

CRS Issue Brief for Congress

Received through the CRS Web

Armenia-Azerbaijan Conflict

Updated August 8, 2003

Carol Migdalovitz
Foreign Affairs, Defense, and Trade Division

CONTENTS

SUMMARY

MOST RECENT DEVELOPMENTS

BACKGROUND AND ANALYSIS

History

Warfare

Peace Process

A Cease-fire Took Effect on May 12, 1994

Armenian Perspective

Azerbaijani Perspective

Roles and Views of Others

Iran

Turkey

Russia/CIS

U.S. Policy

Executive Branch

Congress

Public

Armenia-Azerbaijan Conflict

SUMMARY

The Armenia-Azerbaijan conflict, a clash between the principles of territorial integrity and self-determination, is the longest interethnic dispute in the former Soviet Union. Ethnic Armenians, the majority in the Nagorno Karabakh region of Azerbaijan, have a different culture, religion, and language than Azeris. They seek to join Armenia or to become independent. Azerbaijan seeks to preserve its national integrity. The dispute has produced violence, mutual expulsion of rival nationals, charges and countercharges. After the December 1991 demise of the Soviet Union and subsequent dispersal of sophisticated Soviet weaponry, the Nagorno Karabakh conflict worsened, and thousands of deaths and 1.4 million refugees resulted.

In May 1992, Armenians forcibly gained control over Karabakh and appeared to attack the Nakhichevan Autonomous Republic, an Azeri enclave separated from Azerbaijan by Armenian territory. Fear of possible action by Turkey, Russia, and others led to demands for action by the Conference on Security and Cooperation in Europe (CSCE), now the Organization for Security and Cooperation in Europe (OSCE) and the United Nations.

Since 1992, the CSCE/OSCE Minsk Group mediated the dispute. In 1993, fighting escalated on Azeri territory near Karabakh and a new government in Baku could not reverse a trend of military defeats. After Armenian territorial conquests, the CSCE proposed “urgent measures” and the U.N. Security Council endorsed them — to no avail. Russia produced a cease-fire in May 1994 that has held despite violations. Intractable issues include Armenian withdrawal from Azeri territory, the Lachin corridor between Arme-

nia and Karabakh, peacekeepers, and, most of all, Karabakh’s status. In December 1996, an OSCE Chairman’s statement, supported by all members except Armenia, referred to Azeri territorial integrity as a basis for a settlement. Armenian President Ter Petrosyan accepted May 1997 Minsk Group proposals, and was forced from power in February 1998.

In November 1998, a Minsk Group proposal took Armenian views more into account. Armenia accepted it, but Azerbaijan rejected it. Armenian President Kocharian and Azerbaijan President Aliyev have met directly many times since July 1999. The October 1999 assassinations of government officials in Armenia delayed settlement efforts. Since 2002, the two presidents’ personal representatives have met with the Minsk Group co-chairs, while the presidents themselves have met on the sidelines of international conclaves. Aliyev’s illness since spring 2003 has stalled all talks. Observers generally believe that no progress would be made until after the 2003 presidential elections in Armenia and Azerbaijan, if then.

The United States is officially neutral in the dispute in part because it is a Minsk Group co-chair and mediator. Congress has tended to favor Armenia. Sec. 907 of P.L. 102-511, October 24, 1992, is a ban on U.S. aid to the Azerbaijan government aimed at pressuring it to lift its blockades of Armenia and Karabakh. Subsequent legislation modified the ban but retained it. P.L. 107-115, January 10, 2002, the foreign operations appropriations bill for 2002, granted the President authority to waive 907. The President did so in January 2002 and 2003.



MOST RECENT DEVELOPMENTS

On July 25, 2003, the chief of the general staff of the Armenian armed forces told an interviewer that Azerbaijan is unable to wage war because it lacks trained troops and hardware and that its officers know it.

On July 30, Armenia's Foreign Minister, Vardan Oskanian asserted that negotiations had not reached an impasse but broke off due to the situation ahead of the October 15, 2003, presidential elections in Azerbaijan and Azerbaijani President Haidar Aliyev's ill health. Aliyev has been hospitalized for several months. On August 5, U.S. Ambassador to Armenia John Ordway said that the United States remains committed to a peaceful resolution to the Nagorno-Karabakh conflict and would not change its approach if Ilkham Aliyev, Haidar's son, comes to power. Ilkham Aliyev was appointed Prime Minister on August 3 and will probably be the next President of Azerbaijan.

BACKGROUND AND ANALYSIS

The conflict between the Armenian desire for self-determination for Nagorno Karabakh and Azerbaijan's insistence on maintaining its territorial integrity led to war between 1988 and 1994. Thousands of deaths and approximately 250,000 Armenian and 1.1 million Azeri refugees resulted. To stop the bloodshed and contain the conflict, other nations and international organizations urged a peaceful settlement and pressed the two sides to desist.

History

The history of the Karabakh region before the Russian period is the subject of conflicting nationalist interpretations. In 1805, Russia captured the territory, and, in 1828, the Tsar created an Armenian province excluding Karabakh. The Bolshevik Revolution of 1917 provoked ethnic violence. Armenia and Azerbaijan both claimed Karabakh when they became independent in 1918. The Soviets established dominion over the two republics in 1920; each then expelled many rival nationals. Karabakh was ceded briefly to Armenia. According to Armenians, in July 1921, the Transcaucasia politburo voted to join Karabakh to Armenia. Stalin, the Soviet dictator, disagreed, he said, to advance peace between Armenians and Muslims and acknowledge Karabakh's economic tie to Azerbaijan, and reportedly to please Turkey. In 1923, the region became the Nagorno Karabakh Autonomous Oblast, part of Azerbaijan with a degree of self-rule. The 1936 Soviet Constitution continued the designation.

In 1985, Soviet President Gorbachev's policy of *glasnost* or openness unleashed long-suppressed hostility between Armenia and Azerbaijan. In 1987, Armenians in Karabakh petitioned the Soviet government to transfer the region to Armenia. Azeris who claimed they were evicted from Karabakh demonstrated in early 1988; several were killed. Azeris in Karabakh boycotted local elections and referenda. In February 1988, Karabakh called on the Armenian and Azerbaijani Supreme Soviets (parliaments) to approve the transfer. Anti-

Armenian violence erupted in Azeri cities. Before the conflict, about 140,000 Armenians and 48,000 Azeris inhabited Karabakh. Armenians have since fled or were driven from Azerbaijan and Azeris fled or were driven from Armenia and Karabakh, as well as from Azeri regions around Karabakh.

Karabakh seceded from Azerbaijan on July 12, 1988. Azerbaijan declared the act illegal according to the Soviet Union's Constitution, which stated that the borders of a republic could not be changed without its consent. Moscow imposed martial law on some areas in September and deployed Interior Ministry troops in November and army troops in May 1989. On December 1, 1989, the Armenian Supreme Soviet declared Karabakh a part of Armenia.

Figure 1. Armenia and Azerbaijan



Source: Map Resources. Adapted by CRS. (M.Chin 02/03)

The Azerbaijan Popular Front (PF) began a rail blockade of Armenia and Karabakh, restricting food and fuel deliveries. Anti-Armenian violence occurred in Baku and Sumgait in January 1990. Many Azeris died or were wounded in the ensuing Soviet army occupation of Baku. The Soviet army began to disarm militias and joined in deporting Armenians from Azerbaijan and Karabakh in spring 1991. The August 1991 Moscow coup attempt ended the ambiguous Soviet role, but also ended hope of an imposed settlement. In September, Moscow declared that it would no longer support Azerbaijani military action in Karabakh. Azerbaijan nullified Karabakh's autonomous status and declared direct rule on November 26, 1991. On December 10, 1991, a Karabakh referendum chose independence. The Nagorno Karabakh Republic officially declared independence on January 6, 1992, but it has not been recognized by any country, including Armenia.

Warfare

The breakdown of the Soviet army led to the nationalization, sale, and/or theft of arms from its installations and soldiers, enabling Armenians to obtain weapons. The December 1991 demise of the Soviet Union and the withdrawal of Soviet troops from Karabakh

(completed in March 1992) further endowed Karabakh forces with arms and prompted an early 1992 offensive. On February 26, 1992, Armenians overran Khojaly, the second largest Azeri town in Karabakh. On March 6, Azeri public outrage over Khojaly led to the ouster of the Azeri President. Turmoil in Baku provided opportunities for Armenians, who took Shusha, the last Azeri town in Karabakh on May 9. Armenians then secured Lachin to form a corridor joining Armenia and Karabakh. The fall of Shusha provoked a political crisis in Baku in which the government changed twice in 24 hours. During this melee, Armenians appeared to launch an offensive against Nakhichevan in which 30,000 people were displaced. International attention focused on the conflict. Turkey and Iran denounced Armenian "aggression" and the U.S. State Department issued a strong statement. NATO, the European Community, and the Conference for Security and Cooperation in Europe (CSCE) declared that violations of territorial integrity and use of force were not acceptable.

Azerbaijan began an offensive to reclaim Karabakh on June 12, 1992. Armenians launched a counteroffensive. By August, Azeris captured Artsvashen, a pocket of sovereign Armenia within Azerbaijan and attempted to recapture Lachin and Shusha. Many Azeri villages surrendered to an Armenian offensive in northern Karabakh in February 1993. The conflict escalated in March-April as Armenians seized Kelbajar and a swath of territory, displacing thousands of Azeris, and then attacked Fizuli and areas south of Karabakh. Armenians claimed that they had responded to an Azeri build-up. A U.S. official observed that the Kelbajar site threatened no nearby Armenian areas. On April 6, the U.N. Secretary General said that heavy weaponry used indicated more than Karabakh self-defense forces involvement, implying Armenian army participation. Armenia's Defense Minister admitted that his forces had fired on Azeri positions in Kelbajar.

As another Azeri president was deposed, Karabakh Armenians launched an offensive in the east on June 12, seizing Mardakert and Aghdam. The U.S. State Department charged that the Aghdam attack "cannot be justified on the grounds of legitimate self-defense." In August, Armenians took Fizuli and a region near the Iranian border, and moved south to seize Jebrail after Azeris fled in the face of assaults. Armenians threatened Kubatli, which was abandoned, Zangelan, and Goradiz. Iran denounced Armenian aggression, demanded withdrawal from all Azeri territory, and declared that it could not remain indifferent. Turkey issued warnings, reinforced its border, and placed troops on alert. Russia demanded that military action cease, noting that it was unjustified because Azeris were no longer a threat. Iran set up camps for 100,000 refugees in Azerbaijan and reinforced the border with army troops and Revolutionary Guards. Armenians razed Goradiz and attacked Zangelan. They reached the Aras River and took a 40 km. stretch of the Iranian-Azeri frontier. An Armenian ultimatum provoked 30,000 Azeris to flee to Iran, but most were returned to camps in Azerbaijan. Zangelan fell on October 29.

In November, new Azeri President Haidar Aliyev criticized his army, sacked commanders, and called on veterans to man the army. In December, Azeris chased Karabakh forces from mountains around Aghdam and from heights in the Mardakert region, but were unable to reclaim Fizuli. In early 1994, Azeris regained Goradiz, an area along the Iran border, and positions north of Kelbajar, but suffered heavy losses. Battles occurred at many sites. Baku blamed Armenians for bombing a Baku subway station on March 19. In April, Armenians reported Azeri air raids on Stepanakert and along the border, and heated action created 50,000 new Azeri refugees. A cease-fire went into effect in May 1994.

Peace Process

The CSCE called for a peace conference in Belarus with “Minsk Group” countries, but a conference never convened. On April 30, 1993, U.N. Security Council Resolution 822 demanded an immediate halt to hostilities, withdrawal of occupying forces from Kelbajar and other areas, and resumption of CSCE negotiations. On May 3, the United States, Russia, and Turkey proposed an implementation plan, but the parties did not agree. On July 29, Security Council Resolution 853 condemned the Armenian seizure of Aghdam and other areas, demanded an immediate cease-fire and unconditional withdrawal of occupying forces, and appealed for negotiations within the CSCE framework and directly. It urged Armenia to influence Karabakh to comply. On August 18, the Security Council demanded cessation of hostilities and withdrawal of occupying forces from Fizuli, Kelbajar, and Aghdam. It called on Armenia to use its “unique influence” to achieve that end and to ensure that forces involved were not provided with the means to extend their campaign. On October 14, Security Council Resolution 874 called for a permanent cease-fire, a withdrawal timetable, and removal of communication and transportation obstacles.

The Minsk Group did not endorse talks sponsored by Russia or Russia’s offer of troops to separate the combatants. In November 1993, it asserted that a CSCE force sent to a conflict in a CSCE area would have to be supervised by the CSCE and open to participation by all CSCE members. It called for the unconditional withdrawal from territory seized since October 21. Azerbaijan rejected the measures for failing to mention Lachin and Shusha and Karabakh Azeris’ rights, and rejected Russian troops. Armenia and Karabakh accepted a

Russian troop offer and the CSCE timetable. On November 12, Security Council Resolution 884 expressed alarm at escalating hostilities, the Armenian occupation of Zangelan and Goradiz, demanded unilateral withdrawal, and called on Armenia to use its influence to achieve Karabakh compliance and to ensure that forces were not provided with means to extend their military campaign. A November 30-December 1 CSCE meeting referred to but did not name Russia, and agreed to ensure that a third-party military role is consistent with CSCE objectives. Any action would have to respect sovereignty, have consent of the parties, and be multinational.

On February 18, 1994, the Russian Defense Minister presented a plan for a cease-fire, disengagement and withdrawal, including a leading Russian military role. He said that a summit of Russian, Armenian, and Azeri Presidents would decide Karabakh’s status, with Karabakh participating. The Azeri parliament rejected a revised version of the plan. The Russian Speaker arranged a cease-fire, called the Bishkek Protocol.

Figure 2. Nagorno-Karabakh



Source: Map Resources. Adapted by CRS. (M.Chin 02/03)

A Cease-fire Took Effect on May 12, 1994. Some argued that a May 16 revised Russian plan was designed to thwart the CSCE. The Minsk Group chairman suggested a unified CSCE/Russian approach and, in July, the Group directed him to clarify the CSCE role in Russia's plan. Azerbaijan insisted that no country provide more than 30% of the peacekeepers. A revised Russian plan called for a 3,000-6,000 man force, 60% to 90% Russian, with 254 CSCE observers to be deployed after a political agreement. Tension increased between CSCE and Russian mediators. On September 15-18, CSCE Senior Officials objected to Russia's unilateral actions and its pressure for Russian/Commonwealth of Independent States (CIS) peacekeepers, and called for "harmonization." Russia demanded a CSCE mandate for negotiations, with it having prime responsibility. The December 6 OSCE Budapest Summit directed the chairman to name a Minsk co-chair to realize full coordination. A Russian diplomat was named Minsk co-chair on January 6, 1995.

In December 1995, OSCE foreign ministers demanded more active steps, such as direct contacts. Azeri and Armenian Presidential Advisors met several times. Aliyev announced that he was prepared to grant Karabakh a "special autonomous political status" in exchange for Armenian recognition of Azerbaijan sovereignty and return of Lachin and added that Azerbaijan will never agree to Karabakh independence. Karabakh leader Robert Kocharian said that he was not interested in autonomy because Karabakh is, de facto, independent.

Armenian-Azeri differences prevented the OSCE from referring to the conflict in a final summit communique on December 3, 1996. Instead, a Chairman's statement, called **the Lisbon principles**, agreed to by all members, including the United States, but excepting Armenia, referred to Azeri territorial integrity, legal status for Nagorno Karabakh with the highest degree of self-government within Azerbaijan, and security guarantees for the Karabakh population as the basis for a settlement. Armenia charged that reference to Azeri territorial integrity predetermined the outcome of negotiations, and questioned any security guarantees provided by Azerbaijan. During a break in talks, it was revealed that the Russian military had illegally supplied arms worth more than \$1 billion to Armenia and Karabakh.

On February 11, 1997, France and the United States became joint co-chairs with Russia of the Minsk Group. On May 30-31, the co-chairs proposed that, sequentially, the Armenians cede all Azerbaijani territory outside of Karabakh and Shusha within Karabakh, OSCE peacekeepers be stationed on these lands and be responsible for security of returning Azeri refugees and the Karabakh population; Baku allow Karabakh Armenians to retain armed forces, their constitution, and flag; international mediators guarantee control of and inventory military equipment in Karabakh; Karabakh Armenians' weapons be included in Armenia's Conventional Forces in Europe Treaty quota; international forces guarantee the functioning of the Lachin corridor; Baku and Stepanakert hold talks on Karabakh status; when talks are completed, Karabakh forces be reduced to a militarized police force.

On September 27, Armenia's President Ter-Petrosyan said that the co-chairs' plan was realistic. He argued that the international community would not accept Karabakh independence or its unification with Armenia and that political status discussions had to be postponed because neither Karabakh nor Azerbaijan was ready. Armenia's Prime Minister and Defense Minister openly disagreed with Ter-Petrosyan. The debate within Armenia ended with Ter-Petrosyan's resignation on February 3, 1998.

Kocharian became Acting President of Armenia on February 4, 1998. During his presidential campaign, he outlined negotiating principles: (1) the right of the Karabakh people to self-determination, (2) guarantees of Karabakh's security, widely interpreted to include a role for Armenia, (3) a permanent geographic link between Armenia and Karabakh, i.e., Armenian retention of the Lachin corridor. Kocharian was inaugurated as President on April 9. On April 28, he met Aliyev and agreed to continue the cease-fire and negotiations. On May 7, Foreign Minister Oskanian, called on the OSCE to take a "package approach" to negotiations, whereby Karabakh forces would withdraw from some Azeri territories simultaneously with decisions on Karabakh's political status.

In November 1998, representatives of the Minsk Group co-chairs proposed a "**common state.**"¹ The Russian negotiator said that the term had been used in talks between Moldavia and Transdneister and between Georgia and Abkhazia. In those instances, breakaway regions interpreted the idea as entitling them to statehood, while Moldavia and Georgia interpreted it as grounds for regional autonomy. In both cases, talks stalemated. Azerbaijan rejected the proposal, while Armenia and Nagorno Karabakh accepted it as a basis for talks. Kocharian and Aliyev met five times in 1999, amid positive atmospherics. Their defense ministers met twice to strengthen the cease-fire. In the fall, Armenian and Azeri officials met each other and U.S. officials often, suggesting possible movement toward a settlement.

However, domestic political turmoil soon enveloped both countries. The Azeri Foreign Minister was dismissed or resigned on October 26; several presidential advisors had resigned previously, reportedly because they disagreed with compromises on Karabakh; and the political opposition stepped up its criticism of Aliyev. On October 27, gunmen killed Armenia's Prime Minister, Speaker, and six others, and took about 40 hostages. The gunmen's stated motive was unrelated to the peace talks, but the assassinations slowed them.

Kocharian and Aliyev met with the OSCE Chairman and with the foreign ministers of Russia, France, and the United States at the OSCE summit on November 18. On November 19, the two leaders met separately with President Clinton; they did not negotiate directly. On January 24, 2000, Kocharian and Aliyev met during a CIS summit in Moscow. Then Acting President Putin said that Russia is prepared to guarantee a settlement and that it stands for the "absolute recognition of territorial integrity," while Kocharian emphasized his "separate position on that issue." In a February 12 interview, Kocharian said that it was preferable for the parties involved, including Karabakh, to find a solution themselves. If they exhausted the possibilities, then they would ask the Minsk Group to step up its efforts.

While in the region from July 1 to 5, 2000, the Minsk Group co-chairs appeared to focus more on regional economic integration for confidence-building than on the peace process per

¹ In February 2001, Armenian media disclosed details about the common state peace proposal and government officials confirmed its authenticity. Under the plan, Karabakh would form a loose confederation with Azerbaijan, have internationally recognized status as a republic, a constitution, "national guard" and police, and power to veto Azerbaijani laws that contradict Karabakh's. Azeri refugees would have the right of return to Shusha in Karabakh and Armenian refugees to Shaumyan. Armenia's armed forces would return home. Those of Karabakh would withdraw from areas around Karabakh, which would become an unpopulated, demilitarized buffer zone controlled by a multi-national OSCE peacekeeping force. The United States, France, and Russia would guarantee the settlement.

se. Aliyev opposes economic ties while Armenians occupy Azeri territory. Kocharian and Aliyev met in August, September, and November. The Minsk Group co-chairs visited the region in December and, in addition to Baku, Yerevan, and Stepanakert, traveled to regions of Turkey bordering Armenia and to the Nakhichevan region of Azerbaijan. At their urging, the defense ministers agreed on additional measures to prevent breaches of the cease-fire and to maintain permanent contact. French President Chirac met with Kocharian and Aliyev in Paris on January 26, 2001, and suggested general principles for solving the conflict. These unpublished ideas are referred to as the “Paris principles.”

The Azerbaijan parliament held an unprecedented debate on the Karabakh issue on February 23 and 24, 2001. In it, Aliyev observed, “Nagorno Karabakh and Armenia are one country. They have been one country for 11 years.” He said that all proposals want to solve the problem by giving Karabakh status close to independence or complete independence, but Azerbaijan cannot agree. Aliyev insisted that the meetings between the presidents should proceed parallel with, not replace, the activities of the Minsk Group.

The two presidents met with President Chirac again in Paris, March 4-5. In June 2002, Aliyev revealed that, during these talks, it was agreed that Azerbaijan would cede control of Nagorno Karabakh and the Lachin corridor to Armenia in exchange for Armenia’s withdrawal from areas around Karabakh and a corridor through Armenia’s Meghri region, which borders Iran, to link Azerbaijan’s Nakhichevan region and the rest of Azerbaijan. But, he claimed, Armenia reneged. Kocharian denied agreeing to cede sovereignty over a Meghri corridor, but admitted that allowing Azerbaijan “unfettered access” via Meghri had been discussed. (See map in **History**, above.)

On April 3, Secretary of State Powell, as co-chair of the Minsk Group, opened talks in Key West, Florida, saying that the U.S. Administration was “prepared to accept any agreement acceptable” to Kocharian and Aliyev. The talks were held mostly by mediators meeting with the presidents separately. Details were kept confidential. News reports and officials of Armenia and Azerbaijan say that the parties discussed creating a Meghri corridor in exchange for the Lachin corridor. The talks concluded on April 6. On April 9, President Bush met the two presidents separately to encourage them to overcome differences. Secretary Powell subsequently characterized the negotiation as difficult, and said “if it is successful at the end, it will be difficult for the two presidents to present to their people.”

Minsk Group negotiators postponed talks that were to be held in Geneva in June indefinitely after concluding that the two presidents had not prepared their publics sufficiently for compromises needed for a settlement. On July 11, while in the region, the mediators said, “We are increasingly concerned that bellicose rhetoric ... only exacerbates tensions and increases the risk of renewed conflict.” They declared “calls for a military solution are irresponsible.” (The calls emanated from Baku.)

On February 13, 2002, Kocharian declared, “Nagorno Karabakh has not been and will never be a constituent part of Azerbaijan....” On February 21, Defense Minister Sarkisyan explained that this did not mean that Armenia was not ready to resolve the conflict through compromises. Yerevan would give Azerbaijan some territories in return for its recognition of the independence of Karabakh but that “peace must have guarantees and guarantors.”

After a Minsk Group co-chairs' visit March 8-10, Aliyev and Kocharian appointed personal representatives to meet every 2 or 3 months with the co-chairs. Envoys Tatul Markaryan and Araz Azimov met the co-chairs in Prague, May 13-15 and July 29-30. No progress was reported. Kocharian and Aliyev met, for the first time since November 2001, along their border on August 14. They did not report progress. Aliyev said that they "agreed that the negotiating potential has not yet been exhausted." Despite the positive atmosphere surrounding those talks, their foreign ministers exchanged bitter speeches reflecting their governments' divergent views at the U.N. General Assembly on September 15.

On September 28, Aliyev said that, on August 14, Kocharian had rejected a proposal to end the conflict by restoring a rail link between Baku and Yerevan in exchange for four Azeri districts occupied by Armenian forces (Zangelan, Kubatly, Jebrail, and Fizuli) through which the rail travels. Aliyev claimed that the rejection shows that Armenia does not need the rail link, although it complains of a blockade. Kocharian's spokesman said that the idea had not been discussed, "there was just a faint hint at it," and that the Azeris had voiced such proposals in the past, but "they were always rejected." Aliyev and Kocharian met at the CIS summit in Moldova on October 6, with no results reported. They then met on the sidelines of the NATO summit in Prague on November 22, with the Minsk Group co-chairs present. The two presidents agreed that their meetings had become a tradition, were "useful," and had made some headway, despite their being unable to report specific results. On December 6, however, their foreign ministers clashed verbally at an OSCE conference in Portugal.

The personal representatives of the presidents, met again in Strasbourg, France on January 21, 2003. Minsk Group co-chairs attended the meeting. The mediators were scheduled to visit Armenia, Azerbaijan, and Karabakh in mid-May but postponed their trip due to Aliyev's ill health. At the end of May, Aliyev was unable to attend an international conclave in St. Petersburg, where he had been expected to meet Kocharian.

On July 1, the "president" of Karabakh reiterated that the conflict could not be resolved without the Karabakh's participation. Azerbaijani Foreign Minister Quliyev responded that his government would agree to talk to "Armenians living in Azerbaijan's Nagorno-Karabakh region" only if Armenia steps aside and does not impede the talks. On July 8, the Armenian and Azerbaijani defense ministers met on the border to discuss ways to reduce tension on the border and how to end firing there.

Armenian Perspective

Armenians and Azeris have sharply contrasting views on the conflict. Former Armenian President Levon Ter-Petrosyan appeared more willing to consider Karabakh remaining in Azerbaijan than members of his own government, Armenian refugees from Azerbaijan and Karabakh, the Karabakh government, or diaspora Armenians, including many Americans. In March 1997, Ter-Petrosyan appointed Robert Kocharian, "president" of the self-declared Republic of Nagorno Karabakh (not recognized by any state, including Armenia), as his Prime Minister, largely for domestic reasons.

The Karabakh Committee, which aimed to incorporate Karabakh in Armenia, had been the nucleus of Armenia's nationalist movement and opposition to Soviet domination. Many Armenians declare unity of Armenia and Karabakh inevitable. They assume that Azerbaijan

intends to oust them from Karabakh, the way they believe it did from Nakhichevan in the 1920s. Armenia condemns Azerbaijan's "aggression," alleged "pogroms" against and expulsions of Armenians. A December 1, 1989, resolution Armenian parliamentary resolution declaring Karabakh a part of Armenia has not been rescinded. Armenia has not recognized Karabakh's independence because recognition might constitute a declaration of war on Azerbaijan with the potential to involve Turkey, which is Azerbaijan's ethnic kin and close ally. On July 8, 1991, Armenia's parliament passed a decree rejecting any international document stipulating that the NKR is part of Azerbaijan.

Armenia claims that during the war Armenians in Karabakh engaged in self-defense. The Karabakh Chief of Staff said that about 10% of his force were volunteers; other sources estimate that there were 7,000 to 8,000 volunteers. Armenia's Defense Minister affirmed a coordinating role. Armenia's Defense Minister visited Karabakh in March 1993 to review the troops; his successor had been head of the Karabakh self-defense force. A Helsinki Watch report found evidence, especially after December 1993, pointing to involvement of Armenia's military. Karabakh officials participate in sessions of Armenia's Security Council and Armenia's Foreign Ministry assists their foreign travels and contacts. Armenia furnishes military advisers, arms (including an anti-aircraft system), food and supplies, and funds to Karabakh. The Armenian diaspora provides funds and materiel. Armenia and Karabakh say that Karabakh was given some weapons from former Soviet army forces who were stationed in the region and captured more weapons from Azeris.

Armenia was frustrated by the CSCE because it appeared to put a higher premium on territorial integrity than on self-determination. Kocharian asserted that Azerbaijan will never rule Karabakh again and that only de jure recognition of Karabakh independence would provide a rapid settlement. Arkadiy Gukasyan, elected "President" of the NKR in September 1997, vowed to strive for recognition, while proposing that Karabakh and Azerbaijan become equal partners in a quasi-federated state, with Karabakh retaining limited sovereignty and delegating functions to Baku. Kocharian won the March 30, 1998, election to become President of Armenia. The question of his eligibility to run (raised because he is from Karabakh) was resolved when the Central Election Commission noted, among other factors, that Armenia's 1989 resolution reunifying Armenia and Karabakh was still in force and ignored Karabakh's 1992 declaration of independence. Kocharian participates in the peace talks directly.

As a breakthrough appeared possible in 2001, however, it became clear that there was little support among Armenians for a compromise. On April 27, 2001, all parties and groups in the Armenian parliament endorsed a statement of principles for a settlement: the unification of Karabakh with Armenia or an international confirmation of its independent status; the participation of Karabakh authorities in drafting the final settlement; a sufficient common border of Armenia and Karabakh that would guarantee the security of Karabakh; and the fixing of a border with Azerbaijan. Armenia's financial aid covers three-fourths of Karabakh's annual budget; Karabakh authorities want Yerevan to cover the whole amount.

Armenians trace U.S. policy to a need to have Turkey to counterbalance Iran. Many Armenians do not distinguish between Azeris and Turks and fear encirclement by Turkish/Islamic expansionism. They view the fight for Karabakh as one to preserve their unique Armenian Christian culture, as revenge for the 1915-18 genocide at the hands of the

Turks, and for anti-Armenian violence in Azerbaijan. Armenia has close relations with Russia, views it as a benign influence, and would welcome Russian peacekeepers.

Nagorno Karabakh was not a major issue during the March 2003 Armenian presidential election campaign. However, President Kocharian promised to achieve international recognition of Karabakh's right to self-determination and cited the value of cooperating with Azerbaijan, noting that it brought about cooperation with international organizations and relieved tension. His challenger, Stepan Demirchian, demanded that Karabakh be party to the negotiation and said that the dispute must be settled peacefully, but not at the expense of Armenian territories.

Azerbaijani Perspective

Azeris view Armenians in Karabakh as latecomers who have been the majority for "only" 150 years, or since Russia encouraged them to immigrate from Iran. Azeris consider Soviet-imposed Karabakh autonomy an insult to their territorial integrity. They contend that Azerbaijan had given up its claim to Zangezur (land bridge between Armenia and Iran) in the 1920s, balancing Armenia's loss of Karabakh. The present conflict is evidence of Armenia's "bad faith" and territorial ambitions on Nakhichevan, Karabakh, and other Azeri lands. Azeris disdain what, in their view, is Armenia's attempt to create an ethnically pure domain. They discount Armenian claims of cultural and religious repression, noting that their Turkic culture also had been fettered by Russification and communism.

Azerbaijan contends that the dispute is a domestic one which Armenia, by interfering in Azerbaijan's internal affairs, deepened into a war between two independent states. Baku is under domestic pressure to preserve its patrimony. It resisted the idea of international peacekeepers, who might lessen its sovereignty over Karabakh, until military defeats mounted. Azerbaijan said that it was willing to negotiate with Karabakh Armenians, but not the "illegitimate" NKR government, which it views as a ploy to enable Armenia to elude accusations that it seeks to annex the region. Azeri officials said that Armenia's recognition of the NKR would be a declaration of war. Azerbaijan views its blockade of Armenia and Karabakh as a suspension of economic ties prompted by aggression.

Former President Elchibey suspected that Russia was using the conflict to manipulate Azerbaijan, viewed Russia as favoring and aiding Armenia, and blamed it for his predecessor's weak defense of Karabakh. Azerbaijan's kinship with 15 million Azeris in Iran complicates ties between Baku and Teheran. Elchibey referred to all Azeris as one people, pledged to broaden ties with them, and called for the 15 million Iranian Azeris to have autonomy, leading Teheran to suspect his intentions. Azerbaijan and Iran tension also is religious. Both are predominantly Shi'a Muslim countries, but Azerbaijan favors secular government, while Iran is an Islamic Republic.

Azerbaijan's repeated setbacks in the war and economic collapse produced a mutiny led by a sacked military commander, a bungled PF government attempt to suppress the rebellion in June 1993, and a political crisis. Within weeks, former Communist Party general secretary and head of the Nakhichevan autonomous province Haidar Aliyev replaced Elchibey. Aliyev holds different views than his predecessor. He supported the CSCE peace plan, brought Azerbaijan into the CIS, and warmed ties to Moscow somewhat, by giving it a stake in Azeri

oil while trying to avoid a Russian troop presence. He would give Karabakh a status guaranteeing more rights, not independence.

Roles and Views of Others

Iran. Iran mediated in 1992, seeking to end the conflict and prevent U.S. or Turkish intervention. It wanted to contain instability to its north, enhance its regional power, appear constructive to attract Western creditors and investors, and find new markets for its goods. Iran views the Armenian-Azeri conflict partly through the prism of relations with Russia. Iran traditionally dealt cautiously with Russia and competed with it for regional influence. Russia now supplies arms to Iran, and Teheran wants to keep this link. Iran is not a member of the OSCE and, therefore, is excluded from the Minsk process.

There are about 200,000 Armenian citizens of Iran, and some hold official positions. Iran has good relations with Armenia; they signed an economic cooperation agreement and a friendship pact in 1992. Trade has flourished. The two countries plan to build a gas pipeline from Iran to Armenia. Armenia has resolved some transport problems caused by the Azeri/Turkish blockades through Iran (and Georgia). Iran's relations with Azerbaijan are more complex. In December 1989, Azeris on both sides of the international border tore down barriers to assure free passage. Although his predecessor did so, Aliyev does not question existing borders. Some Iranian clerics advocate support for Muslim Azerbaijan, but some officials fear Azerbaijan might incite Iranian Azeris (who are more numerous than Azeris of Azerbaijan). After Armenian attacks on Nakhichevan in May 1992, Iranian Azeris demonstrated and Iran accused Armenia of aggression. Iran viewed the Armenian assault on Fizuli, 18 km. from Iran, in August 1993 as a security threat that could produce a refugee influx. In June 1999, the Azeri National Security Ministry accused Iran of spying for Armenia and of training Islamist fighters to undermine the Azeri government. Iran harbors the leader of a 1995 troop rebellion in Azerbaijan and refuses to extradite him. Iran agreed in 1994 to allow Azerbaijan to open a consulate in northern Iran in exchange for an Iranian one in Nakhichevan, but it has never followed through, while Azerbaijan has done so.

Iran and Azerbaijan also have had differing views on Russia's role in their region, on Azerbaijan's relations with the United States, NATO, Turkey, and Israel, on division of the Caspian Sea, and on proposed oil pipeline routes. In late 1999, bilateral relations appeared to warm as Iran reiterated its support for Azerbaijan's territorial integrity and invited Aliyev to visit. In July 2001, however, an Iranian warship threatened an Azeri research vessel under contract to British Petroleum operating in the Caspian, an unusual incident related to the two countries' conflicting claims to the Caspian. Despite it, Aliyev visited Iran in May 2002.

Although Iran is not a member of the Minsk group, the Minsk Group co-chairs have briefed an Iranian envoy in Paris pursuant to an April 2001 offer. The State Department said that, as a neighbor of Armenia and Azerbaijan, Iran has legitimate interest in being informed about the peace process.

Turkey. Turkey has historic, linguistic, and cultural ties to Azeris and was first to recognize Azerbaijan, on November 9, 1991, prior to the December 31 end of the Soviet Union. Recognition resulted as much from Turkey's domestic politics, where Turkic pride

was ascendant, as from foreign policy considerations, and was accompanied by economic, commercial, and cultural ties.

Turkey's relations with Armenia are more complex. There are no diplomatic relations. Turkey demands Armenia's abandonment of territorial designs on Turkey (i.e., on Kars and Ardahan provinces that Lenin ceded to Turkey in 1921), of the "politicization" or internationalization of allegations of Turkey's culpability for the "genocide" of Armenians, and a Karabakh solution as preconditions for diplomatic ties. (It later added a demand for a corridor between Azerbaijan and Nakhichevan.) Landlocked Armenia needs transport links via Turkey. Ter-Petrosyan signed the Turkey-inspired Black Sea Economic Cooperation accord in June 1992, and called for bilateral relations without preconditions. A modus vivendi with Armenia would provide a bridge for Turkey to Central Asia. In November 1992, Turkey agreed to act as a conduit for international aid to Armenia. After Kelbajar fell in April 1993, however, Turkey suspended aid and foreign transit through its airspace and territory. In 1995, Armenia said that it would exclude the genocide from the bilateral agenda, if Turkey excluded Karabakh. That April, Turkey announced the reopening of an air corridor to Armenia and flights resumed in October.

The Armenian government elected in March 1998 insists that recognition of the genocide be a subject of bilateral talks with Ankara. Because Turkey denies that there was "genocide," a real warming of relations is unlikely. Nonetheless, in 2001, Armenia sent a diplomat to Istanbul accredited to the Black Sea Economic Cooperation office. And, a Turkish-Armenian Reconciliation Commission (TARC) was formed in July 2001. In December 2001, Turkish resumed granting visas to Armenians; and, in 2002, the Turkish and Armenian foreign ministers met three times. Advocates of business ties exist on both sides of the border.

Turkey tries to balance friendship with Azerbaijan and its relations with the United States, Europe, and Russia, which sympathize with Armenia. Turkish border troops were placed in a state of vigilance and reinforced in April 1993. With each Azeri setback, Turkish politicians called for increased aid and expressed outrage. They condemned Armenian "aggression" and called on Armenia to abandon what they claimed was the pretext that it was not a party to the dispute. In 1993, Turkish media reported that about 160 Turkish current and retired military officers were aiding the Azeri army and that Turkey had extended a \$30 million credit for Turkish arms to Azerbaijan. Turkey participates in the Minsk process, emphasizing the principle of territorial integrity, and calls for multinational peacekeepers under OSCE supervision.

Russia/CIS. Russia supports the Minsk process and U.N. resolutions. Initially, because it was preoccupied domestically, feared being accused of imperialism, sought influence with all Caucasians, and was wary of complicating relations with Turkey and Iran, Russia was non-interventionist. Russian mothers of soldiers forced their withdrawal from Karabakh after casualties in February 1992. Nonetheless, Moscow shares Yerevan's distrust of Turkey and aided the Armenian war effort but is fearful that the conflict could destabilize a region in which it has strong interests, particularly interests in oil and gas resources. Russian troops defend Armenia's borders with Iran and Turkey. On June 9, 1994, Armenia agreed to Russian military bases in Armenia. Yet, withdrawing Russian forces provided arms to Azeri mutineers, easing Aliyev's rise.

Russia, Armenia, Kazakhstan, Uzbekistan, Turkmenistan, and Tajikistan signed a Treaty on Collective Security on May 15, 1992, providing that, in case of an act of aggression against any state, all others will give necessary, including military, assistance. Russia condemned the May 1992 Armenian seizure of Lachin and attack on Nakhichevan, and said it would not support “such illegal action,” which it saw as a threat to regional stability. That August, Ter-Petrosyan declared that aggression had been committed against Armenia and invoked the Treaty. Moscow responded that the Treaty does not envision quick intervention and that it only planned consultations. The CIS said that the Treaty could be implemented only by a decision of all members, knowing that Central Asian signatories would not act against Azerbaijan.

Russia condemned the Armenians’ 1993 conquests, concerned that regional unrest could affect Russia’s nationalistic northern Caucasus, for example, Chechnya. Its mediation intensified that fall as it competed with the OSCE. Russia has sought to return its troops to Azerbaijan’s borders with Iran and Turkey.

On July 4, 1997, Azerbaijan and Russia signed a Treaty of Friendship and Cooperation which condemns “separatism” and promotes conflict settlements according to the principle of territorial integrity. On August 29, 1997, Armenia and Russia signed a Treaty of Friendship which describes the parties’ coincidence of military and strategic views. Both characterized it as a strategic partnership and Ter-Petrosyan said that it provides “elements of an alliance.” The Russian-Azerbaijan treaty has no comparable provisions, and Azeri officials expressed concern about what they saw as Russia’s lack of impartiality. Russia’s Foreign Minister stressed that the Treaty “is not directed against Azerbaijan” and “will never be invoked to the advantage of those opposed to Azerbaijan’s territorial integrity.”

In 1999, the Azeri Ministry of Foreign Affairs expressed concern about Russia’s stationing of S-300 surface-to-air missiles and 18 to 20 MiG-29 fighter aircraft at its bases in Armenia, which completed the integration of Russian and Armenian air defense systems. Russia reportedly also shipped Scud-B ballistic missiles and associated launchers to Armenia. The Commander in Chief of the Russian Air Force said that the S-300s are needed to protect Armenia and the CIS from Turkey and NATO. Later, the Russian Defense Minister reiterated that Russian-Armenian military cooperation is not directed against a third party. By November 11, 2000, Russia moved 76 armored personnel carriers from a base in Georgia to its base in Armenia. Armenia and Russia asserted that the hardware would not exceed Conventional Forces in Europe Treaty quotas. Azerbaijan said that it was not convinced that the Russian hardware cannot be transferred to Armenia and generally regarded Russian-Armenian military cooperation as a threat to its security and to the stability of the Caucasus.

Azerbaijan did not renew its membership in the CIS Collective Security Treaty because, it said, it could not participate in a security system in which one country (Russia) provides military support to another (Armenia) at war with a third (Azerbaijan). Azerbaijan joined Georgia, Ukraine, Uzbekistan, and Moldova in the GUUAM security and economic forum. Azeri officials suggested that Azerbaijan might host U.S., Turkish, or NATO military bases, disquieting Russia. The U.S. Ambassador in Baku restated U.S. policy of not giving military assistance to a country in conflict with another, while the NATO Secretary-General said, “we are not thinking of deploying troops in the region.”

On January 9-10, 2001, Russian President Vladimir Putin visited Azerbaijan. Aliyev returned the visit on January 24-26, 2002, agreeing to lease the Gabala radar station to Russia for 10 years and allow Russia to station 1,500 troops there. Moscow had long sought both of these concessions. The two governments agreed on the division of the Caspian Sea, and Russia dropped its opposition to the Baku-Tblisi-Ceyhan oil pipeline. Meanwhile, Azerbaijan prevented Chechens from crossing from Azerbaijan to Russia and extradited Chechens to Russia. These developments indicate a decisive warming of previously tense bilateral relations and may have implications for the peace process. Russia now cooperates constructively with the United States and France as a Minsk Group co-chair.

U.S. Policy

Executive Branch. U.S. goals in the former Soviet Union include stability, democracy, market economies, and peace among states. Conflicts in the Caucasus threaten these aims. The United States recognized Armenia (December 1991) before Azerbaijan (February 1992), because, the first Bush Administration said, Armenia had adhered to Helsinki principles earlier. Some discerned a pro-Armenia tilt and feared it would drive Azerbaijan toward Iran. But Azerbaijan's relations with Iran have been complex and the United States has been officially neutral in the dispute. The State Department preferred OSCE peacemaking to the U.N. because Iran is not an OSCE member, the U.N. is overextended and costly, and an OSCE framework might constrain Russia.

The Clinton Administration sought not to offend Armenian-Americans, while ensuring good relations with Azerbaijan to ease access for the U.S. energy industry there. As Armenians took ground and seized Karabakh, the State Department was mildly critical. State Department officials oppose restrictions on aid to Azerbaijan which they say hamper U.S. attempts to be an honest broker. (See **Congress**, below.)

The State Department was sensitive to Russian interests, saying that, with any peace plan, there will be no U.S. military presence. At a 1994 summit with President Yeltsin, President Clinton said that "the United States does not object to Russia taking an active role in the resolution of Nagorno Karabakh Russia is doing things in pursuit of stability, without being inconsistent with sovereignty and territorial integrity and independence, that were appropriate." The Clinton Administration also was concerned about spillover effects of the Karabakh conflict on U.S.-Turkish relations. In 1996 and 1997, the President determined that it was in the national interest to waive the Humanitarian Aid Corridor Act (below) and allow economic aid to Turkey. He said that U.S. relations with Turkey, a NATO ally, are important and multidimensional and should not be impeded by a single issue.

Congress. Congress tends to favor Armenia and uses foreign aid legislation to pressure Azerbaijan and, formerly, Turkey to change their policies. P.L. 102-511, October 24, 1992, **FREEDOM Support Act, Section 907**, effective January 1993, bans aid to Azerbaijan until it ceases blockades and use of force against Armenia and Karabakh. Concern over the plight of Azeri refugees and the increasing importance of U.S. investment in the Azeri energy sector led Congress incrementally to soften the ban. P.L. 103-306, August 23, 1994, called for the President to report on the impact of 907 on private voluntary organizations' (PVO) efforts to provide assistance. Members indicated that sanctions on direct U.S. aid were not intended to impede PVO humanitarian aid.

P.L. 104-107, February 12, 1996, allowed U.S. humanitarian aid to Azerbaijan if the President determined that non-governmental aid was inadequate. That law also included the **Humanitarian Aid Corridor Act**, banning U.S. economic aid to countries that prohibit or restrict the transfer or delivery of U.S. humanitarian assistance (i.e., Turkey for its “blockade” of Armenia, actually closure of the land border) unless the President determines that it is in the national interest. P.L. 104-208, September 30, 1996, said that PVOs may use Azeri government facilities to deliver humanitarian aid. It restated the Humanitarian Aid Corridor Act, made it permanent, and required the President to notify committees of his intent to waive it and of the effective date of and reason for the waiver.

P.L. 105-118, November 26, 1997, appropriated \$12.5 million in aid for victims of the Karabakh conflict for the first and only time. It explicitly exempted humanitarian aid to refugees and displaced persons from 907 to facilitate assistance to Karabakh residents and to persons displaced from regions of Karabakh. It funded reconstruction and remedial activities relating to the consequences of conflicts in the Caucasus, including Karabakh, but did not exempt reconstruction aid for Azerbaijan from 907. Exceptions to 907 were made to support democracy in Azerbaijan and for the Trade and Development Agency (TDA) and Foreign Commercial Service, both of which assist U.S. businesses. The U.S. Agency for International Development programmed \$15 million in FY1998 for health, shelter, and economic aid for victims of the Karabakh conflict: \$8.3 million for programs in Karabakh and \$6.7 million for programs near Karabakh.

P.L. 105-277, October 21, 1998, provided funds for reconstruction and activities related to the peaceful resolution of Southern Caucasus conflicts, including Karabakh, but did not earmark funds for Karabakh. Exceptions to 907 were made for activities to support democracy in Azerbaijan, the TDA, Foreign Commercial Service, Overseas Private Investment Corporation (OPIC), EX-IM Bank, and humanitarian assistance. P.L. 106-113, November 29, 1999, repeated funds for the Southern Caucasus to further the peaceful resolution of conflicts, including Karabakh. The conference report, H.Rept. 106-339, contained no earmarks for Karabakh. It said that 15% of the funds made available for the Southern Caucasus were to be used for confidence-building measures (CBMs) and activities in furtherance of peaceful resolution of conflicts, including Karabakh. Section 907 was retained with the same exceptions as in P.L. 105-277. P.L. 106-429, November 6, 2000, retained the 907 ban with exceptions as in the two prior years and earmarked 15% of aid for the Southern Caucasus for CBMs.

Proponents of lifting 907 the ban said that it had not produced an end to the Karabakh conflict, which was the cause, not result, of the Azeri blockade, and punishes victims of the conflict. Opponents argued that lifting the ban would reward a corrupt, authoritarian regime with a poor human rights record. Moreover, Armenia maintained that lifting the ban, while Azerbaijan continues its blockade, could be wrongly interpreted by Baku and negatively affect the process of settlement. Members attempted to work around the ban on aid to Azerbaijan and carved out exceptions to it that Congress has passed. Senator Brownback introduced the Silk Road Strategy Act (S. 579) on March 10, 1999, to authorize assistance to support the economic and political independence of South Caucasian and Central Asian countries. It would have allowed the President to waive 907 if he determined that assistance is “important to the national interests of the United States.” On June 30, 1999, the Senator offered the Act as an amendment to the Foreign Operational Appropriations Act, but Senator McConnell offered a secondary amendment deleting the waiver authority and it passed.

Taking a different approach, P.L. 106-280, October 6, 2000, the Security Assistance Act of 2000, Section 516, authorized security assistance for the GUUAM countries, a group of five former Soviet republics, including Azerbaijan. The conference report (H.Rept. 106-868, September 21, 2000) noted that Azerbaijan was subject to 907 but that assistance could be provided to it for anti-terrorism, non-proliferation, and export control projects. After the September 11, 2001 terrorist attacks on the United States, Senator Brownback again tried to repeal or amend 907 to enable Azerbaijan to aid the war on terrorism. On October 15, Secretary of State Powell requested support for a national security interest waiver, noting that 907 constrains U.S. ability to support Azerbaijan in the war against terrorism.

P.L. 107-115, January 10, 2002, the Foreign Operations Appropriations Act for 2002, for the first time granted the President authority to waive Section 907 if it is necessary to support U.S. efforts to counter terrorism or to support the operational readiness of the U.S. armed forces; is important to Azerbaijan's border security; and will not undermine or hamper efforts to negotiate a peaceful settlement between Armenia and Azerbaijan or be used for offense purposes against Armenia. The waiver authority may be exercised through December 31, 2002, but the President may extend it if he determines and certifies that the need continues. Within 60 days of a waiver, the President shall report on the nature and quantity of training and assistance provided to Azerbaijan; the status of the military balance between Azerbaijan and Armenia and the impact of U.S. assistance on that balance; and the status of negotiations for a peaceful settlement and the impact of U.S. assistance on those negotiations. On January 25, 2002, and again on January 18, 2003, President Bush waived Section 907. Effective March 29, 2002, the State Department removed Armenia and Azerbaijan from the U.S. Munitions List of proscribed destinations for defense sales "in our foreign policy and national security interest."

P.L. 108-007, February 20, 2003, the Consolidated Appropriations Act for FY2003, allows funding for confidence-building measures and other activities in furtherance of peaceful resolution of regional conflicts in the independent states of the former Soviet Union, specifically including Nagorno Karabakh.

The U.S. State Department said that the February/March 2003 Armenian presidential election failed to meet international standards for democratic election. The U.S. Ambassador to Armenia suggested that an election that met standards "would have put Armenia in a better position to address a broad range of problems, including Nagorno Karabakh."

Public. About one million Armenian-Americans are a well-organized and well-funded constituency. Groups include the Armenian National Committee of America (ANCA), related to the Armenian Revolutionary Federation (ARF/Dashnaks), which demands that any settlement "recognize Karabakh's reunification with Armenia or at least Karabakh's independence." It also wants some of the adjacent conquered territories, which it calls "liberated, to be part of Karabakh. Dashnak members are in the Armenian cabinet and parliament and support Kocharian. ANCA critiques congressional performance on Armenian issues. The Armenian Assembly of America (AAA) agrees with Kocharian's settlement principles and supports Armenia but does not participate in Armenia's domestic politics.