

Testimony on Fiscal Year 2020

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**For the United States House of Representatives Committee on Appropriations
Subcommittee on State, Foreign Operations, and Related Programs**

Mrs. Chairwoman Lowey, Mr. Ranking Member Rogers, Honorable members of the Subcommittee,

To summarize U.S. Azeris Network (USAN)'s request in FY2020 aid to Armenia and Azerbaijan as well as the Armenia-occupied Nagorno-Karabakh region of Azerbaijan, please see the chart below:

Aid	Armenia	Azerbaijan	Armenia-occupied Nagorno-Karabakh region of Azerbaijan
USAID	\$0 (zero)	\$15 mln or more	\$0 (zero)
Military	\$0 (zero)	\$1.7 mln FMF, \$1 mln or more for IMET (DoD)	Never requested, never allocated, NOT applicable

U.S. Azeris Network (USAN) promotes fair and needs-driven foreign assistance, based on three important criteria:

- 1) Allied relationship of the recipient state with the U.S, and U.S. national interests, i.e. "America First";
- 2) The recipient nation must have a demonstrated and certified necessity, and need to be able to absorb the aid;
- 3) Legality of the aid and compliance with the U.S. and international laws.

We are of opinion that there has been a great imbalance in the U.S. assistance to Azerbaijan vs. Armenia in previous years. As a victim of Armenian armed aggression and occupation, Azerbaijan has always received much less than the smaller, but militarily aggressive Armenia. According to the Congressional Research Service (CRS), since 1992 Azerbaijan has gotten a total of \$1 billion in U.S. aid, while Armenia got over \$2.2 billion. This is despite the fact that Azerbaijan is more than twice the size and population, and has several times the size of refugees/IDPs who were expelled from their homes as a result of ethnic cleansing carried out by Armenia.

Why zero-out foreign aid and military financing support to Armenia?

Armenia and International Law

Armenia has remained in military control of 16% of Azerbaijan's internationally recognized territories since the ceasefire agreement was signed in May 1994. Backed by Russia, Armenian army occupied Nagorno Karabakh region of Azerbaijan and 7 adjacent districts in 1992-1994. The UN Security Council passed four resolutions [822](#), [853](#), [874](#), [884](#) in 1993, all of them condemning Armenian aggression against Azerbaijan, demanding the withdrawal of all occupying forces, allowing the refugees to return, and reestablishment of peace. The position of the international community was reiterated in the [Resolution 1416 of the Parliamentary Assembly of Council of Europe](#) adopted on January 25, 2005, [United Nations General Assembly Resolution 62/243](#) adopted on March 14, 2008, both reaffirming "continued respect and support for the sovereignty and territorial integrity" of Azerbaijan "within its internationally recognized borders", demanding the "immediate, complete and unconditional withdrawal of all Armenian forces from all the occupied territories" of Azerbaijan and emphasizing that "no state shall render aid or assistance" to maintain the occupation of Azerbaijani territories.

Annexation of Crimea by Russia and Armenia's support

Since its independence and especially in the last two decades, Armenia has transformed itself into an open proxy state of Russia. In March 2014, Azerbaijan along with other 100 states voted in favor of the [UN General Assembly Resolution 68/262](#) - backed by the United States - reaffirming support for Ukrainian territorial integrity, while Armenia joined a number of rogue states such as North Korea, Sudan, Zimbabwe to back Russia in its territorial annexation policies. Naturally, the then U.S. Ambassador to UN, [Samantha Power expressed discontent about Armenia's rejection of international law](#) and Yerevan's siding with Moscow.

Armenian military and Yerevan's foreign policy

As member of Collective Security Treaty Organization (CSTO), run by Kremlin, Armenia gets subsidized arms deals from Moscow on sophisticated weaponry which are directed against U.S. allies: Azerbaijan, Georgia and NATO-member Turkey. By arming Armenia, Moscow has held a tight grip on Caucasus and tried to compromise pro-western Azerbaijan which has been a vital energy partner and security ally of the United States since its independence. To divert Azerbaijan from its course, Armenia with backing of Kremlin, had repeatedly [threatened](#) to launch "preemptive strikes" and "cause irreversible damage" to Azerbaijan, including striking energy infrastructure operated by Western companies. To that end, Armenia has been beefing up its military and [launched an attack](#) on Azerbaijani positions along the Line of Contact in early April 2016 while the Azerbaijani President Ilham Aliyev was in Washington attending the Nuclear Security Summit and holding meetings with President Obama, Secretary Kerry and other U.S. officials to discuss strengthening bilateral ties.

In the second half of 2016, Armenia received a \$200-million loan from Moscow which it [spent on the purchase](#) of hypersonic Iskander-M (SS-26 Stone) ballistic missiles that have a range of up to 310 mi (500 km) and can reach the energy infrastructure of Azerbaijan and strategic NATO facilities in Turkey. On October 12, 2017, Armenian and Russian officials [announced yet another \\$100-million loan](#) to Armenia for the purchase of modern weapons from Russia. The Armenia-

installed head of illegal regime in Azerbaijan's occupied territories Bako Sahakian, in turn, has stated in his [interview to Argentinian newspaper 'Clarín'](#) that *"Russia is actually helping our forces, and our officers will be trained permanently with their Russian colleagues."*

By its own choice, Armenia has become a military outpost of Russia as the only country in the greater post-Soviet periphery to do that. It hosts a Russian military base with a [lease extended to year 2044](#) and has a unified Russo-Armenian air defense. So obvious is Armenia's anti-Western position that its ex-President Serzh Sargsyan [openly declared](#) in 2015 that Armenia will *"coordinate its foreign policy with Russia"* thus rendering its ties with Washington unimportant. This message was echoed by the new Armenian leader Nikol Pashinyan who, at Russia's orders, dispatched nearly hundred military personnel to join the Russian military in Syria to aid the Assad regime and strengthen Moscow's political and military presence in the region. Russia, in turn, has repeatedly threatened Armenia's enemy Azerbaijan with force. For instance, Nikolai Bordyuzha, head of Kremlin-run an anti-U.S. and anti-NATO Collective Security Treaty Organization, stated in March 2016 that [Russia will intervene in Nagorno Karabakh conflict](#) on the side of its member Armenia. (For more facts please visit [karabakh.usazeris.org](#).)

Provisions of US laws that prohibit financial allocations to Armenia

Just like any other country, the United States [recognizes and supports Azerbaijan's territorial integrity](#) and denounces violation of international borders. Section 7069 of [H.R.2029 - Consolidated Appropriations Act, 2016](#), passed by U.S. Congress and signed the President into law in December 2015, prohibits funds from being made available to *"a government of an Independent State of the former Soviet Union if that government directs any action in violation of the territorial integrity or national sovereignty of any other Independent State of the former Soviet Union, such as those violations included in the Helsinki Final Act."*

Furthermore, Section 7070 of the Act [clearly states](#) that *"None of the funds appropriated by this Act may be made available for assistance for the central government of a country that the Secretary of State determines and reports to the Committees on Appropriations has taken affirmative steps intended to support or be supportive of the Russian Federation annexation of Crimea."*

Armenia has violated the territorial integrity of Azerbaijan, and has taken affirmative steps in supporting Russian Federation's annexation of Crimea. Therefore, based on Sections 7069 and 7070 of the [H.R.2029 - Consolidated Appropriations Act, 2016](#) (U.S. Public Law), no financial assistance to Armenia should be made available in FY2020 as it would literally constitute violation of U.S. federal laws.

Moreover, as stipulated in the "Department of State, USAID, and Treasury International Programs" section of Trump Administration's "America First" budget proposal for FY2018, the [2018 budget must refocus](#) *"economic and development assistance to countries of greatest strategic importance to the U.S. and ensures the effectiveness of U.S. taxpayer investments by rightsizing funding across countries and sectors."*

Considering the fact that Armenia is a Russian satellite with Russian troops deployed to its territory, the Armenian Commander-in-Chief [coordinates Armenia's foreign policy with Russia](#),

and that Armenia is of no strategic importance to the United States, U.S. taxpayer money should NOT be allocated to this Russian proxy.

Occupied territories as routes for illegal arms and narcotics trafficking

The US's direct assistance to the occupied Nagorno Karabakh region helps Armenia consolidate its occupation of 16% of Azerbaijani territories which serve as a black hole for drug trade, arms smuggling, proliferation of radioactive and nuclear materials and other illicit activities. 82 miles of Azerbaijani-Iranian border, which fall into the occupied territories, are used by Armenia for various illegal transfers. It's not a secret that Armenia enjoys very strong ties with Iran. As the disclosed diplomatic cables revealed in 2008, the Armenian government has been complicit in the [illegal arms re-sale to the Iranian military](#) which then transferred the weapons to the terrorist group [Hezbollah Brigades operating in Iraq](#) that used the weapons in its insurgency campaign against U.S. troops. Documents revealed that the then Minister of Defense of Armenia and later head of state, Serzh Sargsyan signed an end-user agreement for the purchase of 1,000 Bulgaria-made anti-tank RPG-22s and 260 heavy machine guns in January 2003 and then transferred them to Iran. The Armenian government was then confronted by the evidence it first denied but was eventually forced to admit.

Azerbaijani IDPs and assistance to the victims of the Nagorno Karabakh conflict

The other issue that Azerbaijani Americans have been very vocal about over the years is the US humanitarian assistance to the victims of the Azerbaijan-Armenia conflict. Regrettably, the US assistance has been solely directed to Armenia-occupied Nagorno-Karabakh region under this heading. In previous years, this issue has spurred much controversy among Azerbaijani community of Nagorno Karabakh in-exile and Azerbaijanis all over the world since it unfairly favored one side over the other.

It is noteworthy that the U.S. does not give any direct aid to similar post-Soviet ungoverned conflict zones such as Donbas and Crimea (Ukraine), Abkhazia (Georgia), South Ossetia (Georgia) and Transdnistria (Moldova), not to mention many other similar regions around the world. Then why provide any direct aid to the Armenia-installed illegal regime in Armenia-occupied Nagorno-Karabakh region of Azerbaijan?

Strategic US-Azerbaijani alliance

Energy Ties

Since the early 1990s, the United States and Azerbaijan have engaged in collaborative regional projects in the energy sector. The Baku-Tbilisi-Ceyhan (BTC) oil pipeline built to transport Azerbaijani oil to the Western markets was decisively backed by the United States. Cooperation between the United States and Azerbaijan deepened in the sphere of energy and infrastructure development as the two nations collaborated to see through realization of Baku-Tbilisi-Erzurum (BTE), Baku-Tbilisi-Akhalkalaki-Kars railway project and the important Southern Gas Corridor which will connect three natural gas pipelines (BTE, TANAP and TAP) to deliver Azerbaijani gas to the European markets by 2020. Realization of *Southern Gas Corridor* will give breathing room to America's European allies and lessen their dependence on Russia's gas monopoly of

imports. On April 2, 2014, during the EU-U.S. Energy Council meeting, former Secretary of State John Kerry underlined the importance of Southern Gas Corridor urging the timely construction of the pipelines to ensure energy security of Europe. In his statement at the beginning of June, former President Barack Obama reiterated the position of the administration on supporting the Southern Gas Corridor to bolster EU's energy security. This was followed by President Trump's letter of support addressed to participants of the International Caspian Oil & Gas Exhibition and Conference in Baku, in May 2017 which [stated](#) that the U.S. "remains strongly committed to the Southern Gas Corridor [project], and welcomes the efforts of Azerbaijan and its international partners to complete it." Washington's Acting Special Envoy and Coordinator for International Energy Affairs at the State Department Sue Saarnio reiterated the position of the White House at a press conference in Baku following Southern Gas Corridor Advisory Council's fourth ministerial meeting. It is noteworthy, that while Azerbaijan builds pro-Western and pro-U.S. energy pipelines, Armenia, at Russia's direction is negotiating to build Iran-Armenia-Russia pipeline.

Security Ties

Mutually beneficial economic relationship aside, Azerbaijan is also a steadfast partner of the United States which had committed itself to a number of U.S.-led initiatives and engagements. Azerbaijan was the first country in the former Soviet Union which immediately offered its air space and airports to its American ally after the terrorist attacks on 9/11. Under the leadership of the then President Heydar Aliyev, Azerbaijan committed itself to the War on Terror. Azerbaijani soldiers served shoulder-to-shoulder with their American counterparts in Afghanistan and Iraq, and in Kosovo's peacekeeping mission until 2008. Azerbaijan remains a vital southern route of the Northern Distribution Network (NDN) with full access to its railroads and ports, for the use by the United States military. Up to 1/3 of the non-combat material destined to coalition forces in Afghanistan have been passing through Azerbaijan.

Conclusion

Therefore, based on the facts, fundamental principles of international law and US legislative provisions presented above as well as geopolitical considerations, we believe that any US government aid to Armenia and the Armenia-occupied Nagorno-Karabakh region of Azerbaijan in FY2020 should be ceased until Armenia withdraws its troops from Azerbaijani territories and complies with all the norms and provisions of international law, including but not limited to UN Security Council resolutions 822, 853, 874 and 884. America must not extend taxpayer's money to states that work hand-in-hand with Washington's adversaries against U.S. national interests, and illegal regime on occupied territories, created by Armenia with support Russia's behest.

Similar to our request last year, for the U.S. ally Azerbaijan we are recommending \$15 million or more in Economic Support Funds, \$1.2 million or more in International Narcotics Control and Law Enforcement, \$1 million or more in International Military Education and Training, \$1.7 million for Foreign Military Financing.