as `Muskie Fellowships'.

SEC. 802. NEW DIPLOMATIC POSTS IN THE INDEPENDENT STATES.

There are authorized to be appropriated for `NEW DIPLOMATIC POSTS' for personnel, support, and other expenses, not otherwise provided for, for the Department of State and the United States Information Agency to establish and operate new diplomatic posts in the independent states of former Soviet Union, \$25,000,000 for fiscal year 1993, which are authorized to remain available until September 30, 1994.

SEC. 803. OCCUPANCY OF NEW CHANCERY BUILDINGS.

Subsections (f) and (g) of section 132 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993, are repealed.

SEC. 804. CERTAIN POSITIONS AT UNITED STATES MISSIONS.

(a) AMENDMENT- Section 1004(a) of the Omnibus Diplomatic Security and Anti-Terrorism Act of 1986 is amended by adding at the end the following: `Not less than 15 shall be provided during fiscal year 1993.'

(b) FUNDING- In addition to the funds made available pursuant to section 1005(c) of that Act, funds authorized to be appropriated by chapter 11 of part I of the Foreign Assistance Act of 1961 may be used in carrying out the amendment made by subsection (a) with respect to missions in the independent states of the former Soviet Union.

SEC. 805. INTERNATIONAL DEVELOPMENT LAW INSTITUTE.

For purposes of the International Organizations Immunities Act (22 U.S.C. 288 and following), the International Development Law Institute shall be considered to be a public international organization in which the United States participates under the authority of an Act of Congress authorizing such participation.

SEC. 806. CERTAIN BOARD FOR INTERNATIONAL BROADCASTING CONSTRUCTION ACTIVITIES.

Section 301(c) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (104 Stat. 63), is amended by adding at the end the following:

`(3) For purposes of the notification requirements of section 634A(c) of the Foreign Assistance Act of 1961, any action by the Board for International Broadcasting or its agents, after the date of enactment of this paragraph, to require or allow the construction authorized by this subsection to proceed shall be treated as a reprogramming of funds subject to the notification requirements of the annual Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Act. Amounts authorized to be appropriated under paragraph (1) shall be available for expenditure for construction services only in accordance with the procedures applicable under that section.'

SEC. 807. EXCHANGES AND TRAINING AND SIMILAR PROGRAMS.

(a) FUNDING FOR EXCHANGES AND TRAINING AND SIMILAR PROGRAMS-

(1) AUTHORIZATION OF APPROPRIATIONS- To carry out a broad spectrum of exchanges, and of training and similar programs to promote the objectives described in section 498 of the Foreign Assistance Act of 1961, between the United States and the independent states of the former Soviet Union, there are authorized to be appropriated for fiscal year 1993 (in addition to amounts otherwise available for such purposes) the following:

(A) \$20,000,000 for exchange programs for secondary school students.

(B) \$30,000,000 for programs for participants other than secondary school students, including undergraduate and graduate students, farmers and other agribusiness practitioners, and participants in the exchanges carried out under paragraph (2).

(2) LOCAL AND REGIONAL SELF-GOVERNMENT EXCHANGES- The Director of the United States Information Agency is authorized to use funds authorized to be appropriated by paragraph (1)(B) to conduct exchanges to provide technical assistance in local and regional self-government to the independent states.

(3) REPORT ON PROPOSED FUNDING ALLOCATIONS- Within 45 days after the date of the enactment of this Act, the coordinator designated pursuant to section 102(a) of this Act shall submit to the Congress a report specifying the amount of funds authorized to be appropriated by paragraph (1) that is proposed to be allocated for each category of program and for each Government agency.

(4) PROGRAM ADMINISTRATION-

(A) USIA- Educational, cultural, and any other exchange programs carried out under this subsection, including any such programs for secondary school students, shall be administered by the United States Information Agency, and funds allocated for such programs shall be transferred to that Agency.

(B) OTHER AGENCIES- Training and other non-exchange programs carried out under this subsection shall be administered by the Agency for International Development or such other Government agency as has experience and expertise in carrying out such programs.

(5) ADMINISTRATIVE EXPENSES- Up to 5 percent of the funds made available to each Government agency under this subsection may be used by that agency for administrative expenses of program implementation.

(b) ENHANCEMENT OF USIA EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS- In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the United States Information Agency for fiscal year 1993 for enhancement of existing educational and cultural exchange programs the following:

(1) \$9,950,000 for Fulbright Academic Exchange Programs.

(2) \$10,850,000 for other programs administered by the Bureau of Educational and Cultural Affairs.

(c) REPEAL- Effective 6 months after the date of enactment of this Act, section 225 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993, and the item relating to that section in the table of contents set forth in section 2 of that Act, are repealed.

(d) AGRIBUSINESS EXCHANGES-

(1) AUTHORIZATION- The President is authorized to establish regional agribusiness offices at State universities and land grant colleges in the United States for the purpose of expanding exchanges between agribusiness practitioners in the United States and agribusiness practitioners in the independent states of the former Soviet Union.

(2) LIMITATION ON FUNDING SOURCES- Funds authorized to be appropriated by this section or other provisions of this Act (including chapter 11 of part I of the Foreign Assistance Act of 1961) may not be used to carry out this subsection.

TITLE IX--OTHER PROVISIONS

SEC. 901. FOREIGN ASSISTANCE ACT LIST OF COMMUNIST COUNTRIES.

Paragraph (1) of section 620(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(f)(1)) is amended by striking out from the list of countries in the last sentence of that paragraph the following: `Czechoslovak Socialist Republic.', `Estonia.', `German Democratic Republic.', `Hungarian People's Republic.', `Latvia.', `Lithuania.', `People's Republic of Albania.', `People's Republic of Bulgaria.', `Polish People's Republic.', `Socialist Federal Republic of Yugoslavia.', `Socialist Republic of Romania.', and `Union of Soviet Socialist Republics (including its captive constituent republics).'

SEC. 902. JOHNSON ACT.

Section 955 of title 18, United States Code, shall not apply with respect to any obligations of the former Soviet Union, or any of the independent states of the former Soviet Union, or any political subdivision, organization, or association thereof.

SEC. 903. SUPPORT FOR EAST EUROPEAN DEMOCRACY (SEED) ACT.

(a) SCOPE OF AUTHORITY- The Support for East European Democracy (SEED) Act of 1989 is amended by inserting after section 2 (22 U.S.C. 5401) the following:

SEC. 3. SCOPE OF AUTHORITY.

(a) GENERAL AUTHORIZATION- The President is authorized to conduct activities for any East European country that are similar to any activity authorized by this Act to be conducted in Poland or Hungary (excluding those authorized by section 102 or the amendments made

by sections 301 and 304) if such similar activities would effectively promote a transition to market-oriented democracy.

`(b) ADMINISTRATION OF JUSTICE PROGRAMS- In order to strengthen the administration of justice in East European countries, the President may exercise the same authorities with respect to those countries as are available under section 534 of the Foreign Assistance Act of 1961, subject to the limitations and requirements of that section, other than subsection (c) and the last two sentences of subsection (e).

`(c) DEFINITION OF EAST EUROPEAN COUNTRY- For purposes of this Act, the term `East European country' includes Albania, Bulgaria, the Czech and Slovak Federal Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, and states that were part of the former Socialist Federal Republic of Yugoslavia.'

(b) CONFORMING AMENDMENT- The table of contents in section 1 of that Act is amended by inserting after the item relating to section 2 insert the following:

`Sec. 3. Scope of authority.'

SEC. 904. PEACE CORPS VOLUNTEER TRAINING REQUIREMENTS.

Section 8(c) of the Peace Corps Act (22 U.S.C. 2507(c)) is repealed.

SEC. 905. ESTABLISHING CATEGORIES OF ALIENS FOR PURPOSES OF REFUGEE DETERMINATIONS; ADJUSTMENT OF STATUS FOR CERTAIN SOVIET AND INDOCHINESE PAROLEES.

(a) EXTENSION OF PROVISIONS- The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101-167) is amended in section 599D (8 U.S.C. 1157 note)--

(1) in subsection (b)(3), by inserting `and within the number of such admissions allocated for each of fiscal years 1993 and 1994 for refugees who are nationals of the independent states of the former Soviet Union, Estonia, Latvia, and Lithuania under such section' after `Act'; and

(2) in subsection (e), by striking out `October 1, 1992' each place it appears and inserting in lieu thereof `October 1, 1994'.

(b) CORRECTION OF REFERENCES TO SOVIET UNION- That Act is amended--

(1) in section 599D(b)--

(A) in paragraphs (1)(A), (2)(A), and (2)(B), by striking out `of the Soviet Union' each place it appears and inserting in lieu thereof `of an independent state of the former Soviet Union or of Estonia, Latvia, or Lithuania'; and

(B) in paragraph (1)(A), by striking out `in the Soviet Union' and inserting in lieu thereof `in that state'; and

(2) in section 599E(b)(1), by striking out `of the Soviet Union,' and inserting in lieu thereof `of an independent state of the former Soviet Union, Estonia, Latvia, Lithuania,'.

(c) REPEAL OF EXECUTED REPORTING REQUIREMENTS- Section 599D of that Act is amended by repealing subsection (f).

SEC. 906. ELIGIBILITY OF BALTIC STATES FOR NONLETHAL DEFENSE ARTICLES.

(a) ELIGIBILITY- Estonia, Latvia, and Lithuania shall each be eligible--

(1) to purchase, or to receive financing for the purchase of, nonlethal defense articles--

(A) under the Arms Export Control Act (22 U.S.C. 2751 et seq.), without regard to section 3(a)(1) of that Act, or

(B) under section 503 of the Foreign Assistance Act of 1961 (22 U.S.C. 2311), without regard to the requirement in subsection (a) of that section for a Presidential finding; and

(2) to receive nonlethal excess defense articles transferred under section 519 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321m), without regard to the restrictions in subsection (a) of that section.

(b) DEFINITIONS- As used in this section--

(1) the term `defense article' has the same meaning given to that term in section 47(3) of the Arms Export Control Act (22 U.S.C. 2794(3)); and

(2) the term `excess defense article' has the same meaning given to that term in section 644(g) of the Foreign Assistance Act of 1961 (22 U.S.C. 2403(g)).

SEC. 907. RESTRICTION ON ASSISTANCE TO AZERBAIJAN.

United States assistance under this or any other Act (other than assistance under title V of this Act) may not be provided to the Government of Azerbaijan until the President determines, and so reports to the Congress, that the Government of Azerbaijan is taking demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabakh.

TITLE X--INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 1001. INTERNATIONAL MONETARY FUND QUOTA INCREASE.

The Bretton Woods Agreements Act (22 U.S.C. 286 and following) is amended by adding at the end the following:

SEC. 56. QUOTA INCREASE.

The United States Governor of the Fund may consent to an increase in the quota of the United States in the Fund equivalent to 8,608,500,000 Special Drawing Rights, limited to such amounts as are provided in advance in appropriations Acts.

SEC. 57. ACCEPTANCE OF AMENDMENTS TO THE ARTICLES OF AGREEMENT OF THE FUND.

The United States Governor of the Fund may agree to and accept the amendments to the Articles of Agreement of the Fund as proposed in the resolution numbered 45-3 of the Board of Governors of the Fund that was approved by such Board on June 28, 1990.

SEC. 58. APPROVAL OF FUND PLEDGE TO SELL GOLD TO PROVIDE RESOURCES FOR THE RESERVE ACCOUNT OF THE ENHANCED STRUCTURAL ADJUSTMENT FACILITY TRUST.

The Secretary of the Treasury is authorized to instruct the United States Executive Director of the Fund to vote to approve the Fund's pledge to sell, if needed, up to 3,000,000 ounces of the Fund's gold, to restore the resources of the Reserve Account of the Enhanced Structural Adjustment Facility Trust to a level that would be sufficient to meet obligations of the Trust payable to lenders which have made loans to the Loan Account of the Trust that have been used for the purpose of financing programs to Fund members previously in arrears to the Fund.

SEC. 1002. INTERNATIONAL MONETARY FUND POLICY CHANGES.

The Bretton Woods Agreements Act (22 U.S.C. 286 and following) is amended by adding after the sections added by section 1001 of this Act the following:

SEC. 59. FUND POLICY CHANGES.

(a) POLICY CHANGES WITHIN THE IMF- The Secretary of the Treasury shall instruct the United States Executive Director of the Fund to promote regularly and vigorously in program discussions and quota increase negotiations the following proposals:

(1) POVERTY ALLEVIATION, REDUCTION OF BARRIERS TO ECONOMIC AND SOCIAL PROGRESS, AND PROGRESS TOWARD ENVIRONMENTALLY SOUND POLICIES AND PROGRAMS- (A)(i) Considerations of poverty alleviation and the reduction of barriers to economic and social progress should be incorporated into all Fund programs and all consultations under article IV of the Articles of Agreement of the Fund.

(ii) Preparation of Policy Framework Papers should be extended to all nations which have Fund programs and active Bank or International Development Association lending programs, and existence of a Policy Framework Paper should be a precondition for new lending to such nations by the Fund.

`(iii) All Policy Framework Papers should articulate the principal poverty, economic, and social measures that the borrowing nation needs to address, and this portion of the Policy Framework Paper (or a summary thereof that includes specific measures and timing) should be made available when the Policy Framework Paper is submitted to the Executive Directors of the Bank and of the Fund for consideration.

`(iv) In considering whether to allocate resources of the Fund to a borrower, the Fund should take into consideration the nature of the program and commitment of the borrower to address the issues referred to in clause (iii).

`(v) The Fund should establish procedures to enable the Fund to cooperate with the Bank in evaluating the effectiveness of the measures referred to in clause (iii), at the levels of policy, project design, monitoring, and reporting, in the international financial institutions and in the borrowing nations.

`(B)(i) The Fund should be encouraged to make further progress toward environmentally sound policies and programs.

`(ii) The Fund should incorporate environmental considerations into all Fund programs, including consultations under article IV of the Articles of Agreement of the Fund.

`(iii) The Fund should be encouraged to support the efforts of nations to implement systems of natural resource accounting in their national income accounts.

`(iv) The Fund should be encouraged to assist and cooperate fully with the statistical research being undertaken by the Organization for Economic Cooperation and Development and by the United Nations in order to facilitate development and adoption of a generally applicable system for taking account of the depletion or degradation of natural resources in national income accounts.

`(v) The Fund should be encouraged to consider and implement, as appropriate, revisions in its national income reporting systems consistent with such new systems as are of general applicability.

`(2) POLICY AUDITS- (A) The Fund should conduct periodic audits to review systematically the policy prescriptions recommended and required by the Fund in the areas of poverty and the environment.

`(B) The purposes of such audits would be--

`(i) to determine whether the Fund's objectives were met; and

`(ii) to evaluate the social and environmental impacts of the implementation of the policy prescriptions.

`(C) Such audits would have access to all ongoing programs and activities of the Fund and the ability to review the effects of Fund-supported programs, on a country-by-country basis, with respect to poverty, economic development, and environment.

`(D) Such audits should be made public as appropriate with due respect to confidentiality.

`(3) ENSURING POLICY OPTIONS THAT INCREASE THE PRODUCTIVE PARTICIPATION OF THE POOR- The Fund should establish procedures that ensure the focus of future economic reform programs approved by the Fund on policy options that increase the productive participation of the poor in the economy.

`(4) PUBLIC ACCESS TO INFORMATION- (A) The Fund should establish procedures for public access to information.

`(B) Such procedures shall seek to ensure access of the public to information while paying due regard to appropriate confidentiality.

`(C) Policy Framework Papers and the supporting documents prepared by the Fund's mission to a country are examples of documents that should be made public at an appropriate time and in appropriate ways.

`(b) PROGRESS REPORT- Each annual report of the National Advisory Council on International Monetary and Financial Policies shall describe the following:

`(1) The actions that the United States Executive Director and other officials have taken to convince the Fund to adopt the proposals set forth in subsection (a) through formal initiatives before the Board and management of the Fund, through bilateral discussions with other member nations, and through any further quota increase negotiations.

`(2) The status of the progress being made by the Fund in implementing the proposals set forth in subsection (a).

`(c) STUDY- The Secretary of the Treasury shall instruct the United States Executive Director to the Fund to urge the Fund--

`(1) to explore ways to increase the involvement and participation of important ministries, national development experts, environmental experts, free-market experts, and other legitimate experts and representatives from the loan-recipient country in the development of Fund programs; and

`(2) to report on the status of Fund efforts in this regard.'

SEC. 1003. REDUCTION OF MILITARY SPENDING AND PROMOTION OF LONG-TERM SUSTAINABLE ECONOMIC GROWTH BY DEVELOPING NATIONS.

The Bretton Woods Agreements Act (22 U.S.C. 286 and following) is amended by adding after the sections added by sections 1001 and 1002 of this Act the following:

`SEC. 60. MEASURES TO REDUCE MILITARY SPENDING BY DEVELOPING NATIONS.

`(a) DEVELOPMENT BY THE FUND OF MEANS TO MEASURE MILITARY SPENDING-

`(1) POSITION OF THE UNITED STATES- The United States Executive Director of the Fund shall use the voice and vote of the United States to urge the Fund, in consultation with the Bank, to continue to develop an economic methodology to measure the level of military spending by each developing country.

`(2) PROGRESS REPORT TO THE CONGRESS- No later than 1 year after the date of the enactment of this section, the Secretary of the Treasury shall submit to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate a report on the status of the development by the Fund of a workable economic methodology to measure military spending by developing countries.

`(b) ANNUAL REPORTS BY FUND ON LEVELS OF MILITARY SPENDING- The United States Executive Director of the Fund shall use the voice and vote of the United States to urge the Fund, beginning with 1994, to provide the Executive Board of the Fund with annual reports stating the estimate by the Fund of the level of military spending by each developing country in the immediately preceding calendar year (or, with respect to developing countries whose fiscal years are not calendar years, in the most recently completed fiscal year of the developing country), not later than the date of the annual fall Interim and Development Committee meetings.

`(c) ANALYSIS AND ASSESSMENT OF MILITARY SPENDING TO BE INCLUDED IN ARTICLE IV CONSULTATIONS BY THE FUND- The United States Executive Director of the Fund shall use the voice and vote of the United States to urge the Fund, beginning no later than the date of the first report provided as described in subsection (b), to include in every article IV consultation with a developing country an analysis of the level of military spending by the developing country in the immediately preceding calendar year (or, with respect to developing countries whose fiscal years are not calendar years, in the most recently completed fiscal year of the developing country).'

SEC. 1004. SUPPORT FOR MACROECONOMIC STABILIZATION IN THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.

(a) IN GENERAL- In order to promote macroeconomic stabilization and the integration of the independent states of the former Soviet Union into the international financial system, enhance the opportunities for trade, improve the climate for foreign investment, and strengthen the process of transformation of the former socialist economies into free enterprise systems and thereby progressively enhance the well-being of the citizens of these states, the United States should in appropriate circumstances take a leading role in organizing and supporting multilateral efforts at macroeconomic stabilization and debt rescheduling, conditioned on the appropriate development and implementation of comprehensive economic reform programs.

(b) CURRENCY STABILIZATION- In furtherance of the purposes and consistent with the conditions described in subsection (a), the Congress expresses its support for United States participation, in sums of up to \$3,000,000,000, in a currency stabilization fund or funds for the independent states of the former Soviet Union.

(c) STUDY OF THE NEED FOR AND FEASIBILITY OF A CURRENCY STABILIZATION FUND FOR UKRAINE- The Secretary of the Treasury shall instruct the United States Executive Director of the International Monetary Fund to use the voice and vote of the United States to urge the Fund to conduct a study of the need for and feasibility of a currency stabilization fund for Ukraine, and, if it is found that such a fund is needed and is feasible, which considers and makes recommendations with respect to the economic and policy conditions required for the success of such a fund.

SEC. 1005. ROLE OF THE INTERNATIONAL FINANCE CORPORATION IN SUPPORTING ECONOMIC RESTRUCTURING IN THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.

The International Finance Corporation Act (22 U.S.C. 282-282k) is amended by adding at the end the following:

SEC. 15. AUTHORITY TO VOTE FOR CAPITAL INCREASES NECESSARY TO SUPPORT ECONOMIC RESTRUCTURING IN THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.

The United States Governor of the Corporation may vote in favor of any increase in the capital stock of the Corporation that may be needed to accommodate the requirements of the independent states of the former Soviet Union (as defined in section 3 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992).'

SEC. 1006. AUTHORITY TO AGREE TO AMENDMENTS TO THE ARTICLES OF AGREEMENT OF THE INTERNATIONAL FINANCE CORPORATION.

The International Finance Corporation Act (22 U.S.C. 282-282k) is amended by adding after the section added by section 1005 of this Act the following:

SEC. 16. AUTHORITY TO AGREE TO AMENDMENTS TO THE ARTICLES OF AGREEMENT.

The United States Governor of the Corporation is authorized to agree to amendments to the Articles of Agreement of the Corporation that would--

(1) amend Article II, Section 2(c)(ii), to increase the vote by which the Board of Governors of the Corporation may increase the capital stock of the Corporation from a three-fourths majority to a four-fifths majority; and

(2) amend Article VII(a) to increase the vote by which the Board of Governors of the Corporation may amend the Articles of Agreement of the Corporation from a four-fifths majority to an eighty-five percent majority.'

SEC. 1007. REPORT ON DEBT OF THE FORMER SOVIET UNION HELD BY COMMERCIAL FINANCIAL INSTITUTIONS.

The Secretary of the Treasury, using information available from the International Monetary Fund, the International Bank for Reconstruction and Development, and other appropriate international financial institutions, shall report to the Congress, not later than one year after the date of enactment of this Act, on the debt incurred by the former Soviet Union that is held by commercial financial institutions outside the independent states of the former Soviet Union that are obligated on such debt.

SEC. 1008. HUMAN RIGHTS.

(a) **ADVANCEMENT OF HUMAN RIGHTS THROUGH THE IMF AND EBRD-** Section 701(a) of the International Financial Institutions Act (22 U.S.C. 262d(a)) is amended by striking 'and the African Development Bank,' and inserting 'the African Development Bank, the European Bank for Reconstruction and Development, and the International Monetary Fund,'.

(b) **ACCOUNTING FOR AMERICANS MISSING IN ACTION CONSIDERED IN ASSESSING HUMAN RIGHTS IN THE INDEPENDENT STATES-** Section 701(b)(4) of such Act (22 U.S.C. 262d(b)(4)) is amended by inserting 'Russia and the other independent states of the former Soviet Union (as defined in section 3 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992),' after 'Laos,'.

SEC. 1009. MULTILATERAL INVESTMENT GUARANTEES FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.

Not later than 60 days after the date of enactment of this Act, the United States Director of the Multilateral Investment Guarantee Agency shall transmit to the Congress a report analyzing--

(1) the investments in the independent states of the former Soviet Union which have been guaranteed by the Agency; and

(2) the demand for investment guarantees of the type provided by the Agency for investments in the independent states.

Speaker of the House of Representatives.

Vice President of the United States and

President of the Senate.

END

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