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Subcommittee on State, Foreign Operations and Related Programs
Committee on Appropriations, U.S. House of Representatives

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Madame Chairwoman Lowey, Ranking Member Granger, and distinguished Members of the Subcommittee, the Armenian Assembly of America (www.aaainc.org) appreciates the opportunity to submit testimony as it pertains to U.S. assistance and policy in the South Caucasus region. Before outlining specific recommendations, I would like to thank the Subcommittee for its consistent support for funding and policies that benefit the people of Armenia and Nagorno Karabakh, especially under the leadership of Chairwoman Lowey. I would also like to extend our welcome to the new Ranking Member of the Subcommittee, Congresswoman Kay Granger. The Assembly strongly encourages the Members to travel to the region to see first hand the realities and the impact of different policies. We now have twenty years of experience with government and charitable efforts there, and it is clear that some programs and policies have worked well beyond expectations while others have failed and even been counterproductive. Our goal is to maximize the effectiveness of United States assistance.

RECOMMENDATIONS FOR FISCAL YEAR (FY) 2010

***ASSISTANCE TO ARMENIA* - The Assembly urges the Subcommittee to maintain U.S. assistance to Armenia in FY 2010 at a level of “not less than” \$70 million.** The bonds between the U.S. and Armenia are permanent and range over a broad spectrum, and it is essential that substantial assistance to Armenia at least be maintained especially in the face of the regional situation including the ongoing blockades imposed by its neighbors, which cost Armenia hundreds of millions of dollars annually according to a World Bank estimate. The effects of the blockades were compounded by the economic losses, estimated in the hundreds of millions, incurred as a result of the Russia-Georgia conflict last year. During this crisis, Armenia provided humanitarian, diplomatic and economic assistance to help facilitate the safe transit of U.S. and international officials from Georgia, as well as rebuilding of damaged Georgian infrastructure. Yet, the situation in Georgia punished Armenia and needs to be changed.

As we begin the “reset” era in foreign relations, it is worth noting that Armenia has uniquely good relationships with both Russia and the United States. While Armenia’s neighbors continue to impose a blockade-plus strategy in an attempt to isolate it, the *Wall Street Journal* and Heritage Foundation’s “2009 Index of Economic Freedom,” ranked Armenia 31st out of 181 countries surveyed. Yet, the impact of regional policies in combination with the global economic crisis has been sharp. Currency devaluation and a deepening recession are having a serious impact especially on the neediest, while private remissions from the U.S. and Russia are down.

For its part, the Armenian Assembly and the Armenian-American community have a long track record of raising significant private funds and collaborating with the public sector to assist Armenia. Last year, the Armenian Assembly partnered with the League of Women Voters and a local Armenian NGO, the NGO Center Civil Society Development to help strengthen civil society in Armenia. Together, we embarked on a coalition building and training program, which we hope will serve as a model for future programs. The coalition building concept expands on the previous work of the

Assembly's NGO Center program (first launched in 1994). A review will show that the Armenian Church in the U.S. and many other charitable organizations have risen up to meet needs as well.

In addition to continued funding for democracy-related programs, the Assembly also strongly supports the continuation of funding provided under the Millennium Challenge Act (MCA) compact. This targeted assistance supports much-needed road and irrigation infrastructure development, which will greatly benefit the rural areas of Armenia. We do not think MCA assistance should substitute for other forms of assistance to benefit the people of Armenia. At the same time, we support the criteria used by the MCC.

To be clear, the Armenian Assembly, the entire Armenian-American community, and citizens of Armenia want to see faster improvement in democracy, rule of law, an independent and fair judiciary, clean elections, removal of any questions over politically charged trials, security, and good governance. Armenians themselves recognize the stakes in these challenges, and accept that they will continue to be carefully monitored by the international community. In this regard, I would like to underscore the important work of Armenia's Human Rights Ombudsman and the constructive role he has played in Armenia's democratic system.

ASSISTANCE TO NAGORNO KARABAKH - The Assembly commends the vision and leadership of the Subcommittee for its continued support of critical assistance to Nagorno Karabakh. We request that the Subcommittee allocate \$10 million for Karabakh in FY 2010. While progress has been made in Karabakh, there are still many compelling humanitarian and development needs resulting from the war launched against the people of Karabakh by Azerbaijan. Many healthcare, education, drinking water, sanitation and other needs have yet to be addressed, including the urgent need for a new public hospital in Stepanakert, which is now under construction. The Assembly strongly urges the Subcommittee to ensure that continued funding be provided to rehabilitate damaged infrastructure and encourage development. Ironically, the Nagorno Karabakh Republic which has maintained a high level of democratic development does not enjoy any benefit from international assistance or investment programs available to other former Soviet countries. An increase in program availability for education, exchanges, and investment programs is overdue.

ENERGY SECURITY, ELIMINATION OF BLOCKADES AND REGIONAL COOPERATION - The Assembly would like to draw the attention of the Subcommittee to Armenia's energy security. During the past decade, strategic energy projects launched with U.S. support in the South Caucasus have created long-term development opportunities for most of the nations in the region. However, these initiatives have not benefited Armenia, due to Turkish and Azerbaijani policies with U.S. acquiescence. Ongoing attempts to isolate Armenia from regional projects, such as the Azeri-proposed rail bypass of Armenia, also run counter to stated U.S. policy goals of regional cooperation and economic integration. Azerbaijan's President Aliyev had this to say about the rail bypass: "If we succeed with this project, the Armenians will end in complete isolation, which would create an additional problem for their future, their already bleak future." The Armenian Assembly, therefore, urges the Subcommittee to utilize the tools at its disposal to pave the way for Armenia's full involvement in existing and future energy and development projects in the region. **The Assembly also urges parallel U.S. assistance targeted to help Armenia address critical energy security needs through diversified and affordable sources of energy, including non-hydrocarbon (green and nuclear), in order to reduce the risk of overdependence on limited regional routes or suppliers.**

Despite successful reforms, Armenia's full potential and U.S. policies cannot be realized as long as its eastern and western borders remain under blockade, giving Georgia a monopoly position on westward and northern bound transportation from Armenia. The United States should ensure that concrete steps are taken to remove the blockades, thereby alleviating the financial hardships they cause. **We urge the Subcommittee to adopt new report language requiring a full accounting of the steps the U.S. has taken and the responses therein to eliminate the Turkish and Azeri blockades of Armenia.** The Humanitarian Aid Corridors Act should also be revisited to make certain that the goal of providing unfettered humanitarian aid and relief to countries in need continues.

Ironically, the same treaty obligations which established the current border between Turkey and Armenia in the Treaties of Moscow and Kars also guarantee Armenia an open border with Turkey and "free movement of persons and goods without any delays." Turkey has been in breach of these treaty obligations for years now without repercussion. The idea promoted in Turkey and by Turkish denial lobbyists here in the U.S. that respect for independent treaty obligations to open the border ought to be conditioned on any third countries' reaffirmation of the Armenian Genocide, stands out as both illegal and counterproductive.

We urge the Subcommittee to undertake measures that combat counterproductive attempts to isolate Armenia, and instead build confidence and peaceful relations in the region. Despite the mixed signals and delays from Turkey, the Assembly is encouraged by the recent signs of rapprochement between Turkey and Armenia, and commends Armenia's President Serzh Sargsyan for his bold actions, including the invitation extended to Turkey's President Abdullah Gul to visit Armenia last year. This was an especially significant event on the heels of civil society, track two efforts, the devastating assassination of Armenian journalist Hrant Dink, the outpouring of Turkish condemnation of that crime, and more. However, normalization of relations and Turkey's lifting of its 15-year long blockade of Armenia should not be held hostage to U.S. reaffirmation of the Armenian Genocide. The historical record is clear and is amply documented in the U.S. archives, including not only the record set out in set out in H. Res. 252, but also the 1951 U.S. filing with the International Court of Justice (ICJ) concerning the United Nations Genocide Convention, which squarely acknowledged the Armenian Genocide as a crime. The document reads in part:

The practice of genocide has occurred throughout human history. The Roman persecution of the Christians, the Turkish massacres of Armenians, the extermination of millions of Jews and Poles by the Nazis are outstanding examples of the crime of genocide.

Increasingly, Turkish citizens are learning more about their history and coming to terms with it. The recent apology petition signed by thousands of intellectuals was a breakthrough.

We urge support for confidence building measures between the Turkish and Armenian people and governments to deal with the toxic legacy of historic and contemporary behavior. The arguments made by some that President Obama should change his position or that Congress should not pass a resolution and withhold reaffirmation in favor of another Commission rings hollow and not only ignores the U.S. record, but also ignores the fact that Turks and Armenians already came together from 2001-2004 under the auspices of the Turkish Armenian Reconciliation Commission (TARC), which

was supported by the United States. TARC commissioned a legal analysis in 2003, by the International Center for Transitional Justice. The analysis concluded that “the Events [of 1915], viewed collectively, can thus be said to include all of the elements of the crime of genocide as defined in the Convention, and legal scholars as well as historians, politicians, journalists and other people would be justified in continuing to so describe them.” In addition, TARC issued joint recommendations for government action in 2004 which among other things called for the border to be opened.

As President Barack Obama plans his trip to Turkey next month, we hope for the best. President Obama’s visit presents a unique opportunity for the President to hold Turkey accountable to the norms of international law, as well as his own statements reaffirming the historical truth of the Armenian Genocide to help liberate Turkey and the Turkish people from their own toxic legacy and begin to move forward as well as to make sure the rest of the world knows that the days of selective genocide prevention by the U.S. are over. As displayed in the U.S. Holocaust Museum, Adolph Hitler himself stated, “Who, after all, speaks today of the annihilation of the Armenians?”

SECTION 907 OF THE FREEDOM SUPPORT ACT - Should Azerbaijan not cease its increasingly anti-Armenian rhetoric, the Armenian Assembly urges this Subcommittee to suspend the waiver authority it granted and fully reinstate Section 907. As the Subcommittee is aware, in the aftermath of September 11th, pursuant to then-Secretary of State Colin Powell’s request for flexibility to counter terrorist elements and organizations operating in Azerbaijan, Congress granted a conditional and limited waiver to Section 907. The conditional waiver of Section 907 of the FREEDOM Support Act makes it clear that any assistance provided shall not “undermine or hamper” the Karabakh peace process or “be used for offensive purposes against Armenia” or any “Armenian community in the Caucasus region.” The President must consult with Congress prior to the provision of any assistance under the agreement and report to Congress “in detail” on “the nature and quantity” of such assistance, its impact on the “military balance between Azerbaijan and Armenia” and negotiations with respect to Karabakh.

While safeguards were built into the waiver, especially to safeguard against U.S. security assistance being used in a new Azeri ethnic cleansing campaign such as the one it began to start the war, the Assembly remains deeply troubled by the continued war rhetoric emanating from senior Azerbaijani officials, including its President. In addition, Azerbaijan has rejected Armenia’s numerous proposals for economic and regional confidence-building measures, and has instead dramatically increased its military spending to levels equivalent to Armenia’s entire national budget. **Given Azerbaijan’s escalating military expenditures and continued war mongering, the Subcommittee is also urged to cease military assistance to Azerbaijan.**

U.S. MILITARY ASSISTANCE - The Assembly urges the Subcommittee to allocate \$4 million in Foreign Military Financing, and \$1 million in International Military Education Training assistance to Armenia. The U.S.-Armenia military relationship, at both the bilateral and Euro-Atlantic levels, has grown, as evidenced by Armenia’s continued cooperation in anti-terrorism efforts and its deployment of forces to Iraq, as well as in Kosovo as part of the NATO peacekeeping mission. Armenia’s partnership with NATO also expanded significantly due to the entry into force of its Individual Partnership Action Plan (IPAP). In the last several years, Armenia also held the “Week of NATO,” which included the formal opening of the NATO Information Center in the capital city of Yerevan. NATO’s former Deputy Secretary-General for Public Diplomacy Jean Fournet, stated that

“Armenia has reached real progress in the implementation of IPAP” and that “...The leadership of the Alliance is satisfied with the results already achieved...”

Past U.S. assistance played a pivotal role in helping to modernize Armenia’s armed forces and strengthening the principle of civilian control as well as promoting increased NATO interoperability, and the growth of Armenia’s peacekeeping capabilities. During the Assembly's 2009 Advocacy Conference Banquet, Major General Tod J. Bunting of the Kansas National Guard expressed his hope that the bilateral relationship between the governments of Armenia and the United States would continue to be strong and productive. Bunting highlighted the importance of the Kansas-Armenia partnership, noting that it has expanded beyond the military relationship to include Emergency Preparedness and Response engagements between the Kansas Department of Emergency Management and the Armenian Rescue Service. The Assembly strongly believes that it is in the U.S. national interest to build upon this important area of cooperation with Armenia, and looks forward to working with the Subcommittee to further expand U.S.-Armenia military relations.

PEACE PROCESS (THE NAGORNO KARABAKH CONFLICT) - The Assembly praises the Subcommittee for previously providing funding for confidence-building measures to help facilitate a peaceful resolution of the Karabakh conflict. In order to facilitate peace, the Assembly requests that these funds continue to be made available for increased cooperation among Armenia, Azerbaijan and Karabakh. In particular, the Assembly recommends that the Subcommittee urge Azerbaijan to support confidence-building measures that facilitate interaction among the parties, in order to address the region’s urgent safety and development needs jointly, while also working toward a negotiated settlement.

THE MIDDLE EAST AND CHRISTIAN MINORITIES - While it is not the focus of our testimony, we would like to ask the Subcommittee that particular attention be paid to Christians in the Middle East and in Turkey, where their population has diminished because of war and other reasons. There are significant communities living in that region since ancient times, and we are sensitive to their needs, as Armenians are among that group. We would like to add our voice in support of U.S. assistance to them and to achieve peace there.

CONCLUSION - Madame Chairwoman, on behalf of the Armenian-American community, I would like to express our deep and sincere gratitude to Congress for its assistance to Armenia and the Nagorno Karabakh Republic. Armenian-Americans remember the support the U.S. provided after the earthquake in Armenia, as Armenia moved boldly toward independence, during Karabakh’s struggle for self-preservation, and America’s proud World War I record of intervention during the Armenian Genocide. The enduring and natural bonds that exist between the U.S. and Armenia are readily apparent in Armenia’s ongoing support for America. Armenia stands at the crossroads of Europe and Asia and on the frontlines in the new war against terrorism. Armenians in Armenia and Nagorno Karabakh consider the United States a close friend, and not only because of family connections and the presence of such a large Armenian-American community. The Armenian Assembly of America greatly appreciates your attention to these very important matters and looks forward to working with the distinguished Members of the Subcommittee throughout the 111th Congress.