1-1-2006

Calling on the Government of Germany to Take Immediate Action to Combat Sex Trafficking in Connection with the 2006 FIFA World Cup; Assistance for Small and Medium Enterprises in Sub-Saharan African Countries Act of 2005; Global Online Freedom Act of 2006; Central Asia Democracy and Human Rights Promotion Act of 2006

U.S. House of Representatives Committee on International Relations

Follow this and additional works at: http://digitalcommons.unl.edu/humtraffdata

Part of the Inequality and Stratification Commons

This Article is brought to you for free and open access by the Human Trafficking Team at DigitalCommons@University of Nebraska - Lincoln. It has been accepted for inclusion in Human Trafficking: Data and Documents by an authorized administrator of DigitalCommons@University of Nebraska - Lincoln.
CALLING ON THE GOVERNMENT OF GERMANY TO TAKE IMMEDIATE ACTION TO COMBAT SEX TRAFFICKING IN CONNECTION WITH THE 2006 FIFA WORLD CUP; ASSISTANCE FOR SMALL AND MEDIUM ENTERPRISES IN SUB-SAHARAN AFRICAN COUNTRIES ACT OF 2005; GLOBAL ONLINE FREEDOM ACT OF 2006; CENTRAL ASIA DEMOCRACY AND HUMAN RIGHTS PROMOTION ACT OF 2006

MARKUP

BEFORE THE

SUBCOMMITTEE ON AFRICA, GLOBAL HUMAN RIGHTS AND INTERNATIONAL OPERATIONS

OF THE

COMMITTEE ON
INTERNATIONAL RELATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED NINTH CONGRESS
SECOND SESSION

ON

H. Res. 860, H.R. 4319, H.R. 4780 and H.R. 5382

JUNE 22, 2006

Serial No. 109–173

Printed for the use of the Committee on International Relations

Available via the World Wide Web: http://www.house.gov/international_relations

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 2006

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2250 Mail: Stop SSOP, Washington, DC 20402–0001
## CONTENTS

**MARKUP OF**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>H. Res. 860, Calling on the Government of Germany to take immediate</td>
<td>2</td>
</tr>
<tr>
<td>action to combat sex trafficking in connection with the 2006 FIFA World</td>
<td></td>
</tr>
<tr>
<td>Cup, and for other purposes</td>
<td></td>
</tr>
<tr>
<td>Amendments to H. Res. 860 offered by the Honorable Christopher H.</td>
<td>9</td>
</tr>
<tr>
<td>Smith, a Representative in Congress from the State of New Jersey and</td>
<td></td>
</tr>
<tr>
<td>Chairman, Subcommittee on Africa, Global Human Rights and Interna-</td>
<td></td>
</tr>
<tr>
<td>tional Operations</td>
<td></td>
</tr>
<tr>
<td>H.R. 4319, To provide assistance for small and medium enterprises in</td>
<td>16</td>
</tr>
<tr>
<td>sub-Saharan African countries, and for other purposes</td>
<td></td>
</tr>
<tr>
<td>H.R. 4780, To promote freedom of expression on the Internet, to protect</td>
<td>52</td>
</tr>
<tr>
<td>United States businesses from coercion to participate in repression by</td>
<td></td>
</tr>
<tr>
<td>authoritarian foreign governments, and for other purposes</td>
<td></td>
</tr>
<tr>
<td>Amendment in the Nature of a Substitute to H.R. 4780 offered by the</td>
<td>80</td>
</tr>
<tr>
<td>Honorable Christopher H. Smith</td>
<td></td>
</tr>
<tr>
<td>Amendment to the Amendment in the Nature of a Substitute to H.R.</td>
<td>113</td>
</tr>
<tr>
<td>4780 offered by the Honorable Earl Blumenauer, a Representative in</td>
<td></td>
</tr>
<tr>
<td>Congress from the State of Oregon</td>
<td></td>
</tr>
<tr>
<td>H.R. 5382, To promote the development of democratic institutions and</td>
<td>118</td>
</tr>
<tr>
<td>full respect for human rights in the countries of Central Asia</td>
<td></td>
</tr>
<tr>
<td>Amendment in the Nature of a Substitute to H.R. 5382 offered by the</td>
<td>137</td>
</tr>
<tr>
<td>Honorable Christopher H. Smith</td>
<td></td>
</tr>
</tbody>
</table>

### LETTERS, STATEMENTS, ETC., SUBMITTED FOR THE RECORD

The Honorable Christopher H. Smith:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepared statement on H. Res. 860</td>
<td>12</td>
</tr>
<tr>
<td>Prepared statement on H.R. 4319</td>
<td>50</td>
</tr>
</tbody>
</table>
CALLING ON THE GOVERNMENT OF GERMANY TO TAKE IMMEDIATE ACTION TO COMBAT SEX TRAFFICKING IN CONNECTION WITH THE 2006 FIFA WORLD CUP; ASSISTANCE FOR SMALL AND MEDIUM ENTERPRISES IN SUB-SAHARAN AFRICAN COUNTRIES ACT OF 2005; GLOBAL ONLINE FREEDOM ACT OF 2006; CENTRAL ASIA DEMOCRACY AND HUMAN RIGHTS PROMOTION ACT OF 2006

THURSDAY, JUNE 22, 2006

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON AFRICA, GLOBAL HUMAN RIGHTS AND INTERNATIONAL OPERATIONS,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 2:12 p.m. in room 2172, Rayburn House Office Building, Hon. Christopher H. Smith (Chairman of the Subcommittee) presiding.

Mr. SMITH OF NEW JERSEY. Pursuant to notice, I call up the resolution H. Res. 860, calling on the Government of Germany to take immediate action to combat sex trafficking in connection with the 2006 FIFA World Cup for purposes of markup, and move its recommendation to the Full Committee.

[H. Res. 860 follows:]
H. RES. 860

Calling on the Government of Germany to take immediate action to combat sex trafficking in connection with the 2006 FIFA World Cup, and for other purposes.

RESOLUTION

Calling on the Government of Germany to take immediate action to combat sex trafficking in connection with the 2006 FIFA World Cup, and for other purposes.

Whereas trafficking in human beings, for sexual or labor exploitation, is an egregious violation of human rights;

Whereas Congress passed and the President signed into law the Trafficking Victims Protection Act of 2000 (division A of Public Law 106–386), the Trafficking Victims Protection Reauthorization Act of 2003 (Public Law 108–193), and the Trafficking Victims Protection Reauthorization Act of 2005 (Public Law 109–186) in order to promote vigorous efforts worldwide to combat all forms of trafficking in human beings;
Whereas major sporting events, conventions, and other such events that attract large numbers of people have been shown to result in an increase in the demand for commercial sexual services;

Whereas “pimps” and traffickers are aware of this demand and respond to it by trafficking women and girls for prostitution at such events;

Whereas trafficked women are often persuaded to cross international borders by false promises of legitimate employment in other countries, before being forced to engage in prostitution;

Whereas Germany is a major destination country for trafficking of women and children for prostitution, and there are an estimated 400,000 women in prostitution in Germany, 75 percent of whom are foreigners;

Whereas the 2006 FIFA World Cup will be played in 12 German cities and millions of fans will be in attendance;

Whereas individuals and organized crime groups that traffic women and girls for prostitution are expected to increase their activity before and during the 2006 World Cup;

Whereas in December 2001, Germany legalized “pimping”, prostitution, and maintaining a brothel, and officially stated that prostitution is no longer to be seen as immoral;

Whereas Germany’s legalized prostitution industry has been preparing to increase its capacity in anticipation of the 2006 World Cup;

Whereas prostitution and related activities—including pimping and patronizing or maintaining brothels—provide a façade behind which sex traffickers can operate;
Whereas in March 2006 the European Parliament adopted a resolution on “forced prostitution in the context of world sports events”, stating that major sporting events at which large numbers of people congregate results in a “temporary and spectacular increase in the demand for sexual services” and then listing a number of actions that should be undertaken by Germany and others;

Whereas in April 2006, the European Union Justice and Home Affairs Council adopted a list of best practices that should be undertaken by member states holding major international events, including the development and implementation of measures that discourage the demand for trafficking victims;


Whereas in February 2006 the United Nations Special Rapporteur on trafficking in persons, especially women and children reported to the United Nations Commission on Human Rights: “For the most part, prostitution as actually practised in the world usually does satisfy the elements of trafficking. . . . Thus, State parties [to the United Nations Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children] with legalized prostitution industries have a heavy responsibility to ensure that the conditions which actually pertain to the practice of prostitution within their borders are free from the illicit means delineated in subparagraph (a) of the [UN Protocol] definition, so as to ensure that their legalized prostitution regimes are not simply perpetuating widespread and systematic trafficking. As
current conditions throughout the world attest, States
parties that maintain legalized prostitution are far from
satisfying this obligation.”; and

Whereas article 9, paragraph 5, of the United Nations Pro-
tocol to Prevent, Suppress, and Punish Trafficking in
Persons, Especially Women and Children states: “States
Parties shall adopt or strengthen legislative or other
measures, such as educational, social or cultural meas-
ures, including through bilateral and multilateral co-
operation, to discourage the demand that fosters all
forms of exploitation of persons, especially women and
children, that leads to trafficking.”: Now, therefore, be it

Resolved, That the House of Representatives—

(1) calls on the Government of Germany to take
immediate action to combat sex trafficking in con-
nection with the 2006 FIFA World Cup;

(2) calls on Germany to take measures to dis-
courage the demand that fosters all forms of explo-
tiation of persons, especially women and children,
that leads to trafficking, including by raising aware-
ness among potential users of prostitution and by re-
considering the effect of legalized prostitution in cre-
at ing the demand for prostitution and trafficking;

(3) urges countries throughout Europe, includ-
ing Germany, to support vigorously public awareness
campaigns to inform and educate the general public,
particularly athletes, sports fans, and financial spon-
sors of the 2006 World Cup, about the potential for
trafficking in human beings in response to the rising demand;

(4) encourages governments, international organizations, and nongovernmental organizations to engage in campaigns targeting potential victims and informing them of the risks and dangers of becoming caught in human trafficking networks, particularly at the time of the 2006 World Cup;

(5) commends the “Final Whistle—Stop Forced Prostitution Campaign” launched by the National Council of German Women’s Organizations and calls on sports associations, including the Fédération Internationale de Football Association (FIFA), the Union of European Football Associations (UEFA), the German Football Association, and others to support this campaign and roundly condemn trafficking in human beings and forced prostitution;

(6) encourages sponsors of the 2006 World Cup, as well as tour operators and air transportation service providers, to join in the efforts to end the sexual exploitation of women and girls and prevent trafficking in human beings;

(7) urges athletes and coaches of teams competing in the 2006 World Cup to denounce the sex-
ual exploitation of women and girls and to encourage
prevention of trafficking in human beings; and
(8) urges Germany and all countries to ratify or
accede to, and to implement, the United Nations
Convention Against Transnational Organized Crime
and the United Nations Protocol to Prevent, Sup-
press, and Punish Trafficking in Persons, Especially
Women and Children.
Mr. Smith of New Jersey. Without objection, the resolution will
be considered as read and open for amendment at any point.

And I would advise my colleagues, I do have an amendment
which I would ask the Clerk to report.

Ms. Plumley. Amendment to House Resolution 860 offered by
Mr. Smith of New Jersey.

[The information referred to follows:]
AMENDMENT TO H. RES. 860
OFFERED BY MR. SMITH OF NEW JERSEY

In the 9th clause of the preamble, strike “legalized” and all that follows and insert “officially declared that prostitution is no longer to be seen as immoral and amended its legal code to legalize the maintaining of a brothel, to permit ‘pimping’, except when it involves exploiting a prostitute by impairing her personal or economic independence, and to elevate prostitution to the status of a legitimate profession;”.

In the 14th clause of the preamble, insert after “has signed” the following: “and on June 14, 2006, ratified”.

Page 6, strike line 3 and all that follows through line 8 and insert the following:

(8) welcomes ratification by Germany of the United Nations Convention against Transnational Organized Crime and the United Nations Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children, and urges Germany to fully implement such Convention and Protocol as soon as practicable, including by adopting any implementing legislation necessary to do so.
AMENDMENT TO H. RES. 860
OFFERED BY MR. SMITH OF NEW JERSEY

In the 14th clause of the preamble, insert after “has signed” the following: “and on June 14, 2006, ratified”.

Page 6, strike line 3 and all that follows through line 8 and insert the following:

(8) welcomes ratification by Germany of the United Nations Convention against Transnational Organized Crime and the United Nations Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children, and urges Germany to fully implement such Convention and Protocol as soon as practicable, including by adopting any implementing legislation necessary to do so.
Mr. SMITH OF NEW JERSEY. Without objection, the amendment will be considered as read. And I would like to recognize myself to make a few opening comments and yield to my colleagues for any comments they might have either on the amendment or on the resolution itself.

I would ask unanimous consent that my full statement be a part of the record. Without objection, so ordered.

One of the tragedies of modern day slavery is that so much of the demand for trafficking comes from countries that espouse commitment to human rights. As the world watches the 2006 FIFA World Cup, a showcase of world-class athleticism and teamwork, Germany, despite its professed commitment to fight the abuse and exploitation of women and girls through trafficking, by certain policies it is facilitating and even encouraging, it aids the very crime it professes to abhor.

In December 2001, the German Government legalized prostitution, which is not only inherently harmful and dehumanizing, but also fuels trafficking because it provides a facade behind which traffickers for sexual exploitation operate. The essential legalization of prostitution also places a greater burden on law enforcement as officials try to distinguish “legal pimps” from human traffickers.

In Germany, there are about 400,000 women in prostitution, 75 percent of whom are foreigners. A 2001 report by the Germany Federal Criminal Investigation Office reported that of the 414 women and girls in prostitution that were surveyed, 45 percent were forced into prostitution through violence, torture, rape or intimidation.

Further research conducted by Melissa Farley at Prostitution Research and Education found that 71 percent of women surveyed were physically assaulted while engaged in prostitution and a staggering 89 percent wanted to escape prostitution. Rather than preventing the abuse of women, any kind of legalization of prostitution appears to condone an act that almost half of the time will result in the physical abuse of women.

Regrettably, according to the 2003 U.N. report, Germany is the top destination country for trafficking in women and children for prostitution, with most victims trafficked from the former Soviet republics and Central and Eastern Europe. The German Government should be outraged by this and immediately take a look at their policies which makes Germany such an inviting country for traffickers.

Let me just say, finally, a couple of points. This legislation has 30 cosponsors. It calls on fans, players, and all citizens to boycott the brothels and calls on the Government of Germany to take immediate action to halt state sponsorship of commercial sexual exploitation that leads to sex trafficking of women in connection with the World Cup games.

[The prepared statement of Mr. Smith follows:]
PREPARED STATEMENT OF THE HONORABLE CHRISTOPHER H. SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY AND CHAIRMAN, SUBCOMMITTEE ON AFRICA, GLOBAL HUMAN RIGHTS AND INTERNATIONAL OPERATIONS

H. RES. 860

One of the tragedies of modern day slavery is that so much of the demand for trafficking comes from countries that espouse commitment to human rights. As the world watches the 2006 FIFA World Cup, a showcase of world-class athleticism and teamwork, Germany, despite its professed commitment to fight the abuse and exploitation of women and girls through trafficking, by certain policies is facilitating or encouraging the very crime it professes to abhor.

In December 2001 the German government legalized prostitution, which is not only inherently harmful and dehumanizing, but it also fuels trafficking because it provides a façade behind which traffickers for sexual exploitation operate. Legalization of prostitution also places a greater burden on law enforcement as officials try to distinguish legal pimps from human traffickers.

According to the U.S. State Department, where prostitution is legalized or tolerated, there is a greater demand for human trafficking victims and nearly always an increase in the number of women and children trafficked into commercial sexual slavery. Major sporting events and conventions attract large numbers of people and also have been proven to result in an increase in the demand for commercial sexual services. Pimps and traffickers jump to respond to the demand by trafficking women and girls for prostitution to events, such as the World Cup.

In Germany there are more than 400,000 women in prostitution, 75% of whom are foreigners. A 2001 report by the German Federal Criminal Investigation Office reported that of the 414 women and girls in prostitution that were surveyed, 45% were forced into prostitution through violence, torture, rape, or intimidation.

Further research conducted by Melissa Farley at Prostitution Research and Education found that 71% of women surveyed were physically assaulted while engaged in prostitution and a staggering 89% wanted to escape prostitution. Rather than preventing the abuse of women, the legalization of prostitution appears to condone an act that almost half the time will result in the physical abuse of a woman.

Regrettably, according to a 2003 UN report, Germany is the top destination country for trafficking in women and children for prostitution, with most victims trafficked from the former Soviet republics and Central and Eastern Europe. The German government should be outraged by this and immediately begin to look at their policies which make Germany such an inviting country for traffickers.

In 1993, there were 517 cases of illegal sex slave trade; in 2003, the number of identified victims was 1,235. Although specific statistics aren’t available, a recent UN report estimates the number of forced laborers in Germany to be anywhere from 2,000—20,000. Most of these are women from Eastern Europe who were forced into prostitution.

The link between legalization of prostitution and trafficking was recognized in the U.S. State Department’s 1999 Country Report on Human Rights Practices, released by the Bureau of Democracy, Human Rights and Labor. In the country report on Australia, it was noted that in the State of Victoria which legalized prostitution in the 1980s, “Trafficking in East Asian women for the sex trade is a growing problem” in Australia. “... lax laws—including legalized prostitution in parts of the country—make [anti-trafficking] enforcement difficult at the working level.” In order for the German government to successfully combat trafficking in persons it must reverse the legalization of prostitution.

The European Union has also expressed concern that the legalization of prostitution in Germany provides an atmosphere for World Cup fans to legally rape women in brothels or in mobile units designed for quick and discrete entrances and exists for the rapists. Europeans and Americans are not the only ones watching in horror as Germany potentially plays host to human traffickers. Vivi Akakpo, the West African coordinator for the All Africa Conference of Churches said, “It is now public knowledge that organized syndicates have plans to bring in young women, particularly from Eastern Europe and from other poor countries, to Germany in time for the World Soccer Cup 2006.”

While I welcome the recent ratification by the German government of the UN Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children, as my amendment states, such actions are only a necessary first step in combating trafficking in persons in Germany. This resolution encourages the German government to implement the protocol as soon as possible.

This legislation, which has 30 cosponsors, also calls for fans, players, and all citizens to boycott the Brothels and calls on the government of Germany to take imme-
diate action to halt state sponsorship of commercial sexual exploitation that leads to sex trafficking of women in connection with the World Cup games.

The many athletes and coaches of teams that will play in the World Cup can be a voice for the voiceless and should denounce Germany's complicity in sex trafficking. Sponsors of the World Cup should also join in the efforts to end the sexual exploitation of women and girls and prevent trafficking in human beings.

All those who support the dignity of women should demand strong and immediate actions by the German government to reverse its facilitation of sex trafficking. I ask my colleagues to give favorable consideration to H. Res. 860, which is a very timely and necessary statement to our colleagues in Germany that it is their responsibility to fully comply with the spirit of anti-trafficking efforts and reverse its pro-commercial sex laws.

Mr. Smith of New Jersey. Let me also point out to my colleagues, as they all know, we held a series of hearings, the first hearing devoted exclusively to the situation in Germany, followed by a general trafficking hearing at which we heard from two Russian women who had been trafficked into Germany previously who told us exactly the kind of degradation they suffered.

This resolution puts us, we believe, on the side of saying we ought to be all about protecting women from this kind of degrading treatment, whether it be a seemingly legal establishment or that thin line of demarcation that separates truly trafficked women.

The amendment I am offering does recognize some of the efforts of the German Government. Well, they just recently, within days, ratified the United Nations Convention Against Transnational Organized Crime and the U.N. Protocol to Prevent, Suppress, and Punish Trafficking in Persons, especially women and children. And then we urge the Government of Germany to fully implement that.

So in the midst of all of this they have done something that at least looks good. The key will be in its implementation.

We also, in this amendment, since the German Government expressed some concern that we used the word “legalized,” we strike the world “legalized” and put in what they claim is what happened, and that is—and the language reads as such:

“Officially declared that prostitution is no longer to be seen as immoral and amended its legal code to legalize the maintaining of a brothel to permit ‘pimping,’ except when it involves exploiting a prostitute by impairing her personal or economic independence, and to elevate prostitution to the status of a legitimate profession.”

Obviously, I don’t agree that that is a good thing, but they wanted a clarification as to “legalization” versus what it is that they have done.

I would now turn to my friend and colleague, Mr. Payne, for any opening comments he might have.

Mr. Payne. Thank you very much.

Let me commend you for being vigilant on this whole question of trafficking and protecting victims, and as it particularly pertains to the World Cup that is actually being held today.

Actually, the World Cup is the largest sporting event in the world, and I do believe that countries should not allow sexual exploitation to be a large part of this sporting event, which is healthy, which is competitive, which is team-building in national pride.

And so I certainly support this legislation and urge its adoption.
Mr. SMITH OF NEW JERSEY. Are there any other Members who would like to be heard?

Ms. WATSON. Yes.

Mr. SMITH OF NEW JERSEY. Ambassador Watson.

Ms. WATSON. Thank you so much, Mr. Chairman, for bringing this issue and this resolution to us again.

This is specific to a specific activity that is taking place now, but before this probably completes the process, the games will be over. However, is there a possibility to put into this message—because it sends a message—that we would like to see the governments look at this whole industry and possibly set up a program.

Let me just tell you where I am coming from. When we were getting ready to have the Olympics in Los Angeles in 1986, I put in a piece of legislation that would require rape counseling centers in every police precinct. I got a call from my mayor saying that in one of the Russian newspapers, Izvestia, they said that the rape rate is so high that one of the local representatives is asking for a counseling center. So it struck a note that far away.

And so referring to the pimping and the prostitution industry, I am wondering if we could strike a note with them to say that we would like Germany, in particular, to review its policies and so on.

Now I don't know if it is there; I haven't read it all the way through. I just raise that issue because I think that this whole industry needs to be reviewed in these countries if they are going to host a world game.

Mr. SMITH OF NEW JERSEY. Will the gentlewoman yield?

Ms. WATSON. Yes, I do yield.

Mr. SMITH OF NEW JERSEY. We do have in the resolved clause an emphasis on demand, trying to reduce demand. We also talk about one of the groups, the Final Whistle-Stop Forced Prostitution Campaign, and the work they are doing to try to mitigate this abuse.

But certainly any additional language that you think might be helpful as we go to Full Committee; or if you have it ready now, we would certainly—if it strengthens the resolution, let's do it, because we do want to send a very consistent message on prevention—protection for the women and prosecution of those who exploit.

Ms. WATSON. If I can respond, let me just say that I would like to take this and when it comes to the Floor, I would like to offer an amendment to the last section, subsection 8, lines 3 to 4, because we are in this resolution urging "Germany and all countries to ratify or accede to," and it goes on. So I would like to, within this language, to have some specificity. You know, we ought to stand for discouraging this kind of thing.

So I would like to add some language, and I will bring it up at that time. Thank you, Mr. Chairman.

Mr. SMITH OF NEW JERSEY. Would any other Members like to be heard?

If not, the question occurs on the amendment.

All those in favor, signify by saying aye.

Opposed, no.

In the opinion of the Chair, the ayes have it and the agreement is agreed to.
The question now occurs on the motion to report the resolution H. Res. 860, as amended.
All those in favor, signify by saying aye.
Opposed, no.
The ayes have it and the amendment is agreed to. The staff is directed to make any technical and conforming amendments.
Without objection, the resolution will be reported favorably to the Full Committee in the form of a single amendment in the nature of a substitute, incorporating the amendment adopted here today. Without objection, the staff is directed to make any technical and conforming amendments.
Pursuant to notice, I now call up the bill H.R. 4319, the Assistance for Small and Medium Enterprises in sub-Saharan African Countries Act of 2005 for purposes of markup and move its consideration recommendation to the Full Committee.
[H.R. 4319 follows:]
To provide assistance for small and medium enterprises in sub-Saharan African countries, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

November 15, 2005

Mr. LANTOS (for himself and Mr. SMITH of New Jersey) introduced the following bill; which was referred to the Committee on International Relations, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide assistance for small and medium enterprises in sub-Saharan African countries, 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 TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Assistance for Small and Medium Enterprises in Sub-Saharan African Countries Act of 2005”.

(b) Table of Contents.—The table of contents of this Act is as follows:
SEC. 2. FINDINGS.

Congress finds the following:

(1) According to the Organization for Economic Co-operation and Development (OECD), the economies of sub-Saharan African countries have registered their highest overall growth in eight years—more than five percent in 2004—due to rising global commodity prices, the expansion of production in oil-producing sub-Saharan African countries, and prudent macro-economic policies.

(2) While economic liberalization has reduced the involvement of governments of sub-Saharan African countries in the economic sector, it has not resulted in improved credit delivery to finance domestic businesses, particularly small and medium enterprises in sub-Saharan African countries, in the private sector.

(3) Despite the privatization of over 2,273 businesses in sub-Saharan African countries and $9.1 billion raised, private sector investment still lags be-
hind Asia, in large part due to inadequate infra-
structure, including electricity, water, roads, and
commerce facilities, and a risk-averse retail banking
sector.

(4) Sub-Saharan Africa countries hold billions
of uninvested capital in central banks and financial
holding institutions. In the eight-nation West Afri-
can Economic and Monetary Union the amount of
excess capital in the central bank recently peaked at
almost $2 billion.

(5) Excess reserves of uninvested capital in sub-
Saharan African countries have often been illicitly
diverted or invested in economically inefficient enter-
prises and other purposes, often for the benefit of
politically-connected persons or entities.

(6) Nigerian President Olusegun Obasanjo re-
cently estimated that corrupt leaders of sub-Saharan
African countries have stolen at least $140 billion
from their citizens in the four decades since inde-
pendence. This theft contributes to the fact that the
people of sub-Saharan African countries owe
unsustainably large public and foreign debts, face
high rates of extreme poverty, and have enjoyed lit-
tle basic economic development.
(7) Increasingly, governments of sub-Saharan African countries are making concerted efforts to investigate such activities, prosecute corrupt officials, and recover public funds through the creation of agencies such as the Economic and Financial Crimes Commission in Nigeria, the Serious Fraud Office in Ghana, the Federal Ethics and Anticorruption Commission in Ethiopia, and the Anticorruption Commission in Zambia.

(8) These efforts will require technical assistance and law enforcement cooperation from the international community, including the United States.

(9) A major challenge for sub-Saharan African countries is to productively invest their own capital to expand domestic business ownership and create employment, particularly for youth, in order to promote broad and sustainable economic growth.

(10) While the microenterprise movement has shown itself to be an important generator of self-employment, research and experience throughout sub-Saharan Africa also have proven that small and medium enterprises are the greatest catalyst for job creation, skills transfer, and wealth creation in sub-Saharan Africa.
(11) Although small and medium enterprises in sub-Saharan African countries make up the largest portion of the formal economy in sub-Saharan African countries, the average annual contribution of investments of such small and medium enterprises to growth in the gross domestic product of sub-Saharan African countries by proportion declined from an average of 14 percent in the 1970s, to 13 percent in the 1980s, and to 12 percent in the first half of the 1990s, while during the same period, the proportion of gross domestic product investment by small and medium enterprises in other developing regions increased.

(12) Investments in small and medium enterprises in sub-Saharan African countries also have declined, in part because an estimated 37 percent of personal wealth in sub-Saharan African countries is held in assets and cash located outside of sub-Saharan African countries, even though the global region with the highest return on capital investment is sub-Saharan Africa.

(13) Many retail banks avoid lending to small and medium enterprises in sub-Saharan African countries or engage in predatory lending practices, considering such small and medium enterprises as
presenting a high credit default risk and as costly to
administer, and instead concentrate on providing
credit to larger local or international firms or on
holding high-yield government bonds.

(14) This approach harms the prospects for
sustainable private sector development by ignoring
the necessity of a bottom-up capital formation—a
key factor in creating jobs which is necessary to re-
duce poverty and income inequalities.

(15) Governments of sub-Saharan African
countries must develop the fiscal policies, economic
institutions, legal frameworks, labor market protec-
tions, commercial infrastructures, and lending prac-
tices to create and manage competitive business en-
vironments for investors in small and medium enter-
prises in sub-Saharan African countries. Further,
small and medium enterprises in sub-Saharan Afri-
can countries must acquire the business skills, ex-
pertise, and capital financing necessary to manage
successful businesses.

SEC. 3. SENSE OF CONGRESS; DECLARATION OF POLICY.

(a) Sense of Congress.— It is the sense of Con-
gress that in an increasingly competitive global environ-
ment driven by transformations in technology, commu-
nications, transportation, finance, production, labor mar-

HR 4319 IH
kets, and markets for goods and services, sub-Saharan Af-

rican countries should develop the private sector, particu-

larly small and medium enterprises, and human capital,

goods and services, banking and finance systems, and cre-

ate markets to be full participants in the global economy.

(b) Declaration of Policy.—It shall be the policy

of the Government of the United States to make available

for private sector development in sub-Saharan African
countries professional, technical, and other resources for
capacity-building for finance ministries, central and retail
banks, and small and medium enterprises to promote en-
trepreneurship, expand the formal sector, and increase
trade under the African Growth and Opportunity Act (19
U.S.C. 3701 et seq.) of exports from Africa to the United
States.

SEC. 4. ACTIVITIES OF THE OVERSEAS PRIVATE INVEST-
MENT CORPORATION TO STRENGTHEN FI-

NANCIAL INSTITUTIONS IN SUB-SAHARAN AF-
RICAN COUNTRIES.

Section 240 of the Foreign Assistance Act of 1961
(22 U.S.C. 2200) is amended by adding at the end the
following:

“(c) Support for Financial Institutions in
Sub-Saharan African Countries.—

HR 4319 III
“(1) SUPPORT.—The Corporation is commended for its activities in support of the development of small and medium enterprises, and is encouraged to exercise its authorities to promote United States investments in financial institutions that are duly incorporated in sub-Saharan African countries, to the extent that the purpose of such investments is to expand investment and lending opportunities to small and medium enterprises in sub-Saharan African countries that are engaged in domestic commerce in areas that are responsible for significant job creation.

“(2) CONSIDERATION.—In making a determination to provide insurance and financing to financial institutions referred to in paragraph (1), the Corporation should take into consideration the extent to which a project establishes and implements a non-discrimination in lending policy to prohibit discrimination based on ethnicity, sex, color, race, religion, physical disability, marital status, or age, and a policy against predatory lending practices.

“(3) TECHNICAL ASSISTANCE.—In supporting a project referred to in paragraph (1), the Corporation may provide technical assistance to—
“(A) improve the quality of management of financial institutions referred to in paragraph (1) to ensure the safety and stability of such institutions;

“(B) create in such financial institutions effective credit risk management systems to improve the quality of the assets of such institutions and the ability of such institutions to research and assess the overall credit risk of critical industries in the domestic economy;

“(C) support effective credit risk management by developing internal credit rating systems and credit assessment tools that improve the ability of such financial institutions to evaluate individual credit worthiness and measure the overall amount of risk posed by the total number of borrowers; and

“(D) establish comprehensive collateral management programs to control borrower assets against default and exposure as part of the risk management process.

“(4) DEFINITIONS.—In this subsection:

“(A) SMALL AND MEDIUM ENTERPRISES IN SUB-SAHARAN AFRICAN COUNTRIES.—The term ‘small and medium enterprises in sub-Sa-
haran African countries' has the meaning given the term in section 496A(e)(2) of this Act.

“(B) SUB-SAHARAN AFRICAN COUNTRIES.—The term 'sub-Saharan African countries' means the countries specified in section 107 of the African Growth and Opportunity Act (19 U.S.C. 3706).”.

SEC. 5. ASSISTANCE FOR SMALL AND MEDIUM ENTERPRISES IN SUB-SAHARAN AFRICAN COUNTRIES.

(a) IN GENERAL.—Chapter 10 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2293 et seq.) is amended by inserting after section 496 the following new section:

“SEC. 496A. ASSISTANCE FOR SMALL AND MEDIUM ENTERPRISES IN SUB-SAHARAN AFRICAN COUNTRIES.

“(a) AUTHORIZATION.—The President, acting through the Administrator of the United States Agency for International Development, is authorized to provide assistance, on such terms and conditions as the President may determine, for small and medium enterprises in sub-Saharan African countries.
“(b) Activities Supported.—Assistance provided under subsection (a) shall, to the maximum extent practicable, be used to carry out the following activities:

“(1) Effectiveness of Financial Sectors.—Activities to improve the effectiveness of the financial sectors of sub-Saharan African countries to promote increased business and employment opportunities for small and medium enterprises in sub-Saharan African countries. Such activities may include providing technical assistance relating to—

“(A) tax policy and administration;

“(B) government debt issuance and management;

“(C) policies and regulation of financial institutions;

“(D) prevention, detection, and prosecution of financial crimes;

“(E) regulatory systems;

“(F) innovative services and specialized institutions to serve the small and medium enterprise market; and

“(G) compliance with international financial standards.

“(2) Lending Programs of Financial Institutions.—Activities to promote the establishment
of lending programs of financial institutions for small and medium enterprises in sub-Saharan African countries by—

“(A) improving the quality of management of such financial institutions to ensure their safety and stability;

“(B) establishing effective credit risk management systems to improve the quality of the assets of such financial institutions and the ability of such financial institutions to research and assess overall credit risk;

“(C) supporting effective credit risk management systems described in subparagraph (B) by developing internal credit rating systems and credit assessment tools that improve the ability of such financial institutions to evaluate individual credit worthiness and measure the overall amount of risk posed by the total number of borrowers; and

“(D) establishing comprehensive collateral management programs to control borrower assets against default and exposure as part of the risk management process.

“(3) Technology and Information Resources.—Activities to improve the technology and
information resources of financial institutions and small and medium enterprises in sub-Saharan African countries. Such activities may include—

“(A) developing computer programs and networking capabilities to provide connectivity between domestic and international banking sectors;

“(B) increasing access by finance ministries and central banks to information management systems and high-speed Internet connectivity; and

“(C) promoting the development of Internet service providers.

“(4) BUSINESS DEVELOPMENT IN RURAL AND PERI-URBAN AREAS.—Activities to promote the development of small and medium enterprises in sub-Saharan African countries that are located in rural and peri-urban areas. Such activities may include—

“(A) carrying out short- and long-term training in entrepreneurship, such as the ‘Business Opportunity Centers’ program of the United States Agency for International Development in the Republic of Zimbabwe;

“(B) providing training in entrepreneurship, including basic business management, ac-
counting, bookkeeping, marketing, risk management, and computer skills;

“(C) providing assistance to meet international, particularly United States, quality control standards;

“(D) providing business services on a fee-for-service basis, such as telephone, fax, email, e-learning, and money transfer services, based on the cost recovery model of the ‘Business Opportunity Centers’ program in Zimbabwe;

“(E) carrying out capacity-building activities for microenterprise business associations and microfinance networks; and

“(F) providing training in internationally recognized labor rights and core labor standards.

“(5) SMALL BUSINESS DEVELOPMENT IN POST-CONFLICT STATES.—Activities to promote small business development in post-conflict sub-Saharan African countries. Such activities may include—

“(A) providing rural agriculture entrepreneurship training to aid displaced persons, particularly youth, with the purpose of helping such persons return to rural areas and re-engage in agricultural activities;
“(B) adopting more productive and profitable production systems such as conservation farming technologies, biotechnologies, biosafety technologies, and increasing the marketability of the surplus production of such systems;

“(C) providing assistance to add commercial value to agricultural goods and to sell such goods to local and regional markets; and

“(D) encouraging agricultural entrepreneurship and the formation of cooperatives and marketing associations and providing such associations with organizational and technical assistance.

“(6) YOUTH ENTREPRENEURSHIP PROGRAMS.—Activities to establish youth entrepreneurship training programs in schools or through community partnerships with business and youth organizations in sub-Saharan African countries to promote economic skills, ethics, integrity, and healthy life skills among youth in such countries. Such activities may include providing assistance through United States and international youth organizations located in sub-Saharan African countries and ministries of education, local schools, businesses, and youth groups to—
“(A) teach basic concepts of business economics and free enterprise and the relevance of education for such youth to improving the quality of their lives;

“(B) teach basic concepts of good governance, the rule of law, human rights, and citizenship as they relate to national development;

“(C) assist youth to make decisions about their educational and professional future and develop communication skills that are vital to succeed in the domestic, regional, and international business world;

“(D) develop a specialized curriculum for youth in rural and peri-urban areas and utilize, whenever possible, business and community volunteers to deliver such curriculum; and

“(E) organize student-led enterprises.

“(7) INTELLECTUAL PROPERTY RIGHTS PROTECTION.—Activities to introduce and strengthen laws, regulations, and enforcement mechanisms to protect national and international intellectual property rights and to protect the people and industries of sub-Saharan African countries against imported counterfeit consumer and other goods.
“(8) ANTI-CORRUPTION INITIATIVES.—Activities that combat corruption, improve transparency and accountability, and promote other forms of good governance and management in sub-Saharan African countries. Such activities may include—

“(A) providing technical assistance to governments of sub-Saharan African countries that are implementing the United Nations Convention against Corruption, including assistance to combat anti-competitive, unethical, and corrupt activities, including protection against actions that may distort or inhibit transparency in market mechanisms and impair the development of small and medium enterprises.

“(B) providing assistance to develop a legal framework for commercial transactions that fosters business practices that promote transparent, ethical, and competitive behavior in the economic sector, such as commercial codes that incorporate international standards and protection of national and international intellectual property rights and core labor standards; and

“(C) providing training and technical assistance relating to drafting of anti-corruption,
privatization, and competitive statutory and ad-
ministrative codes, and providing technical as-
sistance to ministries and agencies imple-
menting anti-corruption laws and regulations.

“(c) CONSIDERATION.—In making a determination to
provide assistance to financial institutions referred to in
subsection (b), the President should take into consider-
ation the extent to which a project establishes and imple-
ments a nondiscrimination in lending policy to prohibit
discrimination based on ethnicity, sex, color, race, religion,
physical disability, marital status, or age, and a policy
against predatory lending practices.

“(d) ACCEPTANCE AND USE OF GIFTS, DEVISES, BE-
QUESTS, AND GRANTS.—In accordance with section
635(d) of this Act, the President may accept and use in
furtherance of the purposes of this section, money, funds,
property, and services of any kind made available by gift,
device, bequest, grant, or otherwise for such purposes.

“(c) REPORT.—

“(1) IN GENERAL.—Not later than January 31
of each year, the President shall transmit to the ap-
propriate congressional committees a report that
contains a detailed description of the implementation
of this section for the prior fiscal year.
“(2) CONTENTS.—The report required by paragraph (1) shall contain a description of the number of grants, contracts, cooperative agreements, or other form of assistance provided under this section with a detailed description of—

“(A) the amount of each grant, contract, cooperative agreement, or other form of assistance; and

“(B) the name of each recipient and each country with respect to which projects or activities under the grant, contract, cooperative agreement, or other form of assistance were carried out.

“(3) AVAILABILITY TO THE PUBLIC.—The report required by this subsection shall be made available to the public on the Internet website of the United States Agency for International Development.

“(f) DEFINITIONS.—In this section:

“(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ‘appropriate congressional committees’ means—

“(A) the Committee on International Relations of the House of Representatives; and
“(B) the Committee on Foreign Relations of the Senate.

“(2) SMALL AND MEDIUM ENTERPRISES IN SUB-SAHARAN AFRICAN COUNTRIES.—

“(A) IN GENERAL.—The term ‘small and medium enterprises in sub-Saharan African countries’ means corporations and other legal entities that meet the requirements of this subparagraph. A legal entity meets the requirements of this subparagraph if it—

“(i) is organized under the laws of a sub-Saharan African country and has its principal place of business within such country;

“(ii) is owned or controlled by natural persons who are citizens of the sub-Saharan African country referred to in clause (i); and

“(iii) has fewer than 50 employees.

“(B) OWNED OR CONTROLLED.—In subparagraph (A), the term ‘owned or controlled’ means—

“(i) in the case of a corporation, the holding of at least 50 percent (by vote or
value) of the capital structure of the corporation; and

“(ii) in the case of any other kind of legal entity, the holding of interests representing at least 50 percent of the capital structure of the entity.


“(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the President to carry out this section $30,000,000 for each of the fiscal years 2007 and 2008.”.

(b) CONFORMING AMENDMENT.—Section 497 of the Foreign Assistance Act of 1961 (22 U.S.C. 2294) is amended in the second sentence by adding at the end before the period the following: “or section 496A”.

SEC. 6. ACTIONS TO IMPROVE TRADE BETWEEN SUB-SAHARAN AFRICAN COUNTRIES AND THE UNITED STATES.

(a) ACTIONS OF THE UNITED STATES TRADE REPRESENTATIVE.—

(1) PLAN.—The United States Trade Representative, in consultation with the Administrator
of the United States Agency for International Development and the Secretary of Agriculture, shall develop a comprehensive plan for the expansion and diversification of agricultural trade between sub-Saharan African countries and the United States under the African Growth and Opportunity Act (19 U.S.C. 3701 et seq.).

(2) Elements.—The plan required by paragraph (1) shall—

(A) identify the major agricultural products that are exported between sub-Saharan African countries and the United States;

(B) analyze critical constraints to agricultural trade between sub-Saharan African countries and the United States and efforts to remove such constraints;

(C) increase capacity building for research and development for local, regional, and international markets, agricultural export products, quality improvement, and international food standards;

(D) strengthen infrastructure and communication networks to reduce marketing and transaction costs, in collaboration with the
(E) increase access to market information (such as information relating to prices, product quality and demand, input quality and costs, and customs rules and regulations) for smallholder farmers, farmer groups and cooperatives, and relevant government ministries of sub-Saharan African countries;

(F) establish and strengthen public-private partnerships in sub-Saharan African countries to enhance agricultural trade between such countries and the United States;

(G) establish consultation mechanisms between the five United States Agricultural Technical Advisory Committees and counterpart groups in sub-Saharan African countries and regional economic organizations; and

(H) support ongoing discussions with agricultural government ministries of sub-Saharan African countries and private sector agricultural organizations in sub-Saharan African countries on issues of mutual concern in the context of World Trade Organization (WTO) agricultural negotiations.
(3) **Report.**—Not later than one year after the date of the enactment of this Act, the United States Trade Representative shall submit to Congress a report that contains—

(A) a detailed description of the plan required by this subsection; and

(B) recommendations for legislation, administrative actions, or other actions that the Trade Representative considers appropriate to implement the plan.

(b) **Actions of the Department of State.**—

(1) **Activities to strengthen fundamental labor rights.**—

(A) **Sense of Congress.**—It is the sense of Congress that sustained economic growth and development in sub-Saharan Africa will depend on building strong, effective enforcement of international labor standards and democratic trade unions that can responsibly represent workers’ interests at the workplace and with their governments in sub-Saharan African countries.

(B) **Activities.**—The Secretary of State shall undertake activities to strengthen inter-
nationally recognized labor rights and standards in sub-Saharan African countries by—

(i) ensuring that governments and businesses in sub-Saharan African countries are aware of their obligations (through membership in the International Labor Organization (ILO) as well as under United States trade preference programs such as the generalized system of preferences and the African Growth and Opportunity Act) to respect, promote, and realize the international labor standards established by the ILO;

(ii) monitoring the enforcement of labor laws in sub-Saharan African countries, including labor laws relating to workers’ rights to free association, prohibitions on child labor, forced labor, and discrimination, safety in the work environment, workplace standards laws regulating minimum wage and hours of work, and collective bargaining, through ensuring, among other things, that reporting on labor rights at United States missions is a priority; and
(iii) providing technical assistance to enhance enforcement of labor laws in sub-Saharan African countries and for institutional capacity building of trade unions to increase their capabilities to represent workers at workplaces and with their governments.

(2) Activities to Promote Dialogue Among Business, Government, Labor, and Nongovernmental Organizations.—The Secretary of State shall undertake activities to promote social dialogue among business, government, labor, and nongovernmental organizations, including all types of negotiations, consultations, or exchanges of information between, or among, representatives of business, government, labor, and nongovernmental organizations, on issues of common interest relating to economic and social policy.

(c) Actions of the Food and Drug Administration.—The Secretary Health and Human Services, acting through the Food and Drug Administration—

(1) shall provide training to agricultural producers in sub-Saharan African countries to ensure that exports of such producers meet United States food safety standards;
(2) should provide technical assistance and capacity building to agricultural producers in sub-Saharan African countries to ensure such producers meet phytosanitary standards in planting, cultivating, harvesting, and processing agricultural products for export, with particular attention to institutions serving smallholder producers, small-scale rural businesses, and cooperatives; and

(3) should provide assistance to strengthen agricultural research and extension capacity to disseminate relevant information on pests and diseases to smallholder farmers in sub-Saharan African countries, as well as successful, cost efficient and environmentally sound solutions.

(d) ACTIONS OF THE FOREIGN AGRICULTURE SERVICE.—The Secretary of Agriculture, acting through the Foreign Agriculture Service, should improve market access for United States agricultural products in sub-Saharan African countries by—

(1) in conjunction with the Secretary of Commerce, strengthening the capacity of agricultural producer organizations in sub-Saharan African countries to identify agricultural equipment and supply needs;
(2) working with United States financial institutions to increase the number of such financial institutions that cooperate with the Supplier Credit Guarantee Program;

(3) working with financial institutions in sub-Saharan African countries to remove obstacles that inhibit fuller implementation of the Export Credit Guarantee and Intermediate Export Credit Guarantee programs; and

(4) facilitating access for ports of entry and warehouse facilities in sub-Saharan African countries to the Facilities Guarantee Program.

(c) ACTIONS OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT.—

(1) TECHNICAL ASSISTANCE RELATING TO AGOA ELIGIBILITY.—The President, acting through the Administrator of the United States Agency for International Development, shall provide technical assistance to eligible sub-Saharan African countries under the African Growth and Opportunity Act (19 U.S.C. 3701 et seq.) to assist such countries to continue to meet the eligibility requirements under such Act, including eligibility requirements relating to political and economic reforms.
(2) Technical assistance relating to AGOA benefits.—The President, acting through the Administrator of the United States Agency for International Development, shall provide technical assistance to eligible sub-Saharan African countries under the African Growth and Opportunity Act to enable small and medium enterprises in sub-Saharan African countries, including agricultural producers, processors and traders, to maximize benefits under such Act (and the amendments made by that Act), including—

(A) specific training for business owners on expanding access to the benefits of the African Growth and Opportunity Act (and the amendments made by that Act) and other trade preference programs;

(B) capacity building for entrepreneurs on production strategies, quality standards, formation of cooperatives, market research, and market development;

(C) capacity building to promote diversification of products and value-added processing; and

(D) capacity building and technical assistance for businesses and institutions to help
them comply with United States counter-terrorism laws.

(3) TRANSPORTATION AND COMMUNICATIONS.—

(A) FINDINGS.—Congress finds the following:

(i) A major impediment to trade between sub-Saharan African countries and the United States is inadequate direct and regular transport, for products and people, between such countries and the United States.

(ii) This transport deficit has reduced the competitiveness of products of sub-Saharan African countries, hindered the people of sub-Saharan African countries from expanding exports of perishable items, such as cut flowers or fresh fruits and vegetables, limited the ability of sub-Saharan African countries to increase tourism, and limited the overall volume of trade between sub-Saharan African countries and the United States.

(B) SENSE OF CONGRESS.—It is the sense of Congress that there should be an expansion
of port-to-port relationships between sub-Saharan African countries and the United States. Such relationships should facilitate—

(i) increased coordination between land, sea, and airports to reduce time in transit and thus freight charges;

(ii) interaction between technical staff from land, sea, and airports in sub-Saharan African countries and the United States to increase efficiency and safety procedures and protocols;

(iii) coordination between chambers of commerce, freight forwarders, customs brokers, and others involved in consolidating and moving freight; and

(iv) joint negotiations with shipping companies and airlines on direct shipping and flights between land, sea, and airports in sub-Saharan African countries and the United States to increase frequency and capacity.

(C) ASSISTANCE.—The President, acting through the Administrator of the United States Agency for International Development and the Global Development Alliance of the Agency,
shall facilitate trade between sub-Saharan African countries and the United States by encouraging public-private partnerships involving businesses in sub-Saharan African countries and the United States, national and local governments, bilateral donors, and international financial institutions, to create needed transportation and communication infrastructure for products and people between rural areas and markets (such as “farm-to-market” roads), and between sub-Saharan African countries.

(f) Actions of the Small Business Administration.—The Administrator of the Small Business Administration should conduct trade training programs for small businesses in the United States, such as the Export Trade Assistance Program, which convey basic information on selling goods to foreign markets, including markets in sub-Saharan African countries.

(g) Authorization of Appropriations.—

(1) General activities.—There are authorized to be appropriated to carry out this section (other than subsection (b)) $5,000,000 for each of the fiscal years 2007 and 2008.

(2) Activities of the Department of State.—There are authorized to be appropriated to
carry out subsection (b) $3,000,000 for each of the fiscal years 2007 and 2008.

(3) \textit{Availability}.—Amounts appropriated pursuant to the authorization of appropriations under paragraphs (1) and (2) are authorized to remain available until expended.

\textbf{SEC. 7. DEFINITIONS.}

In this Act:

(1) \textit{Small and medium enterprises in sub-Saharan African countries}.—The term “small and medium enterprises in sub-Saharan African countries” has the meaning given the term in section 496A(e)(2) of the Foreign Assistance Act of 1961 (as added by section 5(a) of this Act).

Mr. SMITH OF NEW JERSEY. Without objection, the bill will be considered as read and open for amendment at any point.

The clerk will report the bill.

Ms. PLUMLEY. H.R. 4319, to provide assistance for small and medium enterprises in sub-Saharan African countries and for other purposes.

Mr. SMITH OF NEW JERSEY. Without objection, it is considered as read and open for amendment. And I recognize myself for a brief moment to explain the bill.

Two weeks ago this Committee held a hearing on removing obstacles to small and medium enterprises in Africa. That hearing was a prelude to our consideration of H.R. 4319, the Assistance For Small and Medium Enterprises in sub-Saharan African Countries Act.

I would like to thank Mr. Lantos, the Ranking Member of our Full Committee, for his cooperative efforts in working with me and other Members of the Committee to craft this legislation—it is his bill—to meet a need that our hearing confirmed.

While the African Growth and Opportunity Act, or AGOA, was intended to build business linkages between African and American entrepreneurs, too often these linkages have involved the oil trade rather than small and medium enterprises. As we all know, it is small businesses that create jobs, and the lack of small and medium enterprises’ participation in AGOA limits the benefits we had hoped such businesses would realize.

In the hearing, we heard witnesses tell us that too many obstacles interfered with the ability of small and medium enterprises to take advantage of the opportunities offered by AGOA. One of the main problems is the lack of attention to United States-African agricultural trade; 70 percent of Africans are engaged in agriculture, and if our trade preliminaries have any hope of reducing poverty, we must help small and medium businesses in the agricultural sector.

H.R. 4319 does just that. To that end, H.R. 4319 empowers the FDA to provide technical assistance to African farmers to ensure that their exports meet American requirements and calls on the Department of Agriculture to help improve market access for United States agricultural products in African countries.

H.R. 4319 does not neglect small and medium enterprises outside of the agricultural sector. It calls on the Small Business Administration to convey basic information on selling goods in foreign markets.

A very important aspect of this legislation is that H.R. 4319 protects the rights of workers to encourage productive labor-management relations so that increased United States-Africa trade is not plagued by workers laboring in unsafe conditions.

Provisions of this bill have long been championed by Members of the Committee, including Mr. Payne and Mr. Royce, but were stripped out from the last AGOA bill. We believe that the reinsertion of these provisions in the legislation will enable our trade preference programs to be more effective in broadening the benefits to small and medium enterprises.

I yield to Mr. Payne for his comments.

[The prepared statement of Mr. Smith follows:]
Two weeks ago, this Subcommittee held a hearing on removing obstacles to small and medium enterprises in Africa. That hearing was a prelude to our consideration of H.R. 4319—the Assistance for Small and Medium Enterprises in Sub-Saharan African Countries Act.

I’d like to thank Mr. Lantos, the ranking member of our Committee, for his cooperative efforts in working with me to craft this legislation to meet a need that our hearing confirmed. While the African Growth and Opportunity Act, or AGOA, was intended to build business linkages between African and American entrepreneurs, too often these linkages have involved the oil trade rather than small and medium enterprises. As we all know, it is small business that creates jobs, and the lack of small and medium enterprise participation in AGOA limits the benefits we had hoped such businesses would realize.

In the hearing, we heard witnesses tell us that too many obstacles interfered with the ability of small and medium enterprises to take advantage of the opportunities offered by AGOA. One of the main problems is the lack of attention to U.S.-African agriculture trade. Seventy percent of Africans are engaged in agriculture, and if our trade programs have any hope of reducing poverty, we must help small and medium business in the agriculture sector. H.R. 4319 does that.

To that end, H.R. 4319 also empowers the Food and Drug Administration to provide technical assistance to African farmers to ensure that their exports meet American requirements and calls on the Department of Agriculture to help improve market access for U.S. agricultural products in Africa countries.

However, H.R. 4319 does not neglect small and medium enterprises outside the agriculture sector. It calls on the Small Business Administration to convey basic information on selling goods in foreign markets.

A very important aspect of this legislation is that H.R. 4319 protects the rights of workers and encourages productive labor-management relations so that increased U.S.-Africa trade is not plagued by workers laboring in unsafe conditions.

Provisions of this bill have long been championed by members of the Subcommittee, such as Mr. Royce and Mr. Payne, but were stripped from the last AGOA bill. We believe the reinsertion of these provisions in legislation will enable all our trade preference programs to be more effective in broadening the benefits to small and medium enterprises.

I ask my colleagues to give favorable consideration to H.R. 4319, which is a very timely and useful effort to make U.S.-Africa trade as effective as it was intended to be.

Mr. PAYNE. Thank you, Mr. Chairman. And I strongly support 4319. As we know, perhaps 80 percent of population in Africa lives in rural areas, and it would just seem that it is a natural thing for people who live in rural areas to be able to use that area for agriculture.

We do know there are some problems here in our country, in Europe and in Japan where a tremendous amount of agricultural subsidies are given to the farmers in the Western Europe, United States and Japanese countries. We will be unable to impact that here immediately, but I think that we should do everything that we can to assist the African farmer.

Unfortunately, about 25 years ago, USAID got out of the business of assisting in farming, and until Administrator Natsios returned, there was no emphasis on agriculture at all, and he did start a move for USAID to focus on agriculture.

If you keep people—if there are opportunities in the agricultural regions, it will prevent people from rushing to the cities where the cities are overcrowded. It creates slums; people are looking for employment, and it just exacerbates an already bad situation. And so if there is a way to keep people in the rural areas in agricultural sectors, I think that that helps the countries in general.
Mr. Natsios has left USAID, but I hope the new administrator will pick up on the whole question of agriculture. But I think that this bill will certainly go a long way in assisting small and medium-size enterprises, and so I urge support of the legislation.

Mr. Smith of New Jersey. Thank you.

Are there any amendments to the bill? Would anyone else like to be heard?

Ms. Watson. Mr. Chairman, I do have a concern that was brought to me by representatives of the Ethiopian Government, and it had to do with IP, intellectual property.

But more so than that, they are the producer of a very fine coffee bean upon which some newly established coffee houses have made their fortunes; and the trade arrangements are such that there is a disincentive for the country of Ethiopia to grow the coffee bean, because they only get, like, 1 percent of the take, and it costs them so much to farm.

So I might also look to see if we can put protections in here for the intellectual property. They are trying to grab their brand name from them, so there are some trade considerations that I would like to see. I will then look at bill and prepare an amendment along those lines.

Mr. Smith of New Jersey. Thank you.

The question occurs on the motion to report the bill H.R. 4319, Assistance For Small and Medium Enterprises in sub-Saharan African Countries Act of 2005, favorably.

All those in favor, signify by saying aye.

Opposed, no.

The motion is approved and the bill is reported favorably. The staff is directed to make any technical and conforming amendments.

We now move to our next piece of legislation. Pursuant to notice, I call up the bill H.R. 4780, the Global Online Freedom Act of 2006, for purposes of markup, and move its favorable recommendation to the Full Committee. Without objection, the bill will be considered as read and open for amendment at any point.

[H.R. 4780 follows:]
109TH CONGRESS 2d Session

H. R. 4780

To promote freedom of expression on the Internet, to protect United States businesses from coercion to participate in repression by authoritarian foreign governments, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

February 16, 2006

Mr. Smith of New Jersey (for himself, Mr. Lantos, Mr. Wolf, Mr. Payne, Mr. Rohrabacher, and Mr. Ryan of Ohio) introduced the following bill; which was referred to the Committee on International Relations, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

A BILL

To promote freedom of expression on the Internet, to protect United States businesses from coercion to participate in repression by authoritarian foreign governments, 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 TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Global Online Freedom Act of 2006”.

1
(b) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Definitions.
Sec. 4. Severability.

**TITLE I—PROMOTION OF GLOBAL INTERNET FREEDOM**

See. 102. Sense of Congress.
See. 105. Annual designation of Internet-restricting countries; report.

**TITLE II—MINIMUM CORPORATE STANDARDS FOR ONLINE FREEDOM**

See. 201. Protection of search engines and content services.
See. 203. Transparency regarding search engine filtering.
See. 204. Protection of United States-supported online content.
See. 205. Transparency regarding Internet censorship.
See. 206. Integrity of user identifying information.
See. 207. Penalties.

**TITLE III—EXPORT CONTROLS FOR INTERNET-RESTRICTING COUNTRIES**

See. 301. Establishment of export controls.

**SEC. 2. FINDINGS.**

Congress makes the following findings:

1. Freedom of speech and freedom of the press are fundamental human rights, and free use of the Internet is protected in Article 19 of the Universal Declaration of Human Rights, which guarantees freedom to “receive and impart information and ideas through any media regardless of frontiers”.

---

*HR 4780 III*
(2) The Internet has been a success because it quickly provides information to its more than 972 million users globally.

(3) The growth of the Internet and other information technologies can be a force for democratic change if the information is not subject to political censorship.

(4) The Internet has played a role in bringing international attention to issues the discussion of which are forbidden by authoritarian foreign governments, such as attempts by the Government of the People's Republic of China to suppress news of the severe acute respiratory syndrome (SARS) outbreak in 2004.

(5) The rapid provision of full and uncensored information through the Internet has become a major industry of the United States, and one of its major exports.

(6) Political censorship of the Internet degrades the quality of that service and ultimately threatens the integrity and viability of the industry itself, both in the United States and abroad.

(7) Authoritarian foreign governments such as the Governments of Belarus, Burma, the People's Republic of China, Cuba, Iran, Libya, the Maldives,
Nepal, North Korea, Saudi Arabia, Syria, Tunisia, Turkmenistan, Uzbekistan, and Vietnam block, restrict, and monitor the information their citizens try to obtain.

(8) Web sites that provide uncensored news and information, such as the Web sites of the Voice of America and Radio Free Asia, are routinely blocked in such countries.

(9) In June 2003, the Government of the Socialist Republic of Vietnam arrested, convicted of “spying”, and sentenced to 13 years' imprisonment and 3 years' house arrest (later reduced on appeal to 5 years' imprisonment and 6 years' house arrest) Dr. Pham Hong Son after he translated an Internet article titled “What is Democracy” from the Web site of the United States Embassy in Vietnam.

(10) According to the Department of State’s Country Reports on Human Rights Practices, the Government of Vietnam in 2004 tightened control of the Internet, requiring Internet agents, such as cyber cafes, to register the personal information of their customers and store records of Internet sites visited by customers. The Vietnamese Government also monitored electronic mail, searched for sensitive key words, and regulated Internet content.
The Government of the People’s Republic of China has employed censorship of the Internet in violation of Article 35 of the Chinese Constitution, which guarantees freedom of speech, freedom of the press, freedom of assembly, freedom of association, freedom of procession, and freedom of demonstration.

This censorship by the Chinese Government promotes, perpetuates, and exacerbates a xenophobic—and at times particularly anti-American—Chinese nationalism, the long-term effect of which will be deleterious to United States efforts to prevent the relationship between the United States and China from becoming hostile.

Unchecked transfers of dual use technology have already increased China’s ability to successfully invade Taiwan, and correspondingly diminished United States and Taiwanese capacity to defend that democratic society, thereby greatly increasing tension in East Asia.

Technology companies in the United States that operate in countries controlled by authoritarian foreign governments have a responsibility to comply with the principles of the Universal Declaration of Human Rights.
(15) Technology companies in the United States have succumbed to pressure by authoritarian foreign governments to provide such governments with information about Internet users that has led to the arrest and imprisonment of cyber dissidents, in violation of the corporate responsibility of such companies to protect and uphold human rights.

(16) Technology companies in the United States have provided the technology and training to authoritarian foreign governments to assist such governments in filtering and blocking information that promotes democracy and freedom.

(17) Technology companies in the United States have failed to develop standards by which they can conduct business with authoritarian foreign governments while protecting human rights to freedom of speech and freedom of expression.

(18) The United States supports the universal right to freedom of speech and freedom of the press.

SEC. 3. DEFINITIONS.

In this Act:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—Except as otherwise provided in this Act, the term “appropriate congressional committees” means—
(A) the Committee on International Relations of the House of Representatives; and

(B) the Committee on Foreign Relations of the Senate.

(2) FOREIGN OFFICIAL.—

(A) IN GENERAL.—The term “foreign official” means—

(i) any officer or employee of a foreign government or any department, agency, state-owned enterprise, or instrumentality thereof; or

(ii) any person acting in an official capacity for or on behalf of any such government or department, agency, state-owned enterprise, or instrumentality.

(B) STATE-OWNED ENTERPRISE.—For purposes of subparagraph (A), the term “state-owned enterprise” means a commercial entity in which a foreign government owns, directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such commercial entity.

(3) INTERNET.—The term “Internet” means the combination of computer facilities, telecommunications facilities, electromagnetic transmission
media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol or any successor protocol to transmit information.

(4) Internet content hosting service.—
The terms “Internet content hosting service” and “content hosting service” mean a service that—

(A) stores, through electromagnetic or other means, electronic data, including the content of web pages, electronic mail, documents, images, audio and video files, online discussion boards, and weblogs; and

(B) makes such data available via the Internet.

(5) Internet jamming.—The term “Internet jamming” means jamming, censoring, blocking, monitoring, or restricting access to the Internet, or to content made available via the Internet, by using technologies such as firewalls, filters, and “black boxes”.

(6) Internet-restricting country.—The term “Internet-restricting country” means a country designated by the President pursuant to section 105(a) of this Act.
(7) **INTERNET SEARCH ENGINE.**—The term “Internet search engine” or “search engine” means a service made available via the Internet that, on the basis of query consisting of terms, concepts, questions, or other data input by a user, searches information available on the Internet and returns to the user a means, such as a hyperlinked list of Uniform Resource Identifiers, of locating, viewing, or downloading information or data available on the Internet relating to that query.

(8) **LEGITIMATE FOREIGN LAW ENFORCEMENT PURPOSES.**—

(A) **IN GENERAL.**—The term “legitimate foreign law enforcement purposes” means for purposes of enforcement, investigation, or prosecution by a foreign official based on a publicly promulgated law of reasonable specificity that proximately relates to the protection or promotion of the health, safety, or morals of the citizens of that jurisdiction.

(B) **RULE OF CONSTRUCTION.**—For purposes of this Act, the control, suppression, or punishment of peaceful expression of political or religious opinion, which is protected by Article 19 of the International Covenant on Civil and
10

Political Rights, does not constitute a legitimate foreign law enforcement purpose.

(9) **Protected filter terms.**—The term “protected filter terms” means the words, terms, and phrases identified by the Office of Global Internet Freedom pursuant to section 104(b)(4) of this Act.

(10) **Substantial restrictions on Internet freedom.**—The term “substantial restrictions on Internet freedom” means actions that restrict or punish the free availability of information via the Internet for reasons other than legitimate foreign law enforcement purposes, including—

(A) deliberately blocking, filtering, or censoring information available via the Internet based on its peaceful political or religious content; or

(B) persecuting, prosecuting, or otherwise punishing an individual or group for posting or transmitting peaceful political or religious opinions via the Internet, including by electronic mail.

(11) **United States business.**—The term “United States business” means—
(A) any corporation, partnership, association, joint-stock company, business trust, unincorporated organization, or sole proprietorship that—

(i) has its principal place of business in the United States; or

(ii) is organized under the laws of a State of the United States or a territory, possession, or commonwealth of the United States;

(B) any issuer of a security registered pursuant to section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 78l); and

(C) any foreign subsidiary of an entity described in subparagraph (A) or (B) to the extent such entity—

(i) controls the voting shares or other equities of the foreign subsidiary; or

(ii) authorizes, directs, controls, or participates in acts carried out by the foreign subsidiary that are prohibited by this Act.

(12) UNITED STATES-SUPPORTED CONTENT.—

The term “United States-supported content” means content that is created or developed, in whole or in
part, by a United States-supported information entity.

(13) UNITED STATES-SUPPORTED INFORMATION ENTITY.—The term “United States-supported information entity” means—

(A) any authority of the Government of the United States; and

(B) any entity that—

(i) receives grants from the Broadcasting Board of Governors to carry out international broadcasting activities in accordance with the United States International Broadcasting Act of 1994 (title III of Public Law 103–236; 22 U.S.C. 6201 et seq.);

(ii) in coordination with the International Broadcasting Bureau, carries out all nonmilitary international broadcasting activities supported by the Government of the United States in accordance with such Act (other than the international broadcasting activities supported by the Broadcasting Board of Governors as specified in such Act); or
(iii) receives grants or other similar funding from the Government of the United States to carry out any information dissemination activities.

(14) **UNITED STATES-SUPPORTED WEBSITE.**— The term “United States-supported website” means a location on the World Wide Web that is owned or managed by, or is registered to, a United States-supported information entity.

**SEC. 4. SEVERABILITY.**

If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act, and the application of such provision to other persons not similarly situated or to other circumstances, shall not be affected by such invalidation.

**TITLE I—PROMOTION OF GLOBAL INTERNET FREEDOM**

**SEC. 101. STATEMENT OF POLICY.**

It shall be the policy of the United States—

(1) to promote the ability of all to access and contribute information, ideas, and knowledge via the Internet and to advance the right to receive and impart information and ideas through any media and regardless of frontiers as a fundamental component of United States foreign policy;
(2) to use all instruments of United States in-
fluence, including diplomacy, trade policy, and ex-
port controls, to support, promote, and strengthen
principles, practices, and values that promote the
free flow of information; and

(3) to prohibit any United States businesses
from cooperating with officials of Internet-restricting
countries in effecting the political censorship of on-
line content.

SEC. 102. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the President should commence negotiations
in appropriate international fora, including the Or-
ganization of Economic Cooperation and Develop-
ment (OECD), the World Trade Organization
(WTO), the United Nations World Summit on the
Information Society (WSIS), and the Internet Gov-
ernance Forum (IGF), to obtain the agreement of
other countries to enact legislation similar to this
Act and to pursue the development of international
agreements protecting Internet freedom; and

(2) to the extent that a United States business
empowers or assists an authoritarian foreign govern-
ment in its efforts to restrict online access to the
Web sites of Radio Free Asia, the Voice of America,
or other United States-supported Web sites and on-line access to United States Government reports such as the Annual Country Reports on Human Rights Practices and the International Religious Freedom Report, that business is working contrary to the foreign policy interests of the United States, and is undercutting United States taxpayer-funded efforts to promote freedom of information for all people, including those in undemocratic and repressive societies.

SEC. 103. ANNUAL COUNTRY REPORTS ON HUMAN RIGHTS PRACTICES.

(a) REPORT RELATING TO ECONOMIC ASSISTANCE.—Section 116 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151n) is amended by adding at the end the following new subsection:

"(g)(1) The report required by subsection (d) shall include an assessment of the freedom of electronic information in each foreign country. Such assessment shall include the following:

"(A) An assessment of the general extent to which Internet access is available to and used by citizens in that country.

"(B) An assessment of the extent to which government authorities in that country attempt to filter,
censor, or otherwise block Internet content, as well as a description of the means by which they attempt to block such content.

“(C) A description of known instances in which government authorities in that country have persecuted, prosecuted, or otherwise punished a person or group for the peaceful expression of political, religious, or dissenting views via the Internet, including electronic mail.

“(2) In compiling data and making assessments for the purposes of paragraph (1), United States diplomatic mission personnel shall consult with human rights organizations and other appropriate nongovernmental organizations.”.

(b) REPORT RELATING TO SECURITY ASSISTANCE.—Section 502B of the Foreign Assistance Act of 1961 (22 U.S.C. 2304) is amended by adding at the end the following new subsection:

“(i)(1) The report required by subsection (b) shall include an assessment of the freedom of electronic information in each foreign country. Such assessment shall include the following:

“(A) An assessment of the general extent to which Internet access is available to and used by citizens in that country.
“(B) An assessment of the extent to which government authorities in that country attempt to filter, censor, or otherwise block Internet content, as well as a description of the means by which they attempt to block such content.

“(C) A description of known instances in which government authorities in that country have persecuted, prosecuted, or otherwise punished a person or group for the peaceful expression of political, religious, or dissenting views via the Internet, including electronic mail.

“(2) In compiling data and making assessments for the purposes of paragraph (1), United States diplomatic mission personnel shall consult with human rights organizations and other appropriate nongovernmental organizations.”.

SEC. 104. OFFICE OF GLOBAL INTERNET FREEDOM.

(a) Establishment.—There is established in the Department of State the Office of Global Internet Freedom (in this section referred to as the “Office”).

(b) Duties.—In addition to such other responsibilities as the President may assign, the Office shall—

(1) serve as the focal point for interagency efforts to protect and promote freedom of electronic information abroad;
(2) develop and implement a global strategy to combat state-sponsored and state-directed Internet jamming by authoritarian foreign governments, and the intimidation and persecution by such governments of their citizens who use the Internet;

(3) provide assistance to the President in connection with the annual designation of Internet-restricting countries required by section 105(a) of this Act;

(4) beginning not later than 180 days after the date of the enactment of this Act—

(A) identify key words, terms, and phrases relating to human rights, democracy, religious free exercise, and peaceful political dissent, both in general and as specifically related to the particular context and circumstances of each Internet-restricting country, for purposes of compliance by United States businesses with the requirements of section 202 of this Act; and

(B) maintain, update, and make publicly available on a regular basis the key words, terms, and phrases identified pursuant to subparagraph (A);

(5) establish mechanisms by which United States businesses can transmit to the Office the in-
formation required to be reported by sections 203
and 205 of this Act;

(6) work with appropriate technology companies
involved in providing, maintaining, or servicing the
Internet, human rights organizations, academic ex-

perts, and others to develop a voluntary code of min-

imum corporate standards related to Internet free-

edom; and

(7) advise the appropriate congressional com-

mittees of legislative action that may be necessary to
keep the provisions of this Act and the amendments
made by this Act relevant to changing technologies.

(c) Cooperation of Other Federal Departments and Agencies.—Each department and agency of
the Government of the United States, including the De-
partment of Commerce, the Office of the United States
Trade Representative, the Department of Justice, the
International Broadcasting Bureau, and the Office of the
Director of National Intelligence, shall—

(1) cooperate fully with, and assist in the imple-
mentation of, the duties of the Office described in
subsection (b), including the strategy developed by
the Office pursuant to paragraph (2) of subsection
(b); and
(2) make such resources and information available to the Office as is necessary to achieve the purposes of this Act and the amendments made by this Act.

(d) DEFINITION.—In this section, the term “appropriate congressional committees” means—

(1) the Committee on International Relations and the Committee on Energy and Commerce of the House of Representatives; and

(2) the Committee on Foreign Relations and the Committee on Commerce, Science, and Transportation of the Senate.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Office to carry out this section such sums as may be necessary for fiscal year 2007 and each subsequent fiscal year.

SEC. 105. ANNUAL DESIGNATION OF INTERNET-RESTRICTING COUNTRIES; REPORT.

(a) Designation.—

(1) In general.—Not later than 180 days after the date of the enactment of this Act, and annually thereafter, the President shall designate Internet-restricting countries for purposes of this Act.
(2) **STANDARD.**—A foreign country shall be designated as an Internet-restricting country if the President determines that the government of the country is directly or indirectly responsible for a systematic pattern of substantial restrictions on Internet freedom during the preceding one-year period.

(3) **INITIAL DESIGNEES.**—

(A) **IN GENERAL.**—Each of the countries specified in subparagraph (B) shall be deemed to be designated as an Internet-restricting country pursuant to paragraph (1) beginning on the date of the enactment of this Act and ending on the date on which the President certifies to the appropriate congressional committees that the country involved is no longer directly or indirectly responsible for a systematic pattern of substantial restrictions on Internet freedom.

(B) **COUNTRIES.**—The countries referred to in subparagraph (A) are Burma, the People’s Republic of China, Iran, North Korea, Tunisia, Uzbekistan, and Vietnam.

(b) **REPORT.**—

(1) **IN GENERAL.**—Not later than 180 days after the date of the enactment of this Act, and an-
nually thereafter, the President shall transmit to the appropriate congressional committees a report that contains the following:

(A) The name of each foreign country that at the time of the transmission of the report is designated as an Internet-restricting country pursuant to subsection (a).

(B) An identification of each government agency and quasi-government organization responsible for the substantial restrictions on Internet freedom in each foreign country designated as an Internet-restricting country pursuant to subsection (a).

(C) A description of efforts by the United States to counter the substantial restrictions on Internet freedom referred to in subparagraph (B).

(2) FORM.—The information required by paragraph (1)(C) of the report may be provided in a classified form if necessary.

(3) INTERNET AVAILABILITY.—All unclassified portions of the report shall be made publicly available on the Internet Web site of the Department of State.
TITLE II—MINIMUM CORPORATE STANDARDS FOR ONLINE FREEDOM

SEC. 201. PROTECTION OF SEARCH ENGINES AND CONTENT SERVICES.

Any United States business that creates, provides, or hosts any Internet search engine or maintains an Internet content hosting service may not locate, within a designated Internet-restricting country, any computer hardware used to house, store, serve, or maintain files or other data involved in providing such search engine or content hosting service.

SEC. 202. INTEGRITY OF SEARCH ENGINES.

Any United States business that creates, provides, or hosts any Internet search engine may not alter the operation of such search engine with respect to protected filter terms either—

(1) at the request of, or by reason of any other direct or indirect communication by, of a foreign official of an Internet-restricting country; or

(2) in a manner intended or likely to produce different search engine results for users accessing the search engine from within an Internet-restricting country as compared to users elsewhere.
SEC. 203. TRANSPARENCY REGARDING SEARCH ENGINE FILTERING.

Any United States business that creates, provides, or hosts an Internet search engine shall provide the Office of Global Internet Freedom, in a format and with a frequency to be specified by the Office, with all terms and parameters submitted, entered, or otherwise provided by any foreign official of an Internet-restricting country, that are used to filter, limit, or otherwise affect the results provided by the search engine when used by other users.

SEC. 204. PROTECTION OF UNITED STATES-SUPPORTED ONLINE CONTENT.

A United States business that maintains an Internet content hosting service may not conduct Internet jamming of a United States-supported website or United States-supported content in an Internet restricting country.

SEC. 205. TRANSPARENCY REGARDING INTERNET CENSORSHIP.

Any United States business that maintains an Internet content hosting service shall provide the Office of Global Internet Freedom, in a format and with a frequency to be specified by the Office, with copies of all data and content that such business has, at the request of, or by reason of any other direct or indirect communication by, any foreign official of an Internet-restricting country—

*HR 4780 III*
(1) removed from the content hosting service of such business;
(2) blocked from availability on the Internet; or
(3) blocked from transmission via the Internet into or within an Internet-restricting country.

SEC. 206. INTEGRITY OF USER IDENTIFYING INFORMATION.

(a) USER PROTECTION.—Any United States business that maintains an Internet content hosting service may not provide to any foreign official of an Internet-restricting country information that personally identifies a particular user of such content hosting service, except for legitimate foreign law enforcement purposes as determined by the Department of Justice.

(b) PRIVATE RIGHT OF ACTION.—Any person aggrieved by a violation of this section may bring an action for damages, including punitive damages, or other appropriate relief in the appropriate district court of the United States, without regard to the amount in controversy, and without regard to the citizenship of the parties.

SEC. 207. PENALTIES.

(a) CIVIL PENALTIES.—(1) Any United States business or United States person that violates section 206(a) shall be fined not more than $2,000,000.
(2) Any United States business or United States person that violates sections 201, 202, 203, 204 or 205 shall
be subject to a civil penalty of not more than $10,000 im-
posed in an action brought by the Attorney General.

(b) CRIMINAL PENALTIES.—(1) Any United States
business that willfully violates, or willfully attempts to vi-
olate section 206(a) shall be fined not more than $2,000,000, or if a natural person who is an officer, direc-
tor, employee, or agent of a United States business, or stockholder acting on behalf of such United States busi-
ness, shall be fined not more than $100,000, or impris-
ioned not more than 5 years, or both.

(2) Any United States business that willfully violates, or willfully attempts to violate section 201, 202, 203, 204 or 205 of this Act shall be fined not more than $10,000, or if a natural person who is an officer, director, employee, or agent of a United States business, or stockholder acting on behalf of such United States business, shall be fined not more than $10,000, or imprisoned not more than 1 year, or both.

(3) Whenever a fine is imposed under paragraph (2)
upon any officer, director, employee, agent, or stockholder of a United States business, such fine may not be paid, directly or indirectly, by such United States business.
TITLE III—EXPORT CONTROLS
FOR INTERNET-RESTRICTING COUNTRIES

SEC. 301. ESTABLISHMENT OF EXPORT CONTROLS.
Not later than 90 days after the date of the enactment of this Act, the Secretary of State, in consultation with the Secretary of Commerce, shall promulgate regulations to ensure the establishment of appropriate foreign policy control and export license requirements before any person subject to the jurisdiction of the United States may knowingly export any item subject to sections 730 through 774 of title 15, Code of Federal Regulations (commonly known as the “Export Administration Regulations”) to an end user in an Internet-restricting country for the purpose, in whole or in part, of facilitating Internet censorship.

SEC. 302. REPORT.
Not later than 120 days after the date of the enactment of this Act, the Secretary of State, in consultation with the Secretary of Commerce, shall submit to the appropriate congressional committees a report describing the actions taken to implement the requirements of section 301 of this Act.
Mr. Smith of New Jersey. The Clerk will report the amendment.

Ms. Plumley. Amendment in the nature of a substitute to H.R. 4780, offered by Mr. Smith of New Jersey.

[The information referred to follows:]
AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 4780
OFFERED BY MR. SMITH OF NEW JERSEY

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Global Online Freedom Act of 2006".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

See. 1. Short title; table of contents.
See. 2. Findings.
See. 3. Definitions.
See. 4. Severability.

TITLE I—PROMOTION OF GLOBAL INTERNET FREEDOM

See. 102. Sense of congress.
See. 103. Annual country reports on human rights practices.
See. 105. Annual designation of internet-restricting countries; report.

TITLE II—MINIMUM CORPORATE STANDARDS FOR ONLINE FREEDOM

See. 201. Protection of personally identifiable information.
See. 203. Transparency regarding search engine filtering.
See. 204. Transparency regarding internet censorship.
See. 205. Protection of United States-supported online content.
See. 206. Penalties.
See. 207. Presidential waiver.

TITLE III—EXPORT CONTROLS FOR INTERNET-RESTRICTING COUNTRIES

See. 301. Feasibility study on establishment of export controls.
SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Freedom of speech and freedom of the press are fundamental human rights, and free flow of information on the Internet is protected in Article 19 of the Universal Declaration of Human Rights, which guarantees freedom to “receive and impart information and ideas through any media regardless of frontiers”.

(2) The Internet has been a success because it quickly provides information to its more than 972,000,000 users globally.

(3) The growth of the Internet and other information technologies can be a force for democratic change if the information is not subject to political censorship.

(4) The Internet has played a role in bringing international attention to issues the discussion of which are forbidden by authoritarian foreign governments, such as attempts by the Government of the People’s Republic of China to suppress news of the severe acute respiratory syndrome (SARS) outbreak in 2004.

(5) The rapid provision of full and uncensored information through the Internet has become a
major industry of the United States, and one of its major exports.

(6) Political censorship of the Internet degrades the quality of that service and ultimately threatens the integrity and viability of the industry itself, both in the United States and abroad.

(7) Authoritarian foreign governments such as the Governments of Belarus, Cuba, Ethiopia, Iran, Laos, North Korea, the People's Republic of China, Tunisia, and Vietnam block, restrict, and monitor the information their citizens try to obtain.

(8) Web sites that provide uncensored news and information, such as the Web sites of the Voice of America and Radio Free Asia, are routinely blocked in such countries.

(9) In June 2003, the Government of the Socialist Republic of Vietnam arrested, convicted of “spying”, and sentenced to 13 years imprisonment and 3 years house arrest (later reduced on appeal to 5 years imprisonment and 3 years house arrest) Dr. Pham Hong Son after he translated an Internet article titled “What is Democracy” from the Web site of the United States Embassy in Vietnam.

(10) According to the Department of State’s Country Reports on Human Rights Practices, the
Government of Vietnam in 2004 tightened control of the Internet, requiring Internet agents, such as cyber cafes, to register the personal information of their customers and store records of Internet sites visited by customers. The Vietnamese Government also monitored electronic mail, searched for sensitive key words, and regulated Internet content.


(12) This censorship by the Chinese Government promotes, perpetuates, and exacerbates a xenophobic—and at times particularly anti-American—Chinese nationalism, the long-term effect of which will be deleterious to United States efforts to prevent the relationship between the United States and China from becoming hostile.

(13) Technology companies in the United States that operate in countries controlled by authoritarian foreign governments have a moral re-
sponsibility to comply with the principles of the Universal Declaration of Human Rights.

(14) Technology companies in the United States have succumbed to pressure by authoritarian foreign governments to provide such governments with information about Internet users that has led to the arrest and imprisonment of cyber dissidents, in violation of the corporate responsibility of such companies to protect and uphold human rights.

(15) Technology companies in the United States have provided technology and training to authoritarian foreign governments which have been used by such governments in filtering and blocking information that promotes democracy and freedom.

(16) Technology companies in the United States should develop standards by which they can conduct business with authoritarian foreign governments while protecting human rights to freedom of speech and freedom of expression.

(17) The United States supports the universal right to freedom of speech and freedom of the press.

**SEC. 3. DEFINITIONS.**

In this Act:

(1) **APPROPRIATE CONGRESSIONAL COMMIT-TEES.**—Except as otherwise provided in this Act, the
term “appropriate congressional committees” means—

(A) the Committee on International Relations of the House of Representatives; and

(B) the Committee on Foreign Relations of the Senate.

(2) FOREIGN OFFICIAL.—

(A) IN GENERAL.—The term “foreign official” means—

(i) any officer or employee of a foreign government or any department, agency, state-owned enterprise, or instrumentality thereof; or

(ii) any person acting in an official capacity for or on behalf of any such government or department, agency, state-owned enterprise, or instrumentality.

(B) STATE-OWNED ENTERPRISE.—For purposes of subparagraph (A), the term “state-owned enterprise” means a commercial entity in which a foreign government owns, directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such commercial entity.
(3) **INTERNET.**—The term “Internet” means the combination of computer facilities, telecommunications facilities, electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol or any successor protocol to transmit information.

(4) **INTERNET CONTENT HOSTING SERVICE.**—The terms “Internet content hosting service” and “content hosting service” mean a service that—

(A) stores, through electromagnetic or other means, electronic data, including the content of Web pages, electronic mail, documents, images, audio and video files, online discussion boards, and Web logs; and

(B) makes such data available via the Internet.

(5) **INTERNET JAMMING.**—The term “Internet jamming” means jamming, censoring, blocking, monitoring, or restricting access to the Internet, or to content made available via the Internet, by using technologies such as firewalls, filters, and “black boxes”.
(6) **INTERNET-RESTRICTING COUNTRY.**—The term “Internet-restricting country” means a country designated by the President pursuant to section 105(a) of this Act.

(7) **INTERNET SEARCH ENGINE.**—The term “Internet search engine” or “search engine” means a service made available via the Internet that, on the basis of query consisting of terms, concepts, questions, or other data input by a user, searches information available on the Internet and returns to the user a means, such as a hyperlinked list of Uniform Resource Identifiers, of locating, viewing, or downloading information or data available on the Internet relating to that query.

(8) **LEGITIMATE FOREIGN LAW ENFORCEMENT PURPOSES.**—

(A) **IN GENERAL.**—The term “legitimate foreign law enforcement purposes” means for purposes of enforcement, investigation, or prosecution by a foreign official based on a publicly promulgated law of reasonable specificity that proximately relates to the protection or promotion of the health, safety, or morals of the citizens of that jurisdiction.
(B) Rule of Construction.—For purposes of this Act, the control, suppression, or punishment of peaceful expression of political or religious opinion, which is protected by Article 19 of the International Covenant on Civil and Political Rights, does not constitute a legitimate foreign law enforcement purpose.

(9) Personally Identifiable Information.—The term “personally identifiable information”—

(A) includes any information described in section 2703(c)(2) of title 18, United States Code; and

(B) does not include—

(i) any traffic data (as such term is defined in section 201(b) of this Act; or

(ii) any record of aggregate data that does not identify particular persons.

(10) Substantial Restrictions on Internet Freedom.—The term “substantial restrictions on Internet freedom” means actions that restrict or punish the free availability of information via the Internet for reasons other than legitimate foreign law enforcement purposes, including—
(A) deliberately blocking, filtering, or censoring information available via the Internet based on its peaceful political or religious content; or

(B) persecuting, prosecuting, or otherwise punishing an individual or group for posting or transmitting peaceful political or religious opinions via the Internet, including by electronic mail.

(11) United States Business.—The term “United States business” means—

(A) any corporation, partnership, association, joint-stock company, business trust, unincorporated organization, or sole proprietorship that—

(i) has its principal place of business in the United States; or

(ii) is organized under the laws of a State of the United States or a territory, possession, or commonwealth of the United States;

(B) any issuer of a security registered pursuant to section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 78l); and
(C) any foreign subsidiary of an entity described in subparagraph (A) or (B) to the extent such entity—

(i) controls the voting shares or other equities of the foreign subsidiary; or

(ii) authorizes, directs, controls, or participates in acts carried out by the foreign subsidiary that are prohibited by this Act.

(12) United States-supported content.—The term “United States-supported content” means content that is created or developed, in whole or in part, by a United States-supported information entity.

(13) United States-supported information entity.—The term “United States-supported information entity” means—

(A) any authority of the Government of the United States; and

(B) any entity that—

(i) receives grants from the Broadcasting Board of Governors to carry out international broadcasting activities in accordance with the United States International Broadcasting Act of 1994 (title
III of Public Law 103–236; 22 U.S.C. 6201 et seq.); 

(ii) in coordination with the International Broadcasting Bureau, carries out all nonmilitary international broadcasting activities supported by the Government of the United States in accordance with such Act (other than the international broadcasting activities supported by the Broadcasting Board of Governors as specified in such Act); or 

(iii) receives grants or other similar funding from the Government of the United States to carry out any information dissemination activities.

(14) UNITED STATES-SUPPORTED WEB SITE.—The term “United States-supported Web site” means a location on the World Wide Web that is owned or managed by, or is registered to, a United States-supported information entity.

SEC. 4. SEVERABILITY.

If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act, and the application of such pro-
vision to other persons not similarly situated or to other
circumstances, shall not be affected by such invalidation.

**TITLE I—PROMOTION OF**

**GLOBAL INTERNET FREEDOM**

**SEC. 101. STATEMENT OF POLICY.**

It shall be the policy of the United States—

(1) to promote as a fundamental component of
United States foreign policy the right of everyone to
freedom of opinion and expression, including the
freedom to hold opinions without interference and to
seek, receive, and impart information and ideas
through any media and regardless of frontiers;

(2) to use all appropriate instruments of United
States influence, including diplomacy, trade policy,
and export controls, to support, promote, and
strengthen principles, practices, and values that pro-
mote the free flow of information, including through
the Internet and other electronic media; and

(3) to deter any United States business from
cooperating with officials of Internet-restricting
countries in effecting the political censorship of on-
line content.

**SEC. 102. SENSE OF CONGRESS.**

It is the sense of Congress that—
(1) the President should through bilateral, and
where appropriate, multilateral activities, seek to ob-
tain the agreement of other countries to promote the
goals and objectives of this Act and to protect Inter-
net freedom; and

(2) to the extent that a United States business
empowers or assists an authoritarian foreign govern-
ment in its efforts to restrict online access to the
Web sites of Radio Free Asia, the Voice of America,
or other United States-supported Web sites and on-
line access to United States Government reports
such as the Annual Country Reports on Human
Rights Practices, the Annual Reports on Inter-
national Religious Freedom, and the Annual Traff-
icking in Human Persons Reports, that business is
working contrary to the foreign policy interests of
the United States, and is undercutting United
States taxpayer-funded efforts to promote freedom
of information for all people, including those in un-
democratic and repressive societies.

SEC. 103. ANNUAL COUNTRY REPORTS ON HUMAN RIGHTS
PRACTICES.

(a) REPORT RELATING TO ECONOMIC ASSIST-
ANCE.—Section 116 of the Foreign Assistance Act of
1961 (22 U.S.C. 2151n) is amended by adding at the end the following new subsection:

“(g)(1) The report required by subsection (d) shall include an assessment of the freedom of electronic information in each foreign country. Such assessment shall include the following:

“(A) An assessment of the general extent to which Internet access is available to and used by citizens in that country.

“(B) An assessment of the extent to which government authorities in that country attempt to filter, censor, or otherwise block Internet content, as well as a description of the means by which they attempt to block such content.

“(C) A description of known instances in which government authorities in that country have persecuted, prosecuted, or otherwise punished a person or group for the peaceful expression of political, religious, or dissenting views via the Internet, including electronic mail.

“(2) In compiling data and making assessments for the purposes of paragraph (1), United States diplomatic mission personnel shall consult with human rights organizations and other appropriate nongovernmental organizations.”.
(b) REPORT RELATING TO SECURITY ASSISTANCE.—

Section 502B of the Foreign Assistance Act of 1961 (22 U.S.C. 2304) is amended by adding at the end the following new subsection:

“(i)(1) The report required by subsection (b) shall include an assessment of the freedom of electronic information in each foreign country. Such assessment shall include the following:

“(A) An assessment of the general extent to which Internet access is available to and used by citizens in that country.

“(B) An assessment of the extent to which government authorities in that country attempt to filter, censor, or otherwise block Internet content, as well as a description of the means by which they attempt to block such content.

“(C) A description of known instances in which government authorities in that country have persecuted, prosecuted, or otherwise punished a person or group for the peaceful expression of political, religious, or dissenting views via the Internet, including electronic mail.

“(2) In compiling data and making assessments for the purposes of paragraph (1), United States diplomatic mission personnel shall consult with human rights organi-
zations and other appropriate nongovernmental organizations.”.

3 SEC. 104. OFFICE OF GLOBAL INTERNET FREEDOM.

(a) Establishment.—There is established in the Department of State the Office of Global Internet Freedom (in this section referred to as the “Office”).

(b) Duties.—In addition to such other responsibilities as the President may assign, the Office shall—

(1) serve as the focal point for interagency efforts to protect and promote freedom of electronic information abroad;

(2) develop and ensure the implementation of a global strategy and programs to combat state-sponsored and state-directed Internet jamming by authoritarian foreign governments, and the intimidation and persecution by such governments of their citizens who use the Internet;

(3) provide assistance to the President in connection with the annual designation of Internet-restricting countries required by section 105(a) of this Act;

(4) beginning not later than 180 days after the date of the enactment of this Act—

(A) identify key words, terms, and phrases relating to human rights, democracy, religious
free exercise, and peaceful political dissent, both
in general and as specifically related to the par-
ticular context and circumstances of each Inter-
net-restricting country; and

(B) maintain, update, and make publicly
available on a regular basis the key words,
terms, and phrases identified pursuant to sub-
paragraph (A);

(5) establish mechanisms by which United
States businesses can transmit to the Office the in-
formation required to be reported by sections 203
and 204 of this Act;

(6) establish a regularized consultative process
with appropriate technology companies involved in
providing, maintaining, or servicing the Internet,
human rights organizations, academic experts, and
others to develop a voluntary code of minimum cor-
porate standards related to Internet freedom, and to
consult with such companies, organizations, experts,
and others regarding new technologies and the im-
plementation of appropriate policies relating to such
technologies; and

(7) advise the appropriate congressional com-
mittees of legislative action that may be necessary to
keep the provisions of this Act and the amendments
made by this Act relevant to changing technologies.

(c) Cooperation of Other Federal Departments and Agencies.—Each department and agency of
the Government of the United States, including the Depart-
ment of Commerce, the Office of the United States
Trade Representative, the Department of Justice, the
International Broadcasting Bureau, and the Office of the
Director of National Intelligence, shall—

(1) cooperate fully with, and assist in the imple-
mentation of, the duties of the Office described in
subsection (b), including the strategy developed by
the Office pursuant to paragraph (2) of subsection
(b); and

(2) make such resources and information avail-
able to the Office on a nonreimbursable basis as is
necessary to achieve the purposes of this Act and the
amendments made by this Act.

(d) Definition.—In this section, the term “ap-
propriate congressional committees” means—

(1) the Committee on International Relations
and the Committee on Energy and Commerce of the
House of Representatives; and
(2) the Committee on Foreign Relations and
the Committee on Commerce, Science, and Trans-
portation of the Senate.

(e) AUTHORIZATION OF APPROPRIATIONS.—There
are authorized to be appropriated to the Office to carry
out this section $50,000,000 for each of the fiscal years

SEC. 105. ANNUAL DESIGNATION OF INTERNET-RESTRICT-
ING COUNTRIES; REPORT.

(a) Designation.—

(1) In general.—Not later than 180 days
after the date of the enactment of this Act, and an-
ually thereafter, the President shall designate
Internet-restricting countries for purposes of this
Act.

(2) Standard.—A foreign country shall be
designated as an Internet-restricting country if the
President determines that the government of the
country is directly or indirectly responsible for a sys-
tematic pattern of substantial restrictions on Inter-
net freedom during the preceding 1-year period.

(3) Initial designees.—

(A) In general.—Each of the countries
specified in subparagraph (B) shall be deemed
to be designated as an Internet-restricting
country pursuant to paragraph (1) beginning on the date of the enactment of this Act and ending on the date on which the President certifies to the appropriate congressional committees that the country involved is no longer directly or indirectly responsible for a systematic pattern of substantial restrictions on Internet freedom.

(B) COUNTRIES.—The countries referred to in subparagraph (A) are Belarus, Cuba, Ethiopia, Iran, Laos, North Korea, the People’s Republic of China, Tunisia, and Vietnam.

(b) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, and annually thereafter, the President shall transmit to the appropriate congressional committees a report that contains the following:

(A) The name of each foreign country that at the time of the transmission of the report is designated as an Internet-restricting country pursuant to subsection (a).

(B) An identification of each government agency and quasi-government organization responsible for the substantial restrictions on
Internet freedom in each foreign country designated as an Internet-restricting country pursuant to subsection (a).

(C) A description of efforts by the United States to counter the substantial restrictions on Internet freedom referred to in subparagraph (B).

(2) Form.—The information required by paragraph (1)(C) of the report may be provided in a classified form if necessary.

(3) Internet Availability.—All unclassified portions of the report shall be made publicly available on the Internet Web site of the Department of State.

TITLE II—MINIMUM CORPORATE STANDARDS FOR ONLINE FREEDOM

SEC. 201. PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION.

(a) Prohibition of Locating Personally Identifiable Information in Internet-Restricting Countries.—A United States business may not locate, within a designated Internet-restricting country, any electronic communication that contains any personally identifiable information.
(b) DEFINITIONS.—In this section:

(1) TITLE 18 DEFINITIONS.—The terms "electronic communication", "electronic communications system", "electronic storage", and "contents" have the meanings given such terms in section 2510 of title 18, United States Code.

(2) LOCATE.—The term "locate" includes, with respect to an electronic communication—

(A) computer storage or processing by facilities of a remote computing service, as such term is defined in section 2711 of title 18, United States Code;

(B) electronic storage by any electronic or computer server or facility of an electronic communications system; and

(C) any other storage by any electronic or computer server or facility.

(3) TRAFFIC DATA.—The term "traffic data" means, with respect to an electronic communication, any information contained in or relating to such communication that is processed for the purpose of the conveyance of the communication by an electronic communications system or for the billing thereof, including any Internet Protocol address or other means of identifying a location within an ele-
tronic communications system, but that does not by itself identify a particular person. Such term does not include the contents of any electronic communication.

SEC. 202. INTEGRITY OF PERSONALLY IDENTIFIABLE INFORMATION.

(a) USER PROTECTION.—If a United States business collects or obtains personally identifiable information through the provision of products or services on the Internet, such business may not provide such information to any foreign official of an Internet-restricting country, except for legitimate foreign law enforcement purposes as determined by the Department of Justice.

(b) USE OF ESTABLISHED LEGAL CHANNELS.—Any information that may be provided under subsection (a) for legitimate foreign law enforcement purposes may only be provided through established legal channels as determined by the Department of Justice.

(c) PRIVATE RIGHT OF ACTION.—Any person aggrieved by a violation of this section may bring an action for damages, including punitive damages, or other appropriate relief in the appropriate district court of the United States, without regard to the amount in controversy, and without regard to the citizenship of the parties.
SEC. 203. TRANSPARENCY REGARDING SEARCH ENGINE FILTERING.

Any United States business that creates, provides, or hosts an Internet search engine shall provide the Office of Global Internet Freedom, in a format and with a frequency to be specified by the Office, with all terms and parameters used to filter, limit, or otherwise affect the results provided by the search engine that are implemented—

(1) at the request of, or by reason of any other direct or indirect communication by, any foreign official of an Internet-restricting country; or

(2) to comply with a policy or practice of restrictions on Internet freedom in an Internet-restricting country.

SEC. 204. TRANSPARENCY REGARDING INTERNET CENSORSHIP.

(a) PROVISION OF URLS.—Any United States business that maintains an Internet content hosting service shall provide the Office of Global Internet Freedom, in a format and with a frequency to be specified by the Office, with the Uniform Resource Locators (URLs) of all data and content that such business has, under the circumstances set forth in subsection (b)—

(1) removed from the content hosting service of such business;
(2) blocked from availability on the Internet; or
(3) blocked from transmission via the Internet
into or within an Internet-restricting country.

(b) CIRCUMSTANCES.—The circumstances referred to
in subsection (a) are that the United States business took
the action under subsection (a)—

(1) at the request of, or by reason of any other
direct or indirect communication by, any foreign of-
ficial of an Internet-restricting country; or
(2) in order to comply with a policy or practice
of restrictions on Internet freedom in an Internet-re-
stricting country.

SEC. 205. PROTECTION OF UNITED STATES-SUPPORTED ON-
LINE CONTENT.
A United States business that maintains an Internet
content hosting service may not conduct Internet jamming
of a United States-supported Web site or United States-
supported content in an Internet-restricting country.

SEC. 206. PENALTIES.
(a) CIVIL PENALTIES.—(1)(A) Any United States
business that violates section 202(a) shall be subject to
a civil penalty of not more than $2,000,000 imposed in
an action brought by the Attorney General.
(B) Any officer, director, employee, or agent, or
stockholder of a United States business, who is acting on
behalf of that business concern and who violates section 202(a), shall be subject to a civil penalty of not more $100,000 imposed in an action brought by the Attorney General.

(2) Any United States business that violates section 201, 203, 204, or 205, or any officer, director, employee, or agent, or stockholder of a United States business, who is acting on behalf of that business concern and who violates section 201, 203, 204, or 205, shall be subject to a civil penalty of not more than $10,000 imposed in an action brought by the Attorney General.

(b) CRIMINAL PENALTIES.—(1)(A) Any United States business that willfully violates, or willfully attempts to violate, section 202(a) shall be fined not more than $2,000,000.

(B) Any officer, director, employee, or agent, or stockholder of a United States business, who is acting on behalf of that business concern, and who willfully violates, or willfully attempts to violate, section 202(a), shall be fined not more than $100,000, or imprisoned not more than 5 years, or both.

(2)(A) Any United States business that willfully violates, or willfully attempts to violate, section 201, 203, 204, or 205 shall be fined not more than $10,000.
(B) Any officer, director, employee, or agent, or stockholder of a United States business, who is acting on behalf of that business concern and who willfully violates, or willfully attempts to violate, section 201, 203, 204, or 205, shall be fined not more than $10,000, or imprisoned not more than 1 year, or both.

(c) Payment of Fines.—Whenever a fine is imposed under subsection (a) or (b) upon any officer, director, employee, agent, or stockholder of a United States business, the fine may not be paid, directly or indirectly, by the United States business.

SEC. 207. PRESIDENTIAL WAIVER.

(a) In General.—Subject to subsection (b), the President may waive the application of any of provisions of sections 201 through 205 with respect to a United States business or an Internet-restricting country, if the President determines and so reports to the appropriate congressional committees that—

(1) the government of the country has ceased the activities giving rise to the designation of the country as an Internet-restricting country;

(2) the exercise of such waiver authority would further the purposes of this Act; or
(3) the important national interest of the United States requires the exercise of such waiver authority.

(b) Congressional Notification.—Not later than the date of the exercise of a waiver under subsection (a), the President shall notify the appropriate congressional committees of the waiver or the intention to exercise the waiver, together with a detailed justification for the waiver.

TITLE III—EXPORT CONTROLS FOR INTERNET-RESTRICTING COUNTRIES

SEC. 301. FEASIBILITY STUDY ON ESTABLISHMENT OF EXPORT CONTROLS.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Commerce, in consultation with the Secretary of State, shall complete a feasibility study regarding the development of export license requirements regarding the export of any item subject to sections 730 through 774 of title 15, Code of Federal Regulations (commonly known as the "Export Administration Regulations") to an end user in an Internet-restricting country for the purpose, in whole or in part, of facilitating substantial restrictions on Internet freedom.
SEC. 302. REPORT.

Not later than 30 days after the end of the 180-day period described in section 301, the Secretary of Commerce, in consultation with the Secretary of State, shall submit to the appropriate congressional committees a report describing the actions taken to carry out section 301.
Mr. SMITH OF NEW JERSEY. Without objection, the amendment is considered as read. And any amendments offered thereto would be to that text, I would point out to my colleagues.

You have in front of you a summary of H.R. 4780, but I will highlight some of the key provisions.

And again, this legislation, which we have been working on for several months, grew out of an ongoing concern about not just China, but—especially China, but other Internet-restricting countries. And as my colleagues will recall, we held a considerable hearing in this Committee room several months ago; I think it was about a 7½-hour hearing.

We heard from the Administration, we heard from human rights organizations, including Reporters Without Borders; and we also heard from four of the Internet giants who provided us testimony and, frankly, were held to account, I think, for some of the actions that they are taking in Internet-restricting countries.

This legislation is comprehensive. It establishes the promotion of free access to information through the Internet and recognizes it as a fundamental component of U.S. policy. It requires the President to submit to Congress an annual report designating as an Internet-restricting country any nation whose government authorities systematically and substantially restrict Internet freedom.

It creates an Office of Global Internet Freedom in the State Department, not unlike what we did with trafficking, or in the area of religious freedom, as well as in the anti-Semitism area, that would develop and implement a global strategy to combat statesponsored Internet jamming by repressive foreign governments and to work with Internet companies and the private and nonprofit sectors to develop a voluntary code of minimum corporate standards related to Internet freedom.

The legislation would prohibit U.S. companies from disclosing to foreign officials of Internet-restricting countries information personally identifying a particular user, except for legitimate law enforcement purposes as determined by the U.S. Department of Justice.

With regards to filtering and censorship disclosure, it requires U.S. Internet service providers to disclose to the Office of Global Internet Freedom the terms and parameters that are used to filter or alter search engine results and the uniform resource locators, or URLs, of all data and content that they have removed or blocked in order to comply with the censorship policies of an Internet-restricting country.

Very importantly, we also provide that there be no censoring of U.S. Government sites, which is routine whether it be the religious freedom report or the report on trafficking or country reports on human rights practices. Notoriously, in places like China, that is excised out of what is available to their Internet users, so we would block that. It establishes a civil and criminal penalty regime similar to the Foreign Corrupt Practices Act for violations of these standards.

And that basically outlines the bill which we can go into in further detail if you would like. Would anyone else—Mr. Payne would you like to be heard?

Mr. PAYNE. I will just be very brief.
We did have a very long hearing. It is something that has a lot of concern, and I do believe that we need to move in an affirmative way to try to ensure that the Internet is free. I understand there may be some amendments, and if so, I would like to wait to hear what those amendments are.

Mr. Smith of New Jersey. Okay. And let me just say, I am very grateful, Mr. Payne, for your cosponsorship and that of many Members of our Subcommittee and Full Committee.

Would anyone else like to be heard?

If not, the amendment in the nature of a substitute is open for amendment.

Mr. Blumenauer, do you have an amendment?

Mr. Blumenauer. Yes, Mr. Chairman. First of all, as I understand it, you have changed the requirement for export controls that would be implemented within 90 days to a 180-day feasibility study by the Department of Commerce.

Mr. Smith of New Jersey. The gentleman is correct.

Mr. Blumenauer. Let me say I appreciate movement in that direction. One of the things that our Full Committee needs to spend some time on is a seriously broken export control system. I think the evidence is that it is counterproductive for American, not just American business, but I think we can demonstrate that it ends up boomeranging in terms of our own defense interests, because it drives people away from America and to develop their own capacity and to deal with people who are not necessarily friendly to the United States.

So I would like to express my appreciation for making the change on that.

I did not realize that until I sat down that you had changed the text, it wasn’t in the version that we had. So because I was prepared to offer an amendment to strike Title III, and I would like to think it through—but let me share my reservation with you, if I may, to have yet another study that the Department of Commerce does.

These people are extraordinarily strained right now. Their capacity to turn around, to deal with legitimate concerns of our constituents, businesses that are dealing with the myriad requirements of export controls right now gives me pause, because I think, frankly, that is something that has been undercut in terms of the ability of the Department of Commerce to respond.

I think any of you who talk to high-tech interests in your districts would find that they have some problems. And I suspect, although I haven’t yet had this conversation specifically with the Department of Commerce, there is a question about their ability to comply.

But let me say, I really appreciate its being a feasibility study so that we have a better approach. I won’t do anything at this point; I would like to think about it. But I do think that it is wise for us to go into this very carefully.

Mr. Chairman, I do however, have an amendment that I would offer up, with your permission.

Mr. Smith of New Jersey. The Clerk will report the Blumenauer amendment.
Ms. PLUMLEY. Amendment to the amendment in the nature of a substitute to H.R. 4780 offered by Mr. Blumenauer of Oregon. [The information referred to follows:]
AMENDMENT TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 4780 OFFERED BY MR. BLUMENAUER OF OREGON

Strike section 201 and redesignate succeeding sections accordingly.

Page 26, line 21, strike “202(a)” and insert “201(a)”.

Page 26, line 24, strike “201, 203, 204, or 205” and insert “202, 203, or 204”.

Page 27, line 5, strike “202(a)” and insert “201(a)”.

Page 27, lines 12 and 13, strike “201, 203, 204, or 205” and insert “202, 203, or 204”.

Page 28, line 1, strike “205” and insert “204”.
Mr. SMITH OF NEW JERSEY. I ask unanimous consent the amend-
ment be considered as read and the gentleman is recognized for 5
minutes.

Mr. BLUMENAUER. Thank you. Thank you, Mr. Chairman. This
amendment deals with section 201, and I appreciate the focus that
the Chair has had. The fact that we as a Committee have had an
opportunity to be exposed to a wide variety of opinions and you
move forward with dispatch. I commend you for that. I appreciate
it is the way that it has been handled.

But I do want to express reservations about section 201, which,
as you mentioned in your summary, would prohibit the United
States technology companies from locating personally identifiable
information in an Internet-restricting country. These companies, in
their efforts to adopt industry standards to protect users, are dis-
cussing various approaches to reducing the risk of personally iden-
tifiable information being accessed and potentially abused by the
authorities. And I think you, Mr. Chairman, and the Members of
this Committee are a part of that, that has moved the industry to
be more reflective and thoughtful, spurring them along.

But I wonder if, at this point, it is appropriate to have such a
categorical prohibition that is contained in 201, in part because it
would be a huge competitive disadvantage for most Internet service
providers. It, frankly, in addition, may well mean that U.S. compa-
nies would be prohibited from doing business in a number of coun-
tries who require that personally identifiable information be avail-
able within the jurisdiction where the services are provided for law
enforcement purposes, just as American law enforcement often gets
warrants for personal information from Internet service providers.

I also understand—and I am going here beyond my technological
capacity, but some of the certified smart people who work with me
and those in the industry and those with interest groups lead us
to believe that the prohibition of locating servers or storage facili-
ties with personal identifiable information in Internet-restricting
countries would, in effect, be a prohibition on locating all servers
or storage facilities in such countries because of the way the Inter-
net operates.

By keeping the United States Internet companies out of these
Internet countries, we would actually increase the ability of these
countries, and I think we ought to consider this very carefully. We
would increase the ability of these countries to actually control the
Internet as it would limit the spread of the Internet and keep
American companies that I think, in part, as I said, because of
what this Subcommittee has started, to sort of think of ways that
they can accomplish the objectives that we have offered up to them.

It would thus limit the spread of the Internet and keep the com-
panies who are grappling with these difficult issues—we have their
attention, we are working with them, and, frankly, it would be to
the benefit of companies around the world who are less concerned
with human rights.

Now, I believe we need a tough strategy to deal with the issue
of Internet freedom. But I would prefer that that be through bilat-
eral and multilateral challenges that treat it more as a diplomatic
issue and a barrier to trade.
Placing heavy restrictions on United States companies may be the simplest approach to take, and I know, after hearing some of the stories, it would make me feel better; but I am not certain that we would be doing what we should to deal with this very troubling issue and advance the cause of Internet freedom and, at the same time, potentially set back American competitiveness.

I respect the deep concerns that the Committee Members have expressed. I appreciate, Mr. Chairman, that you have been moving this forward; but I with all due respect, I suggest that section 201 may well have unintended consequences.

The final point I would make—and I appreciate your referencing Reporters Without Borders’ report, because we have had them in and they provide some great information. But I would urge my colleagues, before we are finally adopting something here, to take a hard look at the list of countries that this includes. It is not just China; it is not just a few that are mentioned in the findings portion of this legislation. There are referenced in their 2006 report—by my count, there are a couple dozen countries, including some issues that relate to the European Union that—I think we are getting a little further along here than we recognize, and it could foreclose a pretty broad sweep of American activity around the world for negligible results.

I appreciate the courtesy and the time in offering this amendment, and I would respectfully request that my fellow Members of the Subcommittee considering approving it.

Thank you.

Mr. SMITH OF NEW JERSEY. Thank you.

I do rise in opposition to the gentleman’s amendment, and I do so with respect. And I appreciate his comments a moment ago, but let me make a couple of points.

The operative language that would be struck is very simple and it reads as such:

“A prohibition of locating personally identifiable information in Internet-restricting countries. A United States business may not locate within a designated Internet-restricting country any electronic communication that contains any personally identifiable information.”

Section 201, which that is, protects those United States Internet companies that are doing right in China and are not locating personally identifiable information in China. And that would include Microsoft; that would include Google. It would not include Yahoo. You know, you recall we had the Yahoo representative here testifying. There was a difference among our panelists. Google made it very clear that GMail and the information that would identify individuals is not accessible by the Chinese dictatorship. They can’t just ask for it and get it the way they do with Yahoo.

I pointed out, as did other Members during that markup, or that hearing, I should say, that Shi Tao, an individual that got 10 years in Chinese prison simply for sending an e-mail—which obviously was in Yahoo because they locate that information inside the country of China, or the ability to access it. He got 10 years simply for telling other journalists, other individuals, via an e-mail about the
restrictions that the government was putting on the commemoration of Tiananmen Square.

In other words, they did a lockdown during the early days in June so that no one talks about the Tiananmen Square massacre. For that, he got 10 years.

That would not have happened with GMail or one of the other Internet companies. So we are saying that there are some companies that are doing it right, and we are trying to make it clear that we want to encourage that, while profoundly discouraging, through the use of law, companies like Yahoo.

So I think if this were to be knocked out, obviously we would have another argument at Full Committee. But it would really gut what I think is one of the essences of this legislation, and that is to prevent the secret police of China, or Belarus, or other Internet-restricting countries, from being able to find out who it is that is on the Internet, go to the door of that person, arrest them and put them into prison. That is the everyday, on-the-ground reality that we are trying to preclude with insertion of section 201, which in all due respect, the gentleman would strike.

So I hope Members would join me in resisting this amendment. I am sure it is well-intentioned, but I think it is misguided.

Would anyone else like to be heard on the amendment?

Ms. McCollum. Mr. Chairman, I would like to yield my time to Mr. Blumenauer.

Mr. Smith of New Jersey. Sure.

Mr. Blumenauer. I will not take my additional time and I don’t want to pose undue problems, but there are just two things that I would offer for the Committee’s consideration, because I do think there is a very real question about how broad this sweep is. And I would hope that nobody would move forward with section 201 unless you are confident about how narrow that is going to be confined.

Second, to consider even if my earlier concern is one that you are comfortable with, the incentive that this provides to drive these companies offshore to have parts in wholly owned subsidiaries in these countries or to abandon markets.

The final point is just—to consider that it goes beyond just the situation with China. I mentioned the Reporters Without Borders’ annual report where, included in this, are examples in Egypt, Saudi Arabia, Singapore, South Korea, where there have been abuses of the Internet, things that we would think inappropriate and, in some cases, unconscionable to politically interfere.

The sweep of what is going on in other countries is quite broad, and it goes far beyond what we heard from China. Looking through Tunisia, Thailand, Nepal, the Maldives, as I mentioned, South Korea, Malaysia, Burma, Egypt, Bahrain, these are ones that I have been able to identify where there are—in fact, according to your own source here, Reporters Without Borders—where there has been interference, political repression and attempts at control; and that these tend to be growing with time.

So obviously the intent of this legislation, I think, is honorable. I think it is important for us to work to try and protect.

I want to encourage that—we have heard from all four of our companies, but I do hope that people will look hard at section 201
for the reasons that I have mentioned. And I appreciate my colleague for yielding to me, and I will be quiet at this point. Thank you.

Mr. Smith of New Jersey. Thank you. The gentlewoman yields back. Anyone else.

Mr. Green. Thank you, Mr. Chairman. I certainly appreciate the sincerity of the gentleman's comments and I think these are issues that we should obviously look at as we go to Full Committee, and should have a more thorough debate and discussion. I am sure that we will. And I look forward to help moving this legislation along in that process and give the gentleman the opportunity to help discuss those further.

Mr. Smith of New Jersey. Thank you very much, Mr. Green.

The question occurs on the amendment.
All of those in favor, say aye.
Those opposed, no.
In the opinion of the Chair, the noes have it.

Mr. Blumenauer. May I have a division on that?

Mr. Smith of New Jersey. The gentleman calls for a division.
All of those in favor of the amendment will raise their hands.
All of those opposed to it.
In the opinion of the Chair, the noes have it.

Any further amendments to the pending legislation? If not the question occurs on the amendment in the nature of a substitute.
All of those in favor, say aye.
All of those opposed, say no.
The ayes have it and the amendment in the nature of a substitute is agreed to.

The question occurs on the motion to report the bill favorably.
All of those in favor, say aye.
Those opposed, no.
The ayes have it and the bill will be reported favorably.

Without objection, the staff is directed to make any technical and conforming amendments.

Pursuant to notice, I call up the final bill on today's agenda, H.R. 5382, the Central Asia Democracy and Human Rights Promotion Act of 2006 for purposes of markup and move its favorable recommendation to the Full Committee.

Without objection, the bill will be considered as read and open for amendment at any point.

[H.R. 5382 follows:]
H. R. 5382

To promote the development of democratic institutions and full respect for human rights in the countries of Central Asia.

IN THE HOUSE OF REPRESENTATIVES

MAY 11, 2006

Mr. Smith of New Jersey (for himself, Mr. McIntyre, Mr. McCotter, Mr. Lantos, Mr. Pitts, Mr. Burton of Indiana, and Mrs. Jo Ann Davis of Virginia) introduced the following bill, which was referred to the Committee on International Relations, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

A BILL

To promote the development of democratic institutions and full respect for human rights in the countries of Central Asia.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Central Asia Democracy and Human Rights Promotion Act of 2006”.

SECTION 2. FINDINGS.

Congress finds the following:
(1) Fifteen years after independence, the five countries of Central Asia—Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan—are struggling, to varying degrees, with their transition from authoritarian rule to democratic societies that fully respect human rights and uphold their freely undertaken commitments as participating States in the Organization for Security and Cooperation in Europe (OSCE).

(2) As OSCE participating States, the countries of Central Asia committed themselves in the Charter of Paris for a New Europe to “build, consolidate and strengthen democracy as the only system of government of our nations”.

(3) In the Global War on Terrorism, the United States is increasingly engaged with the countries of Central Asia on a political, economic, and military basis.

(4) In the Global War on Terrorism, policies that bolster authoritarian governments which suppress and terrorize their own people will ultimately be self-defeating, as repression often breeds extremism and terrorism.

(5) The Final Report of the National Commission on Terrorist Attacks Upon the United States
(commonly referred to as the “9/11 Commission”) recommended: “[T]he United States must stand for a better future. One of the lessons of the long Cold War was that short-term gains in cooperating with the most repressive and brutal governments were too often outweighed by long-term setbacks for America’s stature and interests.”.

(6) The September 2004 Final Report of the Defense Science Board Task Force on Strategic Communication stated: “The perception of intimate U.S. support of tyrannies in the Muslim World is perhaps the critical vulnerability in American strategy. It strongly undercuts our message, while strongly promoting that of the enemy.”.

(7) In a speech to the United Nations General Assembly on September 21, 2004, President George W. Bush stated: “People everywhere are capable of freedom, and worthy of freedom . . . For too long, many nations, including my own, tolerated, even excused, oppression in the Middle East in the name of stability. Oppression became common, but stability never arrived. We must take a different approach.”.

(8) In his second inaugural address on January 20, 2005, President George W. Bush stated: “For as long as whole regions of the world simmer in re-
sentiment and tyranny—prone to ideologies that feed
hatred and excuse murder—violence will gather, and
multiply in destructive power, and cross the most de-
defended borders, and raise a mortal threat.”. In this
address, President Bush further declared: “It is the
policy of the United States to seek and support the
growth of democratic movements and institutions in
every nation and culture, with the ultimate goal of
ending tyranny in our world.”.

(9) The October 2005 National Intelligence
Strategy of the United States of America, issued by
the Director of National Intelligence, stated: “We
have learned at our peril that the lack of freedom in
one state endangers the peace and freedom of oth-
ers. . . . Self-sustaining democratic states are essen-
tial to world peace and development.”.

(10) The March 2006 National Security Strat-
agy of the United States of America states: “The
United States must defend liberty and justice be-
cause these principles are right and true for all peo-
ple everywhere.”.

(11) The National Security Strategy of the
United States of America further elaborates: “These
nonnegotiable demands of human dignity are pro-
tected most securely in democracies. The United
States Government will work to advance human dignity in word and deed, speaking out for freedom and against violations of human rights and allocating appropriate resources to advance these ideals.’’.

SEC. 3. SENSE OF THE CONGRESS.

It is the sense of Congress that—

(1) the United States should support those governments and individuals making substantial and sustained progress to establish democracy, guarantee the rule of law, and protect human rights;

(2) the United States should use every peaceful means at its disposal to encourage the countries of Central Asia to provide greater respect for democracy, the rule of law, and human rights, thereby promoting the long-term stability and security of the Central Asian region, and ensure that all assistance programs for the Central Asian region support and communicate this goal; and

(3) the United States should seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world.
SEC. 4. ASSISTANCE TO PROMOTE DEMOCRACY, RULE OF LAW, AND HUMAN RIGHTS IN THE COUNTRIES OF CENTRAL ASIA.

(a) PURPOSES OF ASSISTANCE.—The purposes of assistance under this section include—

(1) to encourage free and fair presidential, parliamentary, and local elections in the countries of Central Asia, conducted in a manner consistent with Organization for Security and Cooperation in Europe (OSCE) and internationally accepted standards;

(2) to ensure in the countries of Central Asia the full respect for all human rights, including freedom of expression and the media, freedom of religion and association, prevention of torture, and the end of human trafficking from, to, and through the Central Asian region, conducted in a manner consistent with OSCE and internationally accepted standards; and

(3) to develop rule of law, in particular independent judicial systems and professional law enforcement, and to combat corruption, conducted in a manner consistent with OSCE and internationally accepted standards.

(b) AUTHORIZATION FOR ASSISTANCE.—
(1) IN GENERAL.—To carry out the purposes of subsection (a), the President is authorized to provide assistance for the countries of Central Asia to support the activities described in subsection (c).

(2) LIMITATION.—The authority to provide assistance for the countries of Central Asia under paragraph (1) shall be subject to all applicable limitations on assistance for such countries and other requirements relating to assistance for such countries under any Act making appropriations for foreign operations, export financing, and related programs.

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

(1) observing elections and promoting free and fair electoral processes;

(2) encouraging the development of sustainable civic structures representative of society, such as environmental groups, independent labor unions, democratic political parties, and other community-based organizations;

(3) maintaining libraries in the languages of Central Asia to explain democracy in the United States;
(4) developing independent media to work in the countries of Central Asia, supported by nonstate-controlled printing facilities;

(5) independent radio and television broadcasting to and within the countries of Central Asia;

(6) encouraging the liberalization of laws affecting religious practice and their enforcement to promote greater freedoms for individuals to meet alone or in community with others, to move freely, and in the sharing of beliefs;

(7) educating law enforcement officials with respect to the existence and enforcement of legal prohibitions concerning torture;

(8) prosecuting human traffickers, as well as providing increased police training and education efforts, including on forced labor;

(9) training and assistance for judicial reform and development;

(10) training in democratic governance and human rights for nationals and exiles of the countries of Central Asia who are unable to live in their own country due to fear of persecution;

(11) training in effective human rights and humanitarian law as a part of non-lethal training programs for units of the security forces of the coun-
tries of Central Asia (other than any unit of the security forces of such countries with respect to which the Secretary of State has credible evidence that such unit has committed gross violations of human rights);

(12) establishing programs to combat corruption and support good governance; and

(13) other activities consistent with the purposes of this section.

(d) REPORT.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, and annually thereafter, the President shall transmit to the appropriate congressional committees a report on assistance provided for the countries of Central Asia under this section for the one-year period ending 30 days prior to the transmission of the report.

(2) CONTENTS.—The report shall include with respect to each country of Central Asia a detailed description of each of the following:

(A) The types and amount of assistance provided under this section, including the types and amount of defense articles and defense services and the amount of financial assistance.

In addition, the name of each department or
agency of the Government of the United States
that provides assistance under this section and
the name of each recipient of such assistance.

(B) The use of such assistance, including
the use of defense articles, defense services, and
financial assistance, by units of the armed
forces, border guards, or other security forces
of the country.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be
appropriated to the President to carry out this sec-
tion $118,200,000 for each of the fiscal years 2007
and 2008.

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

SEC. 5. RADIO BROADCASTING TO THE COUNTRIES OF CEN-
TRAL ASIA.

(a) PURPOSE.—The purpose of this section is to au-
thorize increased support for surrogate radio broadcasting
to the countries of Central Asia that will facilitate the
unhindered dissemination of information in the Central
Asian region regarding the activities supported by this
Act.
(b) Authorization of Appropriations.—In addition to such sums as are otherwise authorized to be appropriated, there are authorized to be appropriated $15,000,000 for each of the fiscal years 2007 and 2008 for Voice of America and RFE/RL, Incorporated for expanded radio broadcasting to the people of the countries of Central Asia in languages spoken in Central Asia, including broadcasting in the Russian language, and the establishment of Internet websites.

(c) Report.—Not later than 120 days after the date of the enactment of this Act, the Secretary of State shall submit to the appropriate congressional committees a report on how funds are appropriated and allocated pursuant to the authorizations of appropriations under subsection (b) and section 4(e) will be used to provide shortwave, AM, and FM broadcasting that covers the Central Asian region and delivers independent and uncensored programming.

SEC. 6. LIMITATION ON UNITED STATES ASSISTANCE TO THE GOVERNMENTS OF COUNTRIES OF CENTRAL ASIA.

(a) Limitation.—

(1) In general.—Amounts made available by an Act making appropriations for foreign operations, export financing, and related programs for a fiscal
year may be provided to the government of a country of Central Asia only if the Secretary of State certifies to the appropriate congressional committees that the government of the country has made significant improvements in the protection of human rights during the preceding one-year period, including in the areas of democratization, speech and press freedoms, freedom of religion, efforts to combat torture, and the rule of law.

(2) ADDITIONAL LIMITATION.—The limitation on assistance for the government of a country of Central Asia under paragraph (1) is in addition to any other applicable limitation on assistance for such government and any other requirement relating to assistance for such government under any Act making appropriations for foreign operations, export financing, and related programs.

(b) WAIVER.—The Secretary of State may waive the application of subsection (a) with respect to the government of a country of Central Asia if the Secretary determines and reports to the appropriate congressional committees that such a waiver is important to the national security of the United States and includes the reasons for the determination.
(e) Use of Withheld Assistance.—Any amounts withheld from obligation and expenditure for assistance to the government of a country of Central Asia by reason of the application of subsection (a) for a fiscal year are authorized to be made available for assistance for training relating to democratic governance and human rights for domestic civil society groups or nationals or exiles of the Central Asian country who are unable to live in their own country due to fear of persecution.

(d) Effective Date.—The requirements of this section apply with respect to funds appropriated for assistance for the governments of the countries of Central Asia for fiscal years 2007 and 2008.

SEC. 7. SANCTIONS AGAINST UZBEKISTAN.

(a) Limitation on Assistance.—Amounts made available by an Act making appropriations for foreign operations, export financing, and related programs for a fiscal year may be provided to the central Government of Uzbekistan only if the Secretary of State determines and reports to the appropriate congressional committees that—

(1) the Government of Uzbekistan is making substantial and continuing progress in meeting its commitments under the ‘Declaration on the Strategic Partnership and Cooperation Framework Be-
between the Republic of Uzbekistan and the United States of America, including respect for human rights, establishing a genuine multi-party system, and ensuring free and fair elections, freedom of expression, and the independence of the media; and

(2) a credible international investigation of the May 13, 2005, shootings in Andijan is underway with the support of the Government of Uzbekistan.

(b) IDENTIFICATION OF INDIVIDUALS TO BE SUBJECT TO RESTRICTIONS.—The Secretary of State shall—

(1) identify Uzbek officials, their immediate family members, and any associates of those so named, implicated in the Andijan massacre, involved through the chain of command in such abuses, or involved in other gross violations of human rights committed in Uzbekistan; and

(2) notify the Secretary of the Treasury, Attorney General, and the appropriate congressional committees of such identification.

(c) FREEZING OF ASSETS.—

(1) IN GENERAL.—The Secretary of the Treasury shall immediately block any assets, property, transactions in foreign exchange, currency, or securities, and transfers of credit or payments between, by, through, or to any banking institution under the
jurisdiction of the United States of an individual identified under subsection (b) of this section.

(2) REPORTING REQUIREMENT.—Not later than 14 days after a decision to freeze the assets identified in this subsection of any individual identified under subsection (b), the Secretary of the Treasury shall—

(A) report the name of such individual to the appropriate congressional committees; and

(B) require any United States financial institution holding such funds or assets shall promptly report those funds and assets to the Office of Foreign Assets Control.

(d) VISA BAN.—The Secretary of State may not issue any visa to, and the Attorney General may not admit to the United States, any individual identified under subsection (b) of this section.

(e) WAIVER.—The Secretary of the Treasury may waive the prohibition in subsection (c) and the Secretary of State may waive the prohibition in subsection (d) if the Secretary concerned determines and certifies to the appropriate congressional committees that it is important to the national security of the United States to do so.

(f) MUNITIONS EXPORT LICENSES.—The Secretary of State shall prohibit the export to Uzbekistan of any
item, including the issuance of a license for the export of any item, on the United States Munitions List. The Secretary of Commerce shall prohibit the export to Uzbekistan of any item on the Commerce Control List of dual-use items in the Export Administration Regulations.

(g) REPORT REGARDING UNITED STATES POLICY TOWARD UZBEKISTAN.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of State shall submit to the appropriate congressional committees a report regarding United States policy toward Uzbekistan.

(2) CONTENTS.—The report required by paragraph (1) shall include a detailed description of each of the following:

(A) The objectives of United States policy toward Uzbekistan with respect to democratization, human rights, economic reforms, regional security, and the war on terrorism.

(B) The strategy of the Government of the United States for achieving the objectives described under subparagraph (A).

(C) The steps taken by the Government of the United States to advance the strategy described under subparagraph (B) since the mas-
saare in Andijan and the decision of the Government of Uzbekistan to expel United States military forces from Uzbekistan.

(3) FORM.—The report required by paragraph (1) shall be in unclassified form but may contain a classified annex.

(h) EFFECTIVE DATE.—The requirements of—

(1) subsection (a) apply with respect to funds appropriated for assistance for the Government of Uzbekistan for fiscal years 2007 and 2008; and

(2) subsections (b) through (f) apply during fiscal years 2007 and 2008.

SEC. 8. REPORT.

Prior to the initial obligation of assistance for the government of a country of Central Asia for a fiscal year, the Secretary of State shall submit to the appropriate congressional committees a report describing—

(1) whether the government is forcibly returning Uzbeks or other refugees who have fled violence and political persecution, in violation of the 1951 Geneva Convention Relating to the Status of Refugees and the Convention Against Torture and Other Forms of Cruel, Inhuman, or Degrading Treatment;

(2) efforts made by the United States to prevent such returns; and
(3) the response of the government to those situations.

SEC. 9. DEFINITIONS.

In this Act:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means—

(A) the Committee on Appropriations and
the Committee on International Relations of the
House of Representatives; and

(B) the Committee on Appropriations and
the Committee on Foreign Relations of the Senate.

(2) COUNTRIES OF CENTRAL ASIA.—The term “countries of Central Asia” means Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.
Mr. Smith of New Jersey. I do have an amendment in the nature of a substitute. Without objection, it will be considered as read.

[The information referred to follows:]
AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 5382
OFFERED BY MR. SMITH OF NEW JERSEY

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Central Asia Democracy and Human Rights Promotion Act of 2006”.

SEC. 2. FINDINGS.

Congress finds the following:

(1) Fifteen years after independence, the five countries of Central Asia—Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan—are struggling, to varying degrees, with their transition from authoritarian rule to democratic societies that fully respect human rights and uphold their freely undertaken commitments as participating States in the Organization for Security and Cooperation in Europe (OSCE).

(2) As OSCE participating States, the countries of Central Asia committed themselves in the Charter of Paris for a New Europe to “build, consolidate
and strengthen democracy as the only system of government of our nations’.

(3) In the Global War on Terrorism, the United States is increasingly engaged with the countries of Central Asia on a political, economic, and military basis.

(4) In the Global War on Terrorism, policies that bolster authoritarian governments which suppress and terrorize their own people will ultimately be self-defeating, as repression often breeds extremism and terrorism.

(5) The Final Report of the National Commission on Terrorist Attacks Upon the United States (commonly referred to as the “9/11 Commission”) recommended: “[T]he United States must stand for a better future. One of the lessons of the long Cold War was that short-term gains in cooperating with the most repressive and brutal governments were too often outweighed by long-term setbacks for America’s stature and interests.”.

egy. It strongly undercuts our message, while strongly promoting that of the enemy.”.

(7) In a speech to the United Nations General Assembly on September 21, 2004, President George W. Bush stated: “People everywhere are capable of freedom, and worthy of freedom . . . For too long, many nations, including my own, tolerated, even excused, oppression in the Middle East in the name of stability. Oppression became common, but stability never arrived. We must take a different approach.”.

(8) In his second inaugural address on January 20, 2005, President George W. Bush stated: “For as long as whole regions of the world simmer in resentment and tyranny—prone to ideologies that feed hatred and excuse murder—violence will gather, and multiply in destructive power, and cross the most defended borders, and raise a mortal threat.”. In this address, President Bush further declared: “It is the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world.”.

(9) The October 2005 National Intelligence Strategy of the United States of America, issued by the Director of National Intelligence, stated: “We
have learned at our peril that the lack of freedom in
one state endangers the peace and freedom of oth-
ers. . . . Self-sustaining democratic states are essen-
tial to world peace and development.”

(10) The March 2006 National Security Strat-
ey of the United States of America states: “The
United States must defend liberty and justice be-
cause these principles are right and true for all peo-
ple everywhere.”

(11) The National Security Strategy of the
United States of America further elaborates: “These
nonnegotiable demands of human dignity are pro-
tected most securely in democracies. The United
States Government will work to advance human dig-
nity in word and deed, speaking out for freedom and
against violations of human rights and allocating ap-
propriate resources to advance these ideals.”

SEC. 3. SENSE OF THE CONGRESS.

It is the sense of Congress that—

(1) the United States should support those gov-
ernments and individuals making substantial and
sustained progress to establish democracy, guarantee
the rule of law, and protect human rights;

(2) the United States should use every peaceful
means at its disposal to encourage the countries of
Central Asia to provide greater respect for democracy, the rule of law, and human rights, thereby promoting the long-term stability and security of the Central Asian region, and ensure that all assistance programs for the Central Asian region support and communicate this goal; and

(3) the United States should seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world.

SEC. 4. SUPPORT FOR DEMOCRACY, RULE OF LAW, AND HUMAN RIGHTS IN THE COUNTRIES OF CENTRAL ASIA.

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

“CHAPTER 13—SUPPORT FOR DEMOCRACY, RULE OF LAW, AND HUMAN RIGHTS IN THE COUNTRIES OF CENTRAL ASIA

“SEC. 499N. ASSISTANCE TO PROMOTE DEMOCRACY, RULE OF LAW, AND HUMAN RIGHTS.

“(a) PURPOSES OF ASSISTANCE.—The purposes of assistance under this section include—
“(1) to encourage free and fair presidential, parliamentary, and local elections in the countries of Central Asia, conducted in a manner consistent with Organization for Security and Cooperation in Europe (OSCE) and internationally accepted standards;

“(2) to ensure in the countries of Central Asia the full respect for all human rights, including freedom of expression and the media, freedom of religion and association, prevention of torture, and the end of trafficking in persons from, to, and through the Central Asian region, conducted in a manner consistent with OSCE and internationally accepted standards; and

“(3) to develop rule of law, in particular independent judicial systems and professional law enforcement, and to combat corruption, conducted in a manner consistent with OSCE and internationally accepted standards.

“(b) AUTHORIZATION FOR ASSISTANCE.—

“(1) IN GENERAL.—To carry out the purposes of subsection (a), the President, acting through the Secretary of State and the Administrator of the United States Agency for International Development, is authorized to provide assistance for the
countries of Central Asia to support the activities described in subsection (c).

“(2) LIMITATION.—The authority to provide assistance for the countries of Central Asia under paragraph (1) shall be subject to all applicable limitations on assistance for such countries and other requirements relating to assistance for such countries under any Act making appropriations for foreign operations, export financing, and related programs.

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

“(1) observing elections and promoting free and fair electoral processes;

“(2) encouraging the development of sustainable civic structures representative of society, such as environmental groups, independent labor unions, democratic political parties, and other community-based organizations;

“(3) maintaining libraries in the languages of Central Asia to explain democracy in the United States;

“(4) developing independent media to work in the countries of Central Asia, supported by nonstate-controlled printing facilities;
“(5) independent radio and television broadcasting to and within the countries of Central Asia;

“(6) encouraging the liberalization of laws affecting religious practice and their enforcement to promote greater freedoms for individuals to meet alone or in community with others, to move freely, and in the sharing of beliefs;

“(7) educating law enforcement officials with respect to the existence and enforcement of legal prohibitions concerning torture;

“(8) prosecuting human traffickers, as well as providing increased police training and education efforts, including on forced labor;

“(9) training and assistance for judicial reform and development;

“(10) training in democratic governance and human rights for nationals and exiles of the countries of Central Asia who are unable to live in their own country due to fear of persecution;

“(11) training in effective human rights and humanitarian law as a part of non-lethal training programs for units of the security forces of the countries of Central Asia (other than any unit of the security forces of such countries with respect to which the Secretary of State has credible evidence
that such unit has committed gross violations of human rights);

“(12) establishing programs to combat corruption and support good governance; and

“(13) other activities consistent with the purposes of this section.

“(d) REPORT.—

“(1) IN GENERAL.—Not later than 90 days after the date of the enactment of Central Asia Democracy and Human Rights Promotion Act of 2006, and annually thereafter, the President shall transmit to the appropriate congressional committees a report on assistance provided for the countries of Central Asia under this section for the one-year period ending 30 days prior to the transmission of the report.

“(2) CONTENTS.—The report shall include with respect to each country of Central Asia a detailed description of each of the following:

“(A) The types and amount of assistance provided under this section, including the types and amount of defense articles and defense services and the amount of financial assistance.

In addition, the name of each department or agency of the Government of the United States
that provides assistance under this section and
the name of each recipient of such assistance.

“(B) The use of such assistance, including
the use of defense articles, defense services, and
financial assistance, by units of the armed
forces, border guards, or other security forces
of the country.

“(c) Authorization of Appropriations.—

“(1) In general.—There are authorized to be
appropriated to the President to carry out this sec-
tion $97,000,000 for each of the fiscal years 2007
and 2008.

“(2) Availability.—Amounts appropriated
pursuant to the authorization of appropriations
under paragraph (1) are authorized to remain avail-
able until expended.

“SEC. 499O. RADIO BROADCASTING.

“(a) Purpose.—The purpose of this section is to au-
thorize increased support for surrogate radio broadcasting
to the countries of Central Asia that will facilitate the
unhindered dissemination of information in the Central
Asian region regarding the activities supported by this
chapter.

“(b) Authorization of Appropriations.—In ad-
dition to such sums as are otherwise authorized to be ap-
appropriated, there are authorized to be appropriated $10,000,000 for each of the fiscal years 2007 and 2008 for Voice of America and RFE/RL, Incorporated for expanded radio broadcasting to the people of the countries of Central Asia in languages spoken in Central Asia, including broadcasting in the Russian language, and the establishment of Internet websites.

**SEC. 499P. REPORT.**

“Prior to the initial obligation of assistance for the government of a country of Central Asia for a fiscal year, the Secretary of State shall submit to the appropriate congressional committees a report describing—

“(1) whether the government is forcibly returning Uzbeks or other refugees who have fled violence and political persecution, in violation of the 1951 Geneva Convention Relating to the Status of Refugees and the Convention Against Torture and Other Forms of Cruel, Inhuman, or Degrading Treatment;

“(2) efforts made by the United States to prevent such returns; and

“(3) the response of the government to those situations.

**SEC. 499Q. DEFINITIONS.**

“In this chapter:
“(1) APPROPRIATE CONGRESSIONAL COMMIT-
TEES.—The term ‘appropriate congressional com-
mittees’ means—

“(A) the Committee on Appropriations and
the Committee on International Relations of the
House of Representatives; and

“(B) the Committee on Appropriations and
the Committee on Foreign Relations of the Sen-
ate.

“(2) COUNTRIES OF CENTRAL ASIA.—The term
‘countries of Central Asia’ means Kazakhstan,
Kyrgyzstan, Tajikistan, Turkmenistan, and
Uzbekistan.”.

(b) REPORT.—Not later than 120 days after the date
of the enactment of this Act, the Secretary of State shall
submit to the appropriate congressional committees a re-
port on how funds are appropriated and allocated pursu-
ant to the authorizations of appropriations under sections
499N(e) and 499O(b) of the Foreign Assistance Act of
1961 (as added by subsection (a) of this section) will be
used to provide shortwave, AM, and FM broadcasting that
covers the Central Asian region and delivers independent
and uncensored programming.
SEC. 5. LIMITATION ON ASSISTANCE TO THE GOVERNMENTS OF COUNTRIES OF CENTRAL ASIA.

(a) Amendments.—Chapter 1 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2351 et seq.) is amended—

(1) by redesignating the second section 620G (as added by section 149 of Public Law 104–164 (110 Stat. 1436)) as section 620J; and

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

SEC. 620K. LIMITATION ON ASSISTANCE TO THE GOVERNMENTS OF COUNTRIES OF CENTRAL ASIA.

(a) LIMITATION.—

(1) IN GENERAL.—Amounts made available by an Act making appropriations for foreign operations, export financing, and related programs for a fiscal year may be used to provide assistance to the government of a country of Central Asia only if the Secretary of State certifies to the appropriate congressional committees that the government of the country has made significant improvements in the protection of human rights during the preceding one-year period, including in the areas of democratization, speech and press freedoms, freedom of religion, efforts to combat torture, and the rule of law.
"(2) ADDITIONAL LIMITATION.—The limitation on assistance for the government of a country of Central Asia under paragraph (1) is in addition to any other applicable limitation on assistance for such government and any other requirement relating to assistance for such government under any Act making appropriations for foreign operations, export financing, and related programs.

"(b) WAIVER.—The Secretary of State may waive the application of subsection (a) with respect to the government of a country of Central Asia if the Secretary determines and reports to the appropriate congressional committees that such a waiver is important to the national security of the United States and includes the reasons for the determination.

"(c) USE OF WITHHELD ASSISTANCE.—Any amounts withheld from obligation and expenditure for assistance to the government of a country of Central Asia by reason of the application of subsection (a) for a fiscal year are authorized to be made available for assistance for training relating to democratic governance and human rights for domestic civil society groups or nationals or exiles of the Central Asian country who are unable to live in their own country due to fear of persecution.
“(d) EXEMPTION OF CERTAIN ASSISTANCE.—The limitation on assistance for the government of a country of Central Asia under subsection (a) shall not apply with respect to—

“(1) disaster relief assistance, including any assistance under chapter 9 of part I of this Act;

“(2) assistance which involves the provision of food (including monetization of food) or medicine;

“(3) assistance for refugees and internally displaced persons;

“(4) assistance to combat HIV/AIDS, including any assistance under section 104A of this Act;

“(5) assistance for people-to-people exchanges; and

“(6) assistance to combat trafficking in persons, including any assistance under the Trafficking Victims Protection Act of 2000 (division A of Public Law 106–386; 22 U.S.C. 7101 et seq.).

“(e) DEFINITIONS.—In this section:

“(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ‘appropriate congressional committees’ means—

“(A) the Committee on Appropriations and the Committee on International Relations of the House of Representatives; and
“(B) the Committee on Appropriations and
the Committee on Foreign Relations of the Sen-
ate.

“(2) COUNTRIES OF CENTRAL ASIA.—The term
‘countries of Central Asia’ means Kazakhstan,
Kyrgyzstan, Tajikistan, Turkmenistan, and
Uzbekistan.”.

(b) EFFECTIVE DATE.—The requirements of section
620K of the Foreign Assistance Act of 1961 (as added
by subsection (a) of this section) apply with respect to
funds appropriated for assistance for the governments of
the countries of Central Asia for fiscal years 2007 and
2008.

SEC. 6. SANCTIONS AGAINST UZBEKISTAN.

(a) AMENDMENT.—Chapter 1 of part III of the For-
eign Assistance Act of 1961 (22 U.S.C. 2351 et seq.), as
amended by section 5(a)(2) of this Act, is further amended
by adding at the end the following new section:

“SEC. 620L. SANCTIONS AGAINST UZBEKISTAN.

“(a) LIMITATION ON ASSISTANCE.—Amounts made
available by an Act making appropriations for foreign op-
erations, export financing, and related programs for a fis-
cal year may be used to provide assistance (including the
transfer of excess defense articles) to the central Govern-
ment of Uzbekistan only if the Secretary of State deter-
mines and reports to the appropriate congressional com-
mittees that—

“(1) the Government of Uzbekistan is making
substantial and continuing progress in meeting its
commitments under the ‘Declaration on the Strate-
gic Partnership and Cooperation Framework Be-
tween the Republic of Uzbekistan and the United
States of America’, including respect for human
rights, establishing a genuine multi-party system,
and ensuring free and fair elections, freedom of ex-
pression, and the independence of the media; and

“(2) a credible international investigation of the
May 13, 2005, shootings in Andijan is underway
with the support of the Government of Uzbekistan.

“(b) IDENTIFICATION OF INDIVIDUALS TO BE SUB-
JECT TO RESTRICTIONS.—The Secretary of State shall—

“(1) identify—

“(A) senior officials of the Government of
Uzbekistan, including the President, Prime
Minister, and members of the Cabinet of Min-
isters, the immediate family members of such
officials, and any associates of such officials
who are implicated in the Andijan massacre, in-
volved through the chain of command in such
massacre, or involved in other gross violations of human rights committed in Uzbekistan; and

“(B) other individuals who provide substantial economic or political support for senior officials of the Government of Uzbekistan; and

“(2) notify the Secretary of the Treasury, Attorney General, and the appropriate congressional committees of such identification.

“(c) Freezing of Assets.—

“(1) In general.—The Secretary of the Treasury shall immediately block any assets, property, transactions in foreign exchange, currency, or securities, and transfers of credit or payments between, by, through, or to any banking institution under the jurisdiction of the United States of an individual identified under subsection (b) of this section.

“(2) Reporting requirement.—Not later than 14 days after a decision to freeze the assets identified in this subsection of any individual identified under subsection (b), the Secretary of the Treasury shall—

“(A) report the name of such individual to the appropriate congressional committees; and
“(B) require any United States financial institution holding such funds or assets shall promptly report those funds and assets to the Office of Foreign Assets Control.

“(d) Visa Ban.—The Secretary of State may not issue any visa to, and the Attorney General may not admit to the United States, any individual identified under subsection (b) of this section.

“(e) Waiver.—The Secretary of the Treasury may waive the prohibition in subsection (c) and the Secretary of State may waive the prohibition in subsection (d) if the Secretary concerned determines and certifies to the appropriate congressional committees that it is important to the national security of the United States to do so.

“(f) Munitions Export Licenses.—The Secretary of State shall prohibit the export to Uzbekistan of any item, including the issuance of a license for the export of any item, on the United States Munitions List. The Secretary of Commerce shall prohibit the export to Uzbekistan of any item on the Commerce Control List of dual-use items in the Export Administration Regulations.

“(g) Definitions.—In this section:

“(1) Appropriate congressional committees.—The term ‘appropriate congressional committees’ means—
“(A) the Committee on Appropriations and the Committee on International Relations of the House of Representatives; and

“(B) the Committee on Appropriations and the Committee on Foreign Relations of the Senate.

“(2) COUNTRIES OF CENTRAL ASIA.—The term ‘countries of Central Asia’ means Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.”.

(b) REPORT.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of State shall submit to the appropriate congressional committees a report regarding United States policy toward Uzbekistan.

(2) CONTENTS.—The report required by paragraph (1) shall include a detailed description of each of the following:

(A) The objectives of United States policy toward Uzbekistan with respect to democratization, human rights, economic reforms, regional security, and the war on terrorism.
(B) The strategy of the Government of the United States for achieving the objectives described under subparagraph (A).

(C) The steps taken by the Government of the United States to advance the strategy described under subparagraph (B) since the massacre in Andijan and the decision of the Government of Uzbekistan to expel United States military forces from Uzbekistan.

(3) FORM.—The report required by paragraph (1) shall be in unclassified form but may contain a classified annex.

(c) EFFECTIVE DATE.—The requirements of—

(1) section 620L(a) of the Foreign Assistance Act of 1961 (as added by subsection (a) of this section) apply with respect to funds appropriated for assistance for the Government of Uzbekistan for fiscal years 2007 and 2008; and

(2) subsections (b) through (f) of section 620L of the Foreign Assistance Act of 1961 (as added by subsection (a) of this section) apply during fiscal years 2007 and 2008.

SEC. 7. DEFINITIONS.

In this Act:
(1) APPOPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means—

(A) the Committee on Appropriations and the Committee on International Relations of the House of Representatives; and

(B) the Committee on Appropriations and the Committee on Foreign Relations of the Senate.

(2) COUNTRIES OF CENTRAL ASIA.—The term “countries of Central Asia” means Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.
Mr. Smith of New Jersey. I would like to recognize myself for just a moment or two to explain the legislation that is before us. Since 9/11, the strategic nature of the troubled region of Central Asia for the United States has become apparent, as the five countries, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan are strategically positioned at the crossroads of Europe and Asia.

Sadly, in the 15 years since independence, respect for human rights and democratization is alarmingly poor, and it has worsened.

As Chairman of this Subcommittee and as Co-Chairman of the Commission on Security and Cooperation in Europe, I appreciate the wide spectrum of conditions in Central Asia, which is why I introduced this bill, to help encourage these countries to vigorously pursue greater respect of fundamental freedoms.

Our interest is not just on the governments of the five “stans,” but also on U.S. foreign policy. Considering the increase of U.S. involvement in the region, I have been troubled by the apparent lack of a coherent, uniform policy to encourage these governments to respect human rights and democratization.

Consequently, one of the goals of the bill is to bring greater consistency to United States policy, creating a framework to guide our bilateral relations with Central Asia. The President, through his freedom agenda, has laid out bold principles to guide U.S. foreign policy. The act supports this agenda by providing $97 million in assistance for human rights and democracy training, and $10 million for increased Radio Free Europe, Radio Liberty, and Voice of America broadcasting.

The bill establishes a certification mechanism for the distribution of assistance to each government. The Secretary of State will determine whether each has made “significant improvements” in the protection of human rights. This system will have a national security waiver, and is modeled on the current system in foreign ops approps measures for Kazakhstan, but expanded for all five countries.

In addition, considering the forced return of Uzbek refugees from Kyrgyzstan and Kazakhstan, the act will require the Secretary of State to report on whether any government is forcibly returning Uzbeks or other refugees who have fled violence and political persecution.

This is modeled on language regarding Kyrgyzstan in the foreign ops approps bill and, again, expanded to all five countries. Notably the legislation will create a sanctions section for Uzbekistan. First, the bill places into law the limitations already established, and those limitations prevent funding to the Uzbek Government unless the Secretary of State determines the government is making substantial and continuing progress toward respect for human rights, and that the government begin a credible international investigation of Andijan. We all remember the great—the horrible murder and massacre that occurred there.

The act would also mirror European Union sanctions by establishing a visa ban and export ban on munitions. The sanctions sections also establishes an asset freeze for Uzbek officials, their family members, and their associates implicated in the Andijan massacre or involved in other gross violations of human rights.
Protection of fundamental freedoms for the people of Central Asia will ultimately promote, I believe, and I think we all believe, long-term stability and security in the region. Acquiescence to the status quo challenges the sincerity of our stated objectives as declared in the National Security Strategy for 2006 that the U.S. must defend liberty and justice, because these principles are right and true for all people everywhere.

The bill has been cosponsored by a large number of Members of our Subcommittee, and the Full Committee as well. And at this point, I would yield to Mr. Payne for any comments he might have.

Mr. PAYNE. Thank you, Mr. Chairman. I certainly support the legislation, and I will be brief and urge its adoption.

Mr. SMITH OF NEW JERSEY. Thank you, Mr. Payne. Would any of our Members like to be heard on the legislation, on the amendment in the nature of a substitute?

The question now occurs on the amendment in the nature of a substitute.

All of those in favor, say aye.

Those opposed, say no.

The ayes have it, and the amendment in the nature of a substitute is agreed to. The question occurs on the motion to report the bill, H.R. 5382, favorably, as amended.

All of those in favor of reporting it favorably, say aye.

Those opposed, say no.

The ayes have it, and the motion is approved. Without objection, the staff is directed to make any technical and conforming amendments.

Ms. LEE. Mr. Chairman, I have a question that I would like to ask and enter into a colloquy with you about a bill that was pulled today, the African Development Foundation Bill, H.R. 5652. We have been working in a bipartisan way to try to get all of the issues and difficulties—and there were not many—resolved in this. And we thought coming to this hearing today that everything had been resolved, only to find that the bill was pulled. And I would like to ask you what the objections are now.

Mr. SMITH OF NEW JERSEY. I thank the gentlewoman. First of all, the bill, we have been looking at it. As you know, we held a hearing at which representatives of the Foundation testified. And they did have a text that they talked to us and others about.

We are still just going through the text very carefully. I know that David Abramowitz had some problems with one of the measures, and you were prepared to offer an amendment.

Ms. LEE. I have an amendment to that.

Mr. SMITH OF NEW JERSEY. I know you do. We just want some additional time to study this text and make sure that all of the i’s are dotted and the t’s are crossed. So we will be looking at it further. I think it is matter of when and not if.

Ms. LEE. Well, Mr. Chairman, I thought we had accomplished that by today. So whatever those i’s, whichever i’s need dotting, we would like to dot. I guess I would ask is it possible to waive that out of the Subcommittee once we do do that and report it to the Full Committee?
Mr. SMITH OF NEW JERSEY. If we can come to a consensus, that would be fine. I want to spend some additional time. As Mr. Payne knows, as I know, every bill we do, we go through rewrites.

Ms. LEE. I understand that. It never would have been scheduled for today.

Mr. SMITH OF NEW JERSEY. We were trying to, in good faith, to move it as quickly as we can. But, again, it was only introduced yesterday.

Ms. LEE. Well, okay, Mr. Chairman. Let’s see if we can do this, if possible, and get it done. We are certainly willing to do this amendment that we discussed and any other amendments that may make sense from your side. But we thought we had it resolved.

Mr. SMITH OF NEW JERSEY. Okay.

Mr. PAYNE. Mr. Chairman, I was also expecting it to come up at this time. I would just urge that the reading of the text and all of the concerns, that maybe they could perhaps be concluded maybe by week end, and if there is a possibility, even if we are going to have a Subcommittee meeting, that we have a special markup at that time.

I certainly feel that as Chairman you need to feel comfortable with the legislation. But if that could be done real quickly, then we would appreciate moving it, since the African Development Foundation has done an outstanding job and there is a dire need for the approval and the request for additional funding. Thank you.

Mr. SMITH OF NEW JERSEY. I think it should be very clear that we had representatives of the African Foundation testify at our hearing. I met with them after the hearing. They had a base text that they wanted us to consider. And I think Ms. Lee, you introduced—you went down to leg counsel, basically put it into that final form.

We just want to look at it carefully. I mean, I was thinking of introducing it myself. So it is not like we are talking—we are talking about something we just need to work further on. I would also say it has not been reauthorized for 25 years, which is 25 years too long. So we will work with you.

Ms. LEE. Thank you very much.

Mr. SMITH OF NEW JERSEY. Is there any other business before the Subcommittee? If not the Subcommittee is adjourned. I thank my colleagues for their participation.

[Whereupon, at 3 o’clock p.m., the Subcommittee was adjourned.]