

Testimony of Congressman Frank Pallone, Jr. (NJ-06)
Subcommittee on State, Foreign Operations, and Related Programs
April 13, 2010

Chairwoman Granger, Ranking Member Lowey, thank you for allowing me to testify before the subcommittee today. Today, the United States faces historic challenges and threats, both domestic and foreign. These are new challenges that will require new solutions and inventive responses that cannot be pursued by the United States alone; we must engage the international community in order to remain a global leader and ensure that we leave a safe world to our children. While I share the subcommittee's eagerness to address the need for fiscal responsibility, I also know that the funds that are appropriated through this subcommittee save American lives, promote domestic economic vitality and keep the United States a global leader. I would like to lay out a number of issues that I believe are critical to U.S. interests and highlight some areas of concern that perhaps the subcommittee has yet to address.

Armenia

As the State and Foreign Operations Appropriations Subcommittee prepares its Fiscal Year 2012 appropriations bill, I ask that you include robust U.S. assistance to Armenia and other aid related provisions that contribute to peace and stability in the Caucasus region. As founder and co-chair of the Congressional Armenia Issues Caucus I have witnessed the positive impact U.S. assistance to Armenia has had for the American people as well as the people of Armenia who continue to work towards developing a better democracy.

Economic Assistance

Until the recent world economic crisis, Armenia regularly registered double-digit growth and has been consistently cited as among the most free economies in the region by the *Wall Street Journal* and the Heritage Foundation's Index of Economic Freedom. Our assistance programs have played a vital role in promoting this progress, as well as in the development of Armenia's democratic institutions, an effort that has seen substantial advancement. Furthermore,

the people of Armenia continue to face the devastating impact of Turkey and Azerbaijan's dual blockades, illegal action that costs Armenia approximately \$720 million annually according to World Bank estimates.

I believe that in order to continue the progress our assistance has made, you should include language within the Assistance for Europe, Eurasia and Central Asia Account ensuring that not less than \$60 million is appropriated for Armenia in Fiscal Year 2012.

Nagorno Karabakh

U.S. policy toward the South Caucasus states has included promoting the resolution of the conflict surrounding the independent Republic of Nagorno Karabakh. It is more important than ever that the United States maintain a principled stand for peace in this region and support Nagorno Karabakh. There is no question that Nagorno Karabakh is an example of how democracy can be born from conflict and progress into a popularly supported government.

I request that the subcommittee include language directing USAID to spend **not less than** \$10 million in Fiscal Year 2012 for humanitarian and development programs in Nagorno Karabakh.

I would like to further point out that the State Department has failed to follow Congressional intent to deliver funds to Nagorno Karabakh. From at 2004 to 2010, the State Department expended less than \$13 million, while Congressional intent expressed through conference reports and public law called for \$46 million for humanitarian and, as of 2010, development assistance. It is therefore vital that this subcommittee include language requiring that **not less than** \$10 million be expended in Fiscal Year 2012.

Enhancing Section 907 of the Freedom Support Act

Since January, Azeri forces have breached the line of contact and killed six Nagorno Karabakh soldiers, violating the ongoing cease fire. Section 907 of the FREEDOM Support Act continues to stand as a powerful provision of U.S. law in principled opposition to Azerbaijan's blockade and other aggressive uses of force against Armenia and Nagorno Karabakh. As you know, the Fiscal Year 2002 Foreign Operations Appropriations Act created a broad waiver authority that opened the door to military assistance to Azerbaijan. In light of Azerbaijan's behavior, and as a contribution to the cause of a lasting and equitable negotiated peace, I urge you to narrow this presidential waiver. The President should only have the ability to waive section 907 if he determines and the Committee on Appropriations certifies that: 1) the assistance is necessary to support United States efforts to counter international terrorism, or to support the operational readiness of United States Armed Forces or coalition partners to counter international terrorism; 2) the assistance will not undermine or hamper ongoing efforts to negotiate a peaceful settlement between Armenia and Azerbaijan or be used for offensive purposes against Armenia or Nagorno Karabakh; and 3) in the last fiscal year, Azerbaijan has not taken hostile action, either through military force or incitement, including but not limited to threatening pronouncements by government officials, toward Armenia or Nagorno Karabakh and has demonstrated its commitment to a lasting peace with Armenia and Nagorno Karabakh.

Assuming all conditions of this new waiver authority can be met, and military assistance is provided to Azerbaijan, I urge you to uphold the subcommittee's long-standing tradition of maintaining parity in military funding between Armenia and Azerbaijan.

Military Assistance to Armenia

The U.S.-Armenia military relationship continues to expand in scope and depth, building upon Armenia's cooperation in anti-terrorism efforts and its past deployment of forces to both

Iraq and Kosovo. Armenia also sent a military deployment to Afghanistan in support of the International Security Assistance Force (ISAF) mission and is currently considering an expansion of those forces. Past U.S. military aid has played a vital role in modernizing Armenia's armed forces, strengthening the principle of civilian control, promoting increased NATO interoperability, and supporting the growth of Armenia's peacekeeping capabilities.

With these priorities in mind, I respectfully request that you include \$8 million in FMF and \$2 million in IMET funding for Armenia in Fiscal Year 2011.

Diplomatic Support for Democracy in Nagorno Karabakh

While I believe direct assistance to Nagorno Karabakh and ensuring parity in military assistance between Armenia and Azerbaijan will promote peace, the U.S. has a responsibility to actively engage in helping Nagorno Karabakh form a better democracy. I respectfully request that report language be included in the bill which directs the Department of State to remove any official or unofficial restriction on U.S.-Nagorno Karabakh travel, visitations, discussions, meetings, contacts, consultations, exchange programs or other governmental or civil society communication, cooperation or interaction.

Furthermore, in order that the Nagorno Karabakh conflict come to a peaceful resolution through the OSCE Minsk Process I request that the subcommittee include report language that recognizes the importance of including representatives of Nagorno Karabakh in the ongoing Minsk Process.

Lastly, I request language urging Azerbaijan to support confidence-building measures that facilitate interaction among the parties, in order to address regional security, resource management, infrastructure, development and people to people programs.

Israel

I would also like to highlight for the subcommittee the need for strong U.S. foreign assistance to Israel. Israel is roughly the size of my home state of New Jersey with a population of seven million. Yet unlike New Jersey, Israel faces daily calls for its elimination by its neighboring governments. Israel faces the threat of an Iran pursuing nuclear weapons, terrorist organizations Hamas and Hizballah gathering weapons and membership in neighboring countries and the very real fear of rockets from terrorists in Gaza who have proven perfectly willing to kill innocent men, women and children. Just this Thursday and Friday approximately 54 rockets and mortar rounds were fired into Israel by Hamas.

In 2007, the United States signed a Memorandum of Understanding (MOU) with Israel which stated that the United States would provide \$30 billion in security aid to Israel over 10 years. This MOU was signed by both countries because it serves both of our national interests and our ability to carry through will have important consequences for our own national security. Security assistance has already shown its value with the Iron Dome counter-rocket defense system intercepting several rockets aimed at Israeli civilians last week. I urge the subcommittee to approve \$3.1 billion in military assistance for Israel in Fiscal Year 2012 and continue to provide other types of foreign assistance that encourages a strong U.S.-Israel relationship.

Conclusion

Chairwoman Granger and Ranking Member Lowey, I hope that you will consider my testimony and requests. At the end of the day, a sound international affairs budget will allow the United States to prevent instability in the world from breeding terrorism, will further U.S. economic interests, address global diseases and poverty and help secure an international environment which we can be satisfied leaving to the next generation. I thank you for the opportunity to address you today.